



## **Kratos Defense & Security Solutions Awarded \$2.9 Million Integrated Logistics/Field Engineering Technical Support Task Order**

SAN DIEGO, Sep 24, 2008 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national defense, information technology and homeland security solutions provider, today announced that its Madison Research Division has been awarded a \$2.9 million, 12-month contract from the U.S. Army on behalf of the Short Range Land Combat (SHORLAC) Systems Division of the Integrated Material Management Center (IMMC), Naval Surface Warfare Center, Crane Division. Kratos has the lead responsibility to provide continued technical and field engineering support in the operation of the Maintenance, Operations, Procedures, and Prototype (MOPP) Shop, Fire Support Team Vehicle (FISTVA) Turret, FIST Mission Equipment, Ground Vehicle Laser Locator Designator (G/VLLD), Lasers and Thermal viewers, ECU/PPU, M3P machine Gun, and SHORLAC associated systems and equipment. The Kratos support team includes Analytical Services, Inc. (ASI) and Syneren Technologies.

"We are extremely proud of our Reset Field Engineering and Readiness Assistance Support and Technical (RAST) Team in providing rapid concept-thru-prototyping technical equipment and training support of the war fighter," said Richard Selvaggio, Senior Vice President of Kratos' Madison Research Division in Huntsville, Alabama. "The Kratos MOPP Shop team has helped to establish a premier lean organization providing effective and timely systems engineering, testing, fielding, logistics, prototyping, manufacturing, and legacy weapon training for both active and reserve Army units."

"As today's announcement demonstrates, our Huntsville operation is a key component in the Company's growing Weapon Systems Life Cycle Extension and Equipment Reset business," added Kratos' President and CEO, Eric DeMarco. "This is an area where we have developed significant past performance qualifications, and it is a major part of Kratos' business strategy, which we plan to aggressively pursue in the future."

Today's announcement marks the first task order award to Kratos' Madison Research Division under its 5-year contract for the Naval Surface Warfare Center (NSWC) Crane to support the Expeditionary Warfare Systems Division, which is valued at up to \$49.9 million.

### **About Kratos Defense & Security Solutions**

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) provides mission critical engineering, IT services and war fighter solutions for the U.S. federal government and for state and local agencies. Principle services include C5ISR, weapon systems lifecycle support, military weapon range and technical services, network engineering services, advanced IT services, security and surveillance systems, and critical infrastructure design and integration. The Company is headquartered in San Diego, California, with resources throughout the U.S. and at key strategic military locations. News and information are available at [www.KratosDefense.com](http://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**

This news release contains certain forward-looking statements including, without limitation, expressed or implied statements concerning the Company's expectations regarding the amount of revenues that will ultimately be derived from the NSWC-Crane contract and whether any additional work or task orders will be issued and the amount of revenues that will be derived from additional work or tasks, if issued. Such statements are only predictions, and the Company's actual results may differ materially. Factors that may cause the Company's results to differ include, but are not limited to: risks that work under the NSWC contract will curtail, change or terminate; risks that the new business, if or when issued, may not have the scope of work anticipated by the Company; risks that integration activities related to the recent SYS acquisition will prove more costly, take more time, or be more distracting than currently anticipated; risks that the transaction will cause disruption of the Company's operations and distraction of its management; risks of adverse regulatory action or litigation; failure to ultimately settle the litigation and/or to settle the related derivative suit; risks associated with debt leverage; risks that changes or cutbacks in spending by the U.S. Department of Defense may occur, which could cause delays or cancellations of key government contracts; failure to successfully consummate acquisitions or integrate acquired operations and competition in the marketplace which could reduce revenues and profit margins. The Company undertakes no obligation to update any forward-looking statements. These and other risk factors are more fully discussed in the Company's Annual Report on Form 10-K for the period ended December 31, 2007, the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2008, and in other filings made with the Securities and Exchange Commission.

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Kratos Defense & Security Solutions

Press Contact:

Michael Baehr

858-812-7366

Investor Information:

877-934-4687

[investor@kratosdefense.com](mailto:investor@kratosdefense.com)

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