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Kratos Awarded \$6.2 Million Contract Modification to Expand Global Satellite RF Interference Monitoring For U. S. Department of Defense

SAN DIEGO, Oct. 24, 2016 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, announced today that it received a Joint Functional Component Command for Space (JFCC Space) contract modification to expand RF monitoring, interference detection and geolocation services to now include all Department of Defense (DoD) leased Ku and C-band commercial bandwidth worldwide, and X-band geolocation in select locations. DoD relies on commercial bandwidth to support critical mission needs, including reconnaissance, surveillance and broadband communications between commanders and field units. The contract modification is valued at \$6.2 million.

A component of the U.S. Strategic Command (USSTRATCOM), JFCC Space is responsible for executing continuous, integrated space operations to deliver theater and global effects in support of national and combatant command objectives. This includes monitoring and protecting the commercial satellite bandwidth leased by DoD.

Kratos currently provides RF services for the Central Command (CENTCOM) and Pacific Command (PACOM) Areas of Responsibility (AORs). The contract modification expands Kratos' services to include the four remaining geographic COCOMs: European Command (EUCOM), Northern Command (NORTHCOM), Africa Command (AFRICOM) and Southern Command (SOCOM). In addition to expanding geographic coverage and infrastructure, Kratos will provide event and trend analysis of Space Situational Awareness (SSA) information for contracted DoD leased commercial bandwidth.

Kratos delivers these services from an infrastructure that comprises an extensive global network of RF monitoring and interference detection sensors and geolocation systems serving a broad range of commercial and government clients. To provide the DoD with the increased worldwide coverage, Kratos will significantly expand its current infrastructure. The upgraded configuration will add seven new worldwide monitoring sites, host more than 60 antennas and provide visibility to over 50 satellites, 100 beams and 200 transponders. Additionally, Kratos will add X-band geolocation capability, particularly suited to military requirements, greatly increasing the ability to support geolocation tasking on commercial and military X-band satellites in key areas of the world.

The services are anchored around Kratos' Monics®, the industry-leading carrier monitoring product and satID®, its highly accurate geolocation system. "Monics uses a high-speed digital signal processing capability that makes carrier measurements against a monitoring plan, so that we are notified whenever there is any change to our customer's terminals or bandwidth. satID is a highly accurate system where we typically see results within 5km of the interference location," Greg Caicedo, Kratos' Vice President who oversees the program, explained.

"Our program with JFCC Space is a prime example of the increasingly important concept of government agencies utilizing commercial managed services so uniformed personnel can focus their attention on critical mission-related activities. With commercial services, the power of the market helps to keep costs down for the government. The program also demonstrates the growing interest and potential of closer military-commercial partnerships in all aspects of space operations," said Phil Carrai, President of Kratos Technology and Training Division.

About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a mid-tier government contractor at the forefront of the Department of Defense's Third Offset Strategy. Kratos is a leading technology, intellectual property and proprietary product and solution company focused on the United States and its allies' national security. Kratos is the industry leader in high performance unmanned aerial drone target systems used to test weapon systems and to train the warfighter, and is a provider of high performance unmanned combat aerial systems for force multiplication and amplification. Kratos is also an industry leader in satellite communications, microwave electronics, cyber security/warfare, missile defense and combat systems. Kratos has primarily an engineering and technically oriented work force of approximately 2,800. Substantially all 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

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. 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. Although Kratos believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. 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 27, 2015, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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