

Kratos Receives \$4.5 Million Critical Infrastructure Security Contract Award

Expected Follow-on Orders to Bring Contract Value to Approximately \$10 Million

SAN DIEGO, March 18, 2014 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Public Safety & Security (PSS) Division recently received an initial \$4.5 million contract award for the deployment of specialized security and surveillance related products, equipment, and system integration services across a large public school district located in the eastern United States. Kratos' PSS business designs, engineers, deploys and integrates into command and control infrastructure sophisticated security and surveillance systems that protect certain of our country's most important strategic assets, critical infrastructure and public venues. Additional follow-on orders are anticipated over the next 30 days that if awarded would bring the total contract value to approximately \$10 million. Due to customer specific and other considerations, no additional information will be provided related to this contract award.

Ben Goodwin, President of Kratos' PSS Division, said, "We are very pleased to have been selected for another key award in our educational vertical market, which continues to be one of the strongest areas for our business. Continuing to support our nation's school systems is extremely important to our entire organization, and we appreciate the confidence our customers have expressed in our capabilities to support their security requirements."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security technology Company providing mission critical products, services and solutions for United States National Security. Kratos' core capabilities are sophisticated engineering, manufacturing and system integration offerings for National Security platforms and programs. Kratos' areas of expertise include Command, Control, Communications, Computing, Combat Systems, Intelligence, Surveillance and Reconnaissance (C5ISR), satellite communication systems, electronic warfare, unmanned systems, missile defense, cyber warfare, cybersecurity, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technically oriented work force of approximately 3,800. The vast majority of Kratos' work is performed on a military base, in a secure facility or at a critical infrastructure location. Kratos' primary end customers are National Security related agencies. News and information are available at www.KratosDefense.com.

Notice Regarding Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of Kratos and are subject to significant risks and uncertainty, including risks related to product failure, general economic conditions and cutbacks in spending. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and Kratos undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. For a further discussion of risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Kratos in general, see the risk disclosures in the Annual Report on Form 10-K of Kratos for the year ended December 29, 2013, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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