

Kratos to Complete Development and Fielding of RAIDRS System for Air Force Space Command and Missile Systems Center

Award Adds \$9.9 Million to Satellite Command and Control Contract

SAN DIEGO, Jan. 17, 2012 (GLOBE NEWSWIRE) -- <u>Kratos Defense & Security Solutions, Inc.</u> (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its Integral Systems subsidiary executed a contract modification with the Air Force Space Command (AFSPC) and Missile Systems Center (SMC) to complete development and fielding of RAIDRS Block 10 (RB-10). The modification resulted in an additional contract value of \$9.9 million on the RAIDRS contract.

The Rapid Attack, Identification, Detection and Reporting System (RAIDRS) program supports the U.S. Air Force's Space Superiority Objective. RAIDRS Block 10 supports the Defensive Counter Space (DCS) initiative for Air Force Space Command (AFSPC) to detect, characterize, report and geolocate potential attacks against U.S.-protected communication satellites. When complete, RAIDRS will provide worldwide, real-time event detection and characterization of Electromagnetic Interference (EMI) from multiple transportable end nodes to a single control location. RAIDRS has already established its Central Operating Location (COL) at Peterson AFB and has broken ground on three of its five worldwide nodes.

"This action represents a significant milestone in the RAIDRS program by establishing the contractual foundation for Kratos to deliver the Final Operational Capability (FOC) to the Air Force to meet AFSPC's Defensive Counterspace Mission Requirements," said Bob Wright, Senior Vice President, Kratos Integral Federal Solutions group. "We are extremely proud that we will continue to serve the Air Force by protecting critical satellite communications links."

Kratos is the prime contractor for the RB-10 program. RB-10 uses Commercial Off-the-Shelf (COTS) hardware and software components from Kratos' Integral Systems companies, including signal processing products from RT Logic, Monics® Satellite Carrier Monitoring/Interference Detection software from SAT Corporation, and the Compass Enterprise Management System from Newpoint Technologies.

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 priorities. 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 communications systems, unmanned systems, cyber warfare, cyber security, information assurance, critical infrastructure security and weapons systems sustainment. Kratos has primarily an engineering and technical oriented work force of approximately 4,100, 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 26, 2010, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos. CONTACT: Press Contact:

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