



Kratos Defense & Security Solutions Awarded Fully Funded \$7.8M Task Order to Support the Aegis Ballistic Missile Defense (BMD) Program

SAN DIEGO, Jul 26, 2010 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, today announced the award of a \$7.8 million fully funded task order under the U.S. Army Multiple Award Contract (MAC) for Theoretical Studies and Engineering Research. The Naval Surface Warfare Center Port Hueneme Division White Sands Detachment (NSWC PHD Det WS) has a requirement to engineer, integrate and flight test a family of sub-orbital rockets to be used as diagnostic, tracking and target vehicles for various National Security missions. These vehicles are known as Aegis Readiness Assessment Vehicles (ARAVs). Under this new Task Order Award, the Rocket Support Services (RSS) Business Unit of Kratos, through its contract with NSWC PHD Det WS, will manufacture and deliver 12 Oriole rocket systems, which are used in the ARAV-B type target mission configuration. Prior to this award, Kratos has previously delivered 24 similar Oriole rocket systems to the NSWC in support of the Aegis BMD Program. This new order of Oriole rocket systems is scheduled to be manufactured and delivered to NSWC over a 20 month period. Kratos was previously awarded a \$100 million MAC for Theoretical Studies and Engineering Research contract under which this new task order has been awarded.

"We are extremely pleased to continue our support of NSWC to provide an affordable solution to meet Aegis BMD requirements," said David Carter, President of the Defense Engineering Solutions Division of Kratos, which includes the RSS Business Unit.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) provides mission critical products, services and solutions for United States National Security. Principal products, services and solution offerings relate to and support C5ISR, weapon systems sustainment, military weapon range operations and technical services, network engineering services, information assurance and cyber security solutions, security and surveillance systems, and critical infrastructure security system 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 the amount of revenue that will ultimately be recognized under the contract described in this release. 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 the customer will curtail or delay the work under the contract; risks of adverse regulatory action or litigation; risks associated with debt leverage; 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; and failure to successfully consummate acquisitions or integrate acquired operations and competition in the marketplace which could reduce revenues and profit margins. 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 27, 2009, the Company's Quarterly Report on Form 10-Q for the period ended March 28, 2010, and in other filings made with the Securities and Exchange Commission.

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