



January 17, 2013

Kratos Awarded \$18 Million Contract for Municipal Transportation Security and Surveillance System

Kratos to Design, Engineer, Deploy and Integrate Into Command and Control Network Critical Infrastructure Security System

SAN DIEGO, Jan. 17, 2013 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it has received an \$18 million single award contract to design, engineer and deploy a specialty security system for one of the largest municipalities in the United States, located in the Northeast. The security system, which will include hundreds of mobile surveillance cameras, will provide critical infrastructure security for a large transportation network and will be integrated into a command and control system. Due to customer specific, security related and other considerations, no additional information will be provided relative to this contract award.

Ben Goodwin, President of Kratos' Public Safety and Security division, said, "The award to Kratos of this major critical infrastructure security deployment is representative of the professionalism of every member of the Kratos PSS Team, the outstanding job they are doing serving our customers and their outstanding reputation in the industry. Kratos PSS customers are security and safety oriented, being primarily Critical Infrastructure, Strategic Asset, Transportation, Energy, Education, Healthcare or Financial in nature, and are typically not funded by the U.S. Federal Government. Kratos' PSS division has recently been generating organic growth of approximately 20 percent, and this significant municipal transportation security contract award is an outstanding way for our organization to begin 2013."

Eric DeMarco, President and CEO of Kratos, said, "Strategically, Kratos has been focused on building our non U.S. Government or DoD security business over the past few years and diversifying our overall customer base, and Kratos' PSS business is representative of the successful execution of this strategy, representing approximately 20 percent of Kratos' overall annual revenues. Additionally, we have internally been working a new initiative where Kratos' cyber security business, with its proprietary software products and solutions, is now being offered to our PSS critical infrastructure customers in addition to our traditional National Security Agency customers, and we have recently been awarded our first significant cyber related contract in this area."

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, cyber security, information assurance, and critical infrastructure security. Kratos has primarily an engineering and technically oriented work force of approximately 4,400. 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.

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.

CONTACT: Press Contact:

Yolanda White

858-812-7302 Direct

Investor Information:

877-934-4687

investor@kratosdefense.com



Source: Kratos Defense & Security Solutions, Inc.

News Provided by Acquire Media