

Kratos Awarded Contract Valued at Up to \$5 Million for Security System Installation for Education Sector Customer

SAN DIEGO, Dec. 21, 2012 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it has received a contract award with a potential value of \$5 million to deploy a specialty security system that includes surveillance and access control security elements for an existing Kratos customer. The customer making the contract award to Kratos is in the education sector and located in the northeastern United States. The requirements of the contract include the design, engineering, installation and integration of the comprehensive security system, as well as repairs, parts and preventative maintenance. Due to customer specific, security related and other considerations, no additional information will be provided relative to this contract award.

Ben Goodwin, President of Kratos' Public Safety and Security Division, said, "We are pleased to have the confidence of this important customer to continue to provide leading security system solutions at multiple locations. A key business element of Kratos' public safety and critical infrastructure security business is the continuing relationship with many of our clients, including the subsequent operation or maintenance of the security systems we deploy, which is approximately 15 percent of our overall PSS business today. Providing state-of-the-art security and surveillance solutions for the education vertical market is a key element of Kratos' PSS strategy, as with the transportation, energy, financial, port of entry and data center markets."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security technology business 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, unmanned systems, cyber warfare, cyber security, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technically oriented work force of approximately 4,400. 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.

The Kratos Defense & Security Solutions, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3519>

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 general economic conditions and cutbacks in government 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 25, 2011, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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