

Kratos Awarded Contract Valued at \$49 Million to Provide Army Aerial Target Systems Services

SAN DIEGO, Sept. 5, 2012 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that the Kratos prime team is one of four awardees for the U.S. Army Aviation and Missile Command (AMCOM) Aerial Target Systems Services contract for the Program Executive Office for Simulation, Training and Instrumentation (PEO STRI), Project Office for Instrumentation, Targets and Threat Simulators (PM ITTS) Target Management Office (TMO) at Redstone Arsenal, AL.

Kratos will have the opportunity to supply aerial target services, including research, development, test and evaluation (RDT&E); production and provision of materials; technical flight and field support; and logistical support for the aerial target programs managed by the TMO. The overall five-year contract ceiling is valued at \$49 million, and task order competition will occur for each contract action. In addition to Kratos' business units Madison Research, MSI, and DEI, the team includes recently acquired Composite Engineering Inc. Additional teammates include 5-D Research, Advanced Rotocraft, AMTEC Corporation, Analytical Graphics, Meggitt, Torch Technologies, Viking Aerospace, and Wyle/CAS.

Jennifer Price, Senior Vice President of Madison Research, stated, "We are extremely proud of our highly qualified team and its comprehensive technical capabilities, unmatched subject matter expertise, and numerous years of experience in building and modifying Targets and Targets Systems and Subsystems as well as providing service and support in these same areas. We have worked hand in hand with TMO since 1987 and welcome the opportunity to provide continued support to this exceptional organization."

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, cybersecurity, 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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