



Kratos CEO Receives Corporate Turnaround Executive Award

SAN DIEGO, Jun 29, 2009 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading national security, information technology and public safety solutions provider, today announced that its CEO, Eric DeMarco, has received the Corporate Turnaround Executive Award from The Global M&A Network. The award recognizes accomplishment in successfully transforming a significantly troubled company, or a business in a materially deteriorating industry, market or environment, into a growing and profitable business than can deliver on long term growth value to its shareholders.

The strategic and immediately financially accretive acquisitions of SYS Technologies and Digital Fusion over the past twelve months have completed a transformation for Kratos from a \$250 million revenue and unprofitable commercial wireless infrastructure provider in a rapidly commoditizing, declining and deteriorating market, to a leading, profitable, mid-tier National Security, Information Assurance and Technology, Public Safety and Security Solutions provider.

For the fiscal first quarter ended March 29, 2009, Kratos generated revenues of approximately \$84 million, an increase of 23 percent over the prior year, cash flow generated from operations of \$7 million, a fifth sequential quarter of improved EBITDA profitability, and a year over year EBITDA profitability increase of 73 percent. At March 29, 2009, Kratos had approximately 2,200 employees, the majority of which hold national security clearances, contract backlog of approximately \$700 million, a qualified bid and proposal pipeline of approximately \$1.5 billion, and expected 2009 revenues of approximately \$370 million.

Eric DeMarco, President and Chief Executive Officer of Kratos, said "We are pleased that The Global M&A Network has recognized our team's accomplishments. Kratos, through the resolve and vision of its Board of Directors and Leadership Team, has effectively executed on its strategic plan over the past few years, and I am proud that our team's hard work has resulted in a company which is quickly becoming a leading, mid-tier provider of National Security, Homeland Security, and Public Safety and Security solutions and services to the U.S. government and other agencies and organizations. We believe Kratos is closely aligned with current and anticipated defense and national security priorities, and we look forward to continued success as an organization and for all of our stakeholders."

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. Principal services include C4ISR, weapon systems sustainment, military weapon range operations and technical services, network engineering services, information assurance and cybersecurity solutions, security and surveillance systems, and critical infrastructure design and integration. The Company is headquartered in San Diego, California, with resources located throughout the U.S. and at key strategic military locations. News and information are available at 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

This news release contains certain forward-looking statements including, without limitation, expressed or implied statements concerning the Company's expectations regarding anticipated revenues and market developments. 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 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; risks of adverse regulatory action or litigation; failure to ultimately settle ongoing litigation; and risks associated with debt leverage. 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 29, 2008, the Company's Quarterly Report on Form 10-Q for the period ended March 30, 2009, and in other filings made with the Securities and Exchange Commission.

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