



## **Kratos Defense & Security Solutions Announces New Strategic Contracts Valued At Approximately \$2.2 Million**

### **Company Extends Customer Reach With New Marine Corps Contract; Network Management Product Expands Use Into Military Operations**

SAN DIEGO, Aug 28, 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 two contract wins that present new strategic opportunities which extend the Company's customer reach and implementation to new areas within the Department of Defense.

The first contract supports the Marine Corps Systems Command's contracting environment called Commercial Enterprise Omnibus support services (CEOss). The Company will provide on-going analytical, programmatic, technical planning and logistics support to the Marine Corps Systems Command Common Computer Resources, Base Telecommunications Infrastructure program. Within this task area are requirements for acquisition planning and management, supporting program initiatives, developing documentation, and providing life-cycle software and logistics support.

The second contract supports a Department of Defense agency that has expanded its use of NeuralStar(tm) as the network management solution for a key IP-over-satellite communications program. This program calls for implementing the NeuralStar product in nine sites around the country.

"These contract wins represent strategic new pieces of business for Kratos as we seek to further migrate our services and solutions to new customers," said Howard Bates, President of Kratos' Advanced Technical Solutions Division. "The CEOss contract opens the door to new opportunities with the Marine Corps, and our existing positive relationships throughout the DoD are driving new opportunities for advanced network management products such as NeuralStar. Both of these opportunities demonstrate the synergies we are experiencing as a result of the recent mergers with Haverstick Consulting and SYS."

DTI, a business unit of Haverstick Consulting, originally won a prime contracting position in the Acquisition, Logistics and Administration domain of the Marine Corps Systems Command's CEOss Program. The contract announced today represents the first official task under this program.

The implementation of NeuralStar is part of the Department of Defense's initiative to migrate the majority of switched circuit communications infrastructure to Internet Protocol (IP) based systems. Today, NeuralStar is being used to manage essential operations of IP Modem Networks for Transformational IP Services over Transponded Satellites (TIPSOTS). Since IP was not originally designed to work over high-latency channels like satellite communication, NeuralStar's strengths in integrating data sources from heterogeneous, converged systems will allow network managers to monitor and report IP and RF (Radio Frequency) network performance and traffic statistics of multiple deployed Modem Networks. This will provide managers with the comprehensive situational awareness information required to ensure efficient use and operation of SATCOM resources.

#### **About NeuralStar(tm)**

NeuralStar is a next-generation network management platform from Kratos Defense & Security Solutions that provides the ability to manage enterprise-grade heterogeneous data, voice, video, wireless and satellite systems as a single environment. Highly flexible to meet the unique demands of strategic communications efforts, NeuralStar has been proven in some of the world's most intensive, high-security military environments, including DISA's Integrated Network Management System (INMS) where it is used to manage the Global Information Grid (GiG), as well as the Ballistic Missile Defense Agency's worldwide network. For more information about NeuralStar, visit <http://www.NeuralStar.net>

#### **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 CEOss contract award and/or NeuralStar project engagements, and whether any additional work will be issued and the amount of revenues that will be derived from additional work, if it is 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 contracts 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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