



Kratos Receives Deal of the Year Award for Acquisition of Gichner Holdings, Inc.

2010 Acquisition Significantly Enhanced Kratos Positioning on Numerous Unmanned Aerial System, C5ISR and Asymmetric Warfare Programs

SAN DIEGO, June 8, 2011 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it received a 2011 Deal of the Year award at the M&A Advisor 6th Annual Middle-Market Financing Awards Gala held on May 16, 2011 at the Drake Hotel in Chicago, IL. The event was hosted by FOX Business Network reporter, Jeff Flock.

Kratos was awarded the 2011 Acquisition Financing Deal of the Year in the Industrial Manufacturing/Distribution Sector, specifically for the acquisition of Gichner Holdings Inc. Gichner, which Kratos acquired in 2010, is a leading designer, engineer, manufacturer, and integrator of specialized products, solutions, support equipment, subsystems, modular containers and shelters for the U.S. military, its allies, and leading defense contractors. Many of Gichner's products include High Altitude Electromagnetic Pulse Protection and Radio Frequency Interference shielding and other specialized protective technology. Gichner products are integral in the support, operation and protection of numerous unmanned aerial system platforms, intelligence, surveillance and reconnaissance platforms, the reset and sustainment of combat and weapons systems, and the protection of military personnel, electronic systems and other systems deployed in some of the world's harshest environments. Gichner products are also a key element of U.S. military strategy to transition to a more expeditionary and asymmetric warfare capable force.

Ed Lake, Executive Vice President, Mergers and Acquisitions of Kratos Government Solutions Segment, commented, "Kratos is extremely pleased to be recognized by the M&A community for our efforts in identifying and completing transactions with premier businesses aligned with Kratos' strategy. Key to the success of this transaction was the support provided to the Kratos Team by Jefferies & Co., KeyBanc and B. Riley & Co. LLC in executing on the \$225 million Secured Notes offering which proceeds were used to complete the transaction. Gichner's specialized shelters, containers, products and solutions are used in numerous mission critical programs including multiple Unmanned Aerial Systems, C5ISR systems and the Navy's DDG-1000 and Littoral Combat Ship platforms. In addition, these products have potential application to other key programs including Aegis Ballistic Missile Defense and U.S. Border Security."

Eric DeMarco, Kratos' President and Chief Executive Officer, noted, "We are very pleased to be recognized by The M&A Advisor for the continued successful execution of our strategy in building the premier National Security Solutions provider. This award recognizes the success of Kratos Management in identifying and completing transactions with companies that will immediately contribute to our financial performance and expand markets for our existing products and services; particularly where these products and services are aligned with mission critical National Security priorities. Gichner's President, Tom Mills and his entire management team and the Gichner employee base are just outstanding individuals and assets not only to Kratos, but also to United States National Security, and Tom's business is expected to continue its greater than 10 percent organic growth trajectory as it is well positioned on several mission critical National Security priority areas. I want to specifically thank the Jefferies, KeyBanc and B. Riley Teams for an outstanding job in supporting Kratos with this transaction."

B. Riley and Company acted as exclusive financial advisors to Kratos on the Gichner strategic acquisition. B. Riley also acts as Kratos advisor on critical strategic planning, capital structure planning, capital raising and the execution of Kratos' business plan. B. Riley's Founder and Chairman, Bryant Riley leads the B. Riley Team in working directly with Kratos' leadership and executive management.

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, statements regarding the services provided under the awarded contracts and anticipated customer relationships. 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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