



## **Kratos Defense & Security Solutions Awarded Contract for Combat Systems Ship Qualifications Trials (CSSQT)**

SAN DIEGO, Feb 4, 2008 (PrimeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national defense and security solutions provider, today announced that it has been awarded a contract as part of a team to perform Combat Systems Ship Qualification Trials (CSSQT). Kratos, along with Epsilon Systems Solutions, Inc., will support dockside and underwater testing of combat systems on various classes of surface ships. The contract has a total approximate value of \$12 million over a one-year base period with four one-year option periods. The Kratos portion is estimated to be approximately \$5.7 million.

"This is an important initiative and demonstrates our highly-differentiated expertise in the area of combat systems test and evaluation," said Jim Savage, Senior Vice President of Business Development for Kratos Government Solutions, Inc. "This is a continuing strategic focus area of our business where we view ASW/USW programs as a critical market place opportunity in support of the U.S. Navy and the national defense of our nation. Over the last three years, we have concentrated on programs supporting the Naval Undersea Warfare Center in Keyport, Washington, and this is the fourth contract that Kratos has won in the past two years."

The Combat Systems Ship Qualifications Trials is a comprehensive test and evaluation of surface ships and their crews, which is orchestrated by a team of engineers and technicians. After new construction or conversion/modernization of a surface ship, CSSQT is conducted to ensure that the weapons and combat systems suite can perform effectively and sailors are well qualified to operate the systems. The CSSQT's overall objectives are to enhance coalition warfare and identify potential areas for improvements in systems performance.

As part of the team, Kratos will be tasked to perform a range of test and evaluation services, including a range of technical tests, data collection, validation, analysis, summary and provide conclusions and recommendations on test results.

The contract was originally awarded to WFI Government Solutions, Inc. before it changed its name to Kratos Government Solutions, Inc., a subsidiary of Kratos Defense & Security Solutions, Inc.

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

Based in San Diego, California, and located throughout the United States and at key military locations, 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. Kratos Government Solutions, Inc. is a wholly-owned subsidiary of Kratos Defense & Security Solutions, Inc. News and information is available at [www.KratosDefense.com](http://www.KratosDefense.com).

The Kratos Defense & Security Solutions, Inc. logo is available at <http://www.primenewswire.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 the Company has estimated that it will receive under CSSQT contract, including the duration of the contract, and these forward-looking statements involve risks and uncertainties. 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 concerning the actual amount of test and evaluation services that the Company will perform under the contract; risks concerning the duration of the contract; risks involving delays in or questions over payments to the Company; 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; risks regarding 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, 2006, the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2007, and in other filings made with the Securities and Exchange Commission.

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SOURCE: Kratos Defense & Security Solutions, Inc.

Ashton Partners

Press Contact:

Patrick Van de Wille

312-553-6704

Investor Contact:

Hilary Andron

877-934-4687

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

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