



U.S. Department of Education Awards Kratos \$1.7M Contract to Improve Reading Instructional Practices and Enhance Teacher Professional Development

SAN DIEGO, June 30, 2011 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it has received a follow-on contract supporting the Student Achievement in Reading (STAR) project from the Office of Vocational and Adult Education (OVAE), U.S. Department of Education (ED). The contract is valued at over \$1.7 million and will provide the resources necessary to help STAR partner states expand and sustain evidence-based reading instruction for intermediate-level adult learners.

"This is the fifth contract awarded to Kratos to support STAR, which underscores the Department's trust and confidence in our ability to manage this project. We are proud to once again support their efforts to improve instructor effectiveness and learner outcomes," said Phil Carrai, President of the Kratos Technology & Training Division. "Ultimately, this project will improve teacher quality and provide effective classroom literacy instruction to intermediate-level adult readers. Kratos has supported STAR since its inception in 2002."

Using evidence-based reading instruction (EBRI), STAR aims to improve the quality of reading instruction through teacher training and professional development. Over the next 36 months, Kratos will work in partnership with ED to enhance the capacity of 19 partner states to provide high quality EBRI to state and local Adult Basic Education programs. Kratos will enhance EBRI implementation by conducting individualized state diagnostic assessments, developing customized training and technical assistance, creating a menu of activities for teachers and trainers, and developing an active community of practice.

Kratos has a long-standing relationship with ED and has supported numerous agencies including the Office of Elementary and Secondary Education, the Office of Special Education and Rehabilitative Services, the Office of Vocational and Adult Education, and the Office of Postsecondary Education. Additionally, Kratos has supported high-profile ED initiatives including the National School-to-Work Office, the Smaller Learning Communities Program, America's Career Resource Network, Policy to Performance, the Adult Basic Education to Postsecondary Education initiative, and English Language Learner University (ELL-U).

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), 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 3,900, the majority of which 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, without limitation, 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 the Company 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.

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Source: Kratos Defense & Security Solutions, Inc.

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