



## Kratos Defense & Security Files Delinquent Financial Reports for First and Second Quarter 2007 On Form 10-Q

### Company Expects to Regain NASDAQ Compliance

SAN DIEGO, Oct 5, 2007 (PrimeNewswire via COMTEX News Network) -- Kratos Defense and Security Solutions, Inc. (Nasdaq:KTOS) (formerly Wireless Facilities, Inc. Nasdaq:WFII), a leading national defense and security solutions provider, today filed its quarterly financials on Form 10-Q for the first and second quarters of 2007. Combined with the recent filing of the Company's annual financials on Form 10-K, Kratos expects that shortly it will regain listing compliance with NASDAQ.

"We are pleased to file our quarterly financials today and once again to be in compliance with NASDAQ," said Eric DeMarco, president and CEO of Kratos Defense & Security Solutions, Inc. "As we have previously indicated, these financial reports are not reflective of our current business. The reports include our discontinued operations for businesses that we have divested, a number of non-recurring charges related to our Equity Award review, and a significant amount of general, administrative, and other costs which will be eliminated or reduced over the balance of this year as we right-size our corporate infrastructure in line with our business today. While the results themselves are not representative of our ongoing operations and market focus, the filing and regaining of NASDAQ compliance represents another significant step forward in refocusing the Company."

DeMarco continued, "We sold our European, Middle Eastern and African businesses and reorganized our Enterprise business in Q1, sold our U.S. Wireless Engineering business in Q2, and sold our U.S. Wireless Deployment business in Q3. Combined, these businesses represented approximately \$200 million in revenues and approximately 1,000 employees worldwide. These divestitures resulted in a significant change to our corporate infrastructure. As a result, we are currently in the process of right-sizing from an SG&A, public company and back office cost standpoint, winning new and re-compete business, and continuing to position the Company for sustained profitability. With the completion of the transition services agreements we have in place through the end of this year, we believe we can successfully normalize the business by first quarter of 2008."

### 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 C4ISR, 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 in key strategic military locations. News and information are available at [www.KratosDefense.com](http://www.KratosDefense.com). (code: KTOS-mb)

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 anticipated filing of its delinquent SEC reports, future financial performance and cash flows and market developments that 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 that the recent divestitures and change in business focus will cause disruption of the Company's operations and distraction of its management; risks that the company's name change will cause disruption to individual and/or institutional shareholders; risks of adverse regulatory action or litigation; risk that the Company's lender will declare a default under the Company's line of credit; risks associated with debt leverage; risks that the anticipated benefits of the divestitures will not be achieved or will impact changes in the scope or timing of the Company's projects; 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, 2006, the Company's Quarterly Reports on Form 10-Q for the periods ended March 31, 2007 and June 30, 2007, and in other filings made with the Securities and Exchange Commission.

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