

Kratos Receives \$32.8 Million Sole Source Award to Provide Subscale Targets, Logistics and Technical Support to the U.S. Air Force

SAN DIEGO, Jan. 23, 2013 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that its subsidiary Composite Engineering, Inc. (CEI) received a \$32.8 million sole source option award to provide 28 BQM-167A Air Force Subscale Aerial Targets (AFSAT), as well as twelve additional months of logistics and technical support, to the AFSAT Program Office. Early deliveries may commence in late 2013, and the last delivery will occur no later than mid-2015. The option award is the last and final delivery of the AFSAT Lots 6-10 effort.

Glenn Wells, Sr. Vice President and General Manager of CEI, said, "We are excited to provide these targets and services to the USAF as we prepare to support the upcoming AFSAT Lots 11-15 sole source procurement. We are honored to provide products that enable the USAF Aerial Targets Program Office to utilize reliable and realistic targets that help hone the skills of our military pilots and aircrew."

Richard Selvaggio, President of Kratos' Unmanned Solutions Systems division, commented, "The USAF is one of the most technologically advanced and sophisticated air forces in the world, and we continue to supply leading edge potential adversary threat representation to them. CEI is a fully integrated aerial vehicle and drone manufacturer, from ground stations to command and control equipment to turnkey aircraft."

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.

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