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Kratos Awarded \$5 Million Contract to Supply Next Generation Modem for USAF Space-based Infrared System Program

Software-defined Modem from RT Logic Features Frequency Hopped Uplink for Protected Communications

SAN DIEGO, CA, January 09, 2012 – [Kratos Defense & Security Solutions, Inc.](#) (NASDAQ: KTOS), a leading National Security Solutions provider, announced today that its [RT Logic](#) subsidiary has been awarded an initial contract valued at approximately \$5 million by Lockheed Martin Information Systems & Global Solutions to supply the U.S. Air Force (USAF) with the Space-based Infrared System (SBIRS) Enhanced Multi-Band Modem (SEMM). SEMM is based on RT Logic's industry-leading [Telemetry® 400XR \(T400XR\)](#) software-defined receiver and digital processing unit.

The USAF's SBIRS satellites provide the nation with significantly improved missile warning capabilities and simultaneously support other critical missions including missile defense, technical intelligence and battlespace awareness.

RT Logic's solution simultaneously transmits and receives data from the SBIRS satellite on multiple radio links. In addition, the SEMM provides protection against jamming through an integrated frequency hopped subsystem provided by the Secure Satcom Systems division of Astrium Limited. RT Logic's rugged CompactPCI® (cPCI) hardware and flexible Telemetry software-defined architecture ensures the modem will support not only current requirements but also future upgrades and enhancements.

John Monahan, President of RT Logic, stated, "The SEMM leverages RT Logic's decade-long support of the SBIRS ground system combined with advances in our T400XR product line and our partnership with Astrium to provide an unmatched modem solution. We are proud to be working closely with the USAF and Lockheed Martin to supply these advanced modems for a program of such national importance."

“This award reinforces Kratos’ continued partnership with the U.S. military to design and manufacture critical specialized components that provide strategic and tactical situational awareness to the National Command Authority and the warfighter,” said Phil Carrai, President of Kratos Technology and Training Solutions. “RT Logic’s industry-leading signal processing modems are already used by a majority of the U.S. Government’s space programs. The SEMM furthers this footprint in the areas of missile warning, missile defense and battlespace characterization.”

RT Logic, a subsidiary of Kratos Defense & Security Solutions, Inc., is a world leader in the design, engineering, manufacturing and deployment of systems and subsystems supporting ground-to-space and ground-to-air communication links. RT Logic's primary customers include leading defense contractors, the U.S. military and its allies. Since RT Logic’s founding in 1997, over 4,000 Telemetry systems have been supplied and are supporting over 80 percent of the nation’s space missions from factory test, to launch, to on-orbit operation. For more information on RT Logic and its industry-leading signal processing products and solutions, please visit www.rtlogic.com.

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), satellite communication systems, 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 4,000, many 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.

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 system performance. 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 26, 2010, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.