



October 29, 2013

Kratos Awarded \$14.5 Million Contract to Establish Center for Educator Effectiveness

SAN DIEGO, Oct. 29, 2013 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) announced today that it has received a contract award valued at \$10.5 million, with optional tasking for an additional \$4 million, to support the U.S. Department of Education's Teacher Incentive Fund (TIF) Center for Educator Effectiveness (the Center). As the prime contractor, Kratos will lead the team to establish a newly designed Center as the premier resource for the education field.

The Center will enhance and sustain implementation of human capital management systems, which provide the framework for states and school districts to improve their workforce. In addition, the Center will grant stakeholders 24-hour access to peer networks, resources and other instructional tools.

The TIF program will support the development and identification of effective educators to ensure that the most capable teachers and principals are serving where they are most needed. Kratos will provide resources to local education agencies to assist them in implementing performance-based compensation systems that align with the agency's vision of instructional improvement and educator evaluation.

"Kratos is pleased to have been selected by the Department of Education as the prime contractor for this work," said Laura Lanier, Director of Education Services for Kratos. "This is a testament to our team's success in building initiatives that offer quality technical assistance to educators and solutions for implementing human capital management systems."

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a specialized National Security technology Company providing mission critical products, services and solutions for United States National Security. 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, electronic warfare, unmanned systems, missile defense, cyber warfare, cybersecurity, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technically oriented work force of approximately 3,900. 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 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, including risks related to product failure, general economic conditions and cutbacks in 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 30, 2012, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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