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Kratos Receives Unmanned Aerial, Ground and Sea Surface Drone System Single Contract Award With Potential Value of \$35 Million

SAN DIEGO, July 15, 2014 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Micro Systems, Inc. subsidiary of the Advanced Drone and Targets Systems (ADTS) Division recently received a five-year contract from the U.S. Army valued at up to \$34.77 million for unmanned drone system command, control and communication systems, solutions and services. Under the new award, Kratos will be issued task orders to provide engineering and technical support to develop technology and system upgrades for U.S. Army unmanned ground, sea surface, and aerial drones and target vehicles, command, and communication system electronics and related ground control stations. This new single contract award has a one base year and four option year period of performance.

The company anticipates that several task orders will be received under this contract before the end of 2014. Kratos' ADTS Division is a premier provider of high performance unmanned drone aircraft and these systems' related avionics, electronics, command and control systems, solutions, services and logistics.

Kevin Ferguson, Senior Vice President of Micro Systems, Inc., said, "Micro Systems is pleased to continue our long term relationship with the U.S. Army's Targets Management Office. We are excited about all the future opportunities this award represents. Lasting relationships such as this are an indication of the quality of our people and products."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security technology Company providing mission critical products, solutions and services 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 3,600. Substantially all 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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