

Kratos Integral Systems International Selected by Boeing to Provide Turnkey Ground Segment Solution for the MEXSAT Satellite System

EPOCH IPS Fleet Management System to Support Entire Constellation of Boeing 702 and Orbital STAR2 Satellites

SAN DIEGO, April 17, 2012 (GLOBE NEWSWIRE) -- <u>Kratos Defense & Security Solutions</u>, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its <u>Kratos Integral Systems International</u>, Inc. (Kratos ISI) subsidiary has been selected by Boeing Space & Intelligence Systems (NYSE:BA) to provide the primary and backup satellite command and control systems for the MEXSAT satellite system program, including use of Kratos ISI's industry-leading <u>EPOCH Integrated</u> <u>Product Suite</u> (IPS) Fleet Management System.

Under the terms of the Purchase Contract from Boeing, Kratos ISI will provide the primary and backup satellite command & control system to support the MEXSAT-1 and MEXSAT-2 satellites. Both are Boeing 702HP satellites. When the entire system is operational, Kratos ISI will provide a single EPOCH IPS management system spanning the entire MEXSAT fleet, with the ability to control both Boeing 702HP satellites and the Mexsat-3 Orbital Star-2 satellite. The system capabilities to be provided for MEXSAT-1 and MEXSAT-2 include satellite command and control, flight dynamics and executable procedures, as well as displays to support satellite bus and payload operations. The contract with Boeing marks the 24th and 25th Boeing 702 satellite to be supported by EPOCH IPS.

The MEXSAT satellite program was awarded to Boeing Space & Intelligence Systems in December 2010 by the government of Mexico. When complete, Boeing will provide three satellites as well as a turnkey geomobile satellite ground system.

"Our long-standing reputation as the leading provider of command and control systems and support for the Boeing 702 satellite makes EPOCH IPS the ideal choice for this program," said James Kramer, Senior Vice President of Kratos ISI. "We provide a low-risk and cost-effective solution for satellite fleet management — especially when satellites from multiple providers are being used."

EPOCH IPS is an all-in-one satellite command & control and fleet management system operable from a user's desktop, making it a more efficient alternative to costly command and monitoring practices. EPOCH IPS currently supports satellite designs from every major commercial geostationary satellite manufacturer, including clients such as SKY Perfect JSAT, AsiaSat, Broadcasting Satellite System Corporation (B-SAT), Chunghwa Telecom, Indovision, KT Corporation, SingTel/Optus, Vietnam Posts and Telecommunications Group (VNPT), Intelsat, SES, Telesat, EchoStar and Hellas Sat, while government clients include the National Space Organization of Taiwan, European Organization for the Exploitation of Meteorological Satellites (EUMETSAT), NASA, the U.S. Air Force and the National Oceanic and Atmospheric Administration (NOAA), among many others.

For 30 years, Kratos ISI, a wholly-owned subsidiary of Kratos Defense & Security Solutions, has been a leading provider of satellite ground systems and has supported over 250 satellite missions for communications, science, meteorological and earth resource applications. Kratos ISI was the first company to offer an integrated suite of commercial-based software products for satellite command and control. The company's EPOCH Integrated Product Suite (IPS) Fleet Management solution is the most widely used command and control system with successful installations on five continents. Today, Kratos ISI offers turnkey ground segments solutions encompassing command and control, RF/IF equipment, satellite and terrestrial communications signal monitoring systems, equipment and network management and payload management solutions. For more information, visit www.integ.com.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security technology business providing mission critical products, services and solutions for United States National Security priorities. 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, unmanned systems, cyber warfare, cyber security, information assurance, critical infrastructure security and weapons systems sustainment. Kratos has primarily an engineering and technical oriented work force of approximately 4,000, many of whom hold an active National Security clearance, including Secret, Top Secret and higher. The vast majority of Kratos' work is performed on a military base, in a secure facility or at a critical infrastructure location. Kratos' primary end customers are United States Federal Government

agencies, including the Department of Defense, classified agencies, intelligence agencies and Homeland Security related agencies. News and information are available at <u>www.KratosDefense.com</u>.

The Kratos Defense & Security Solutions, Inc. logo is available at http://www.globenewswire.com/newsroom/prs/?pkgid=3519

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 general economic conditions and cutbacks in government 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 25, 2011, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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Source: Kratos Defense & Security Solutions, Inc.

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