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Kratos Receives High Performance Unmanned Aerial Drone System Contract Award

Contract Award Calls for Delivery of Multiple High Performance Jet Powered Unmanned Aerial Drone Aircraft

SAN DIEGO, Nov. 30, 2016 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Unmanned Systems Division (USD) has recently received a contract award for multiple high performance jet powered unmanned aerial drone target systems. USD is a leading provider of high performance jet powered unmanned aerial drone target systems used for training, exercising, testing and development of the United States and allied foreign militaries weapon systems. USD is also a leading provider of high performance, jet powered unmanned combat aerial systems (UCAS) to be used for force multiplication, amplification and loyal wingman purposes. The unmanned target drone systems to be provided under this contract award will be produced in a secure USD manufacturing facility. Due to customer related and other considerations, no additional information will be provided related to this contract award.

Jerry Beaman, President of Kratos' Unmanned System Division, said, "Our entire organization is proud to have our high performance target drone systems selected by this important customer for training, exercise and test of their radar and related combat systems."

Eric DeMarco, President and CEO of Kratos, said, "Over the next 24 months we are expecting Kratos Unmanned Systems Business to approximately double in size as a result of target drone programs we currently have under contract, certain of which are expected to begin initial production in the first half of 2017. Additionally, if we are successful with our tactical unmanned combat aerial system programs also currently under contract, we believe that we could significantly exceed this growth expectation for our Unmanned Systems Business."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a mid-tier government contractor at the forefront of the Department of Defense's Third Offset Strategy. Kratos is a leading technology, intellectual property and proprietary product and solution company focused on the United States and its allies' national security. Kratos is the industry leader in high performance unmanned aerial drone target systems used to test weapon systems and to train the warfighter, and is a provider of high performance unmanned combat aerial systems for force multiplication and amplification. Kratos is also an industry leader in satellite communications, microwave electronics, cyber security/warfare, missile defense and combat systems. Kratos has primarily an engineering and technically oriented work force of approximately 2,800. Substantially all of Kratos' work is performed on a military base, in a secure facility or at a critical infrastructure location. Kratos' primary end customers are National Security related agencies. News and information are available at www.KratosDefense.com.

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. 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. Although Kratos believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. 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 27, 2015, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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