



## **Kratos Recognized for Continued Successful Execution of Strategy to Build Premier C5ISR Focused Engineering, Technology and Products Based National Security Business**

SAN DIEGO, Dec. 29, 2011 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it was nominated for two separate awards: the 2012 Information Technology (\$100 million and over) Award and the 2011 Middle Market Deal of the Year (\$250-\$400 million) Award at the 10<sup>th</sup> Annual M&A Advisor Awards Gala held on December 13, 2011 at the New York Athletic Club in New York, NY. The event was hosted by Bloomberg Senior Markets Desk Reporter Julie Hyman.

Kratos was nominated for both awards specifically for the acquisition of Herley Industries, Inc. Herley is a leader in the design, development and manufacture of microwave technology products and solutions primarily for the defense and aerospace industries worldwide. Herley's products support and are included in some of the United States' most important National Security related programs and platforms. Based in Woburn, MA, Herley, which has been integrated into and is part of Kratos Weapons Systems Solutions Division, has seven manufacturing locations and approximately 1000 employees. Additional information about the company can be found on the Internet at <http://www.herley.com/>.

In addition to being nominated for two 2011 M&A Advisor awards, Kratos was also recognized for winning the 2009 Turnaround of the Year Award at the M&A Advisor Deals of the Decade Celebration held on December 12, 2011 at the Museum of American Finance.

James Cotter, Division Senior Vice President, Strategy and Corporate Development, commented, "Kratos is always pleased to be recognized by the M&A community for our efforts in completing transactions and integrating leading businesses like Herley into Kratos. Herley's microwave and other specialty products are used in a growing number of critical U.S. platforms and systems, including the EA-18G Electronic Attack Aircraft and various Ballistic Missile Defense Programs."

Eric DeMarco, Kratos' President and Chief Executive Officer, noted, "We are very pleased to be recognized again by M&A Advisor for the continued execution of our strategic business plan to build the premier C5ISR focused engineering, technology and specialty products based National Security Solutions provider in the industry. These nominations recognize the success of the Kratos M&A Team and, equally importantly, the Kratos integration team, in identifying, acquiring and successfully integrating businesses aligned with both our strategy and mission critical National Security priorities. The acquisition of Herley, along with Herley's outstanding management team and skilled employee base, was another significant step for Kratos as we continue to build the premier National Security Products, Solutions and Services business."

### **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 3,900, 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 [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**

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 26, 2010, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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