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Kratos Receives \$11.45 Million Contract to Provide Electronics for Critical U.S. Ballistic Missile Program

SAN DIEGO, July 30, 2012 (GLOBE NEWSWIRE) -- Kratos Defense and Security Solutions (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Herley Industries, Inc. subsidiary has received a contract valued at \$11.45 million from a major prime contractor for the continuing production of electronic hardware for a critical U.S. ballistic missile program. No additional details are being provided due to customer and other sensitivities.

Richard F. Poirier, President of Herley, commented, "My congratulations go to the team at Herley Lancaster and its General Manager, Howard Eckstein, on this significant contract. The award includes hardware used for tracking, flight safety and multi-stage flight test instrumentation. Herley developed and produces the flight instrumentation equipment and has supported this program for a number of years. We are very proud of Herley Lancaster's significant contribution to this important U.S. missile program, and we anticipate that our strong relationship with our customer will continue."

Herley Industries, Inc. is a leader in the design, development and manufacture of microwave technology solutions for the defense, aerospace and medical industries worldwide. Based in Woburn, MA, Herley has seven manufacturing locations and approximately 1000 employees. Additional information about the company can be found on the Internet at <http://www.herley.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. 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, cybersecurity, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technical oriented work force of approximately 4,400, 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.

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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