



## **Kratos Defense & Security Solutions Receives \$2.85 Million Electronic Modular Enclosures (EME) Order for DDG 1000 Zumwalt-Class Destroyer**

SAN DIEGO, Oct 14, 2010 (GlobeNewswire via COMTEX News Network) -- Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), a leading National Security Solutions provider, today announced that its Gichner Shelter Systems Business Unit in Dallastown, Pennsylvania received a \$2.85 million order for three additional Electronic Modular Enclosures (EMEs) from Raytheon Integrated Defense Systems.

Kratos is currently under contract to Wenzlau Engineering to deliver 32 EMEs to Raytheon in support of the production of the first two DDG 1000 Zumwalt-class destroyers. The three additional EMEs are being produced on a direct contract to Raytheon in support of the U.S. Navy Self Defense Test Ship program. The new order increases the total number of EMEs that will be produced and delivered from the Dallastown facility to 35. The EMEs provide isolation for shock, vibration, and electromagnetic interference in addition to supplying power, cooling, and security for Zumwalt Commercial-Off-The-Shelf (COTS)-based Mission System Equipment. The EMEs are a lower cost approach in shipbuilding that enables over 200 individual COTS electronics cabinets to be fully integrated and tested as sub-systems before being delivered as stand-alone EMEs to the shipyard. This approach provides substantial savings in electronics packaging, shipbuilding, and shipboard integration and reduces shipyard production cycle times.

Under the U.S. Navy's DDG 1000 Detail Design and Integration contract awarded in 2005, Raytheon Integrated Defense System serves as the prime mission systems equipment integrator for all of the leading-edge electronic and combat systems for the Zumwalt-class destroyer program.

Commenting on Gichner's role in the DDG 1000 program, Gichner's President Thomas Mills said, "I am proud of Gichner's partnership with Raytheon on this critical program that is radically changing the nature of naval ship design. The DDG program has provided Gichner an opportunity to continue to strengthen our great working relationship with Raytheon, and I am proud of Gichner's ability to ensure mission and delivery requirements."

The DDG 1000 Zumwalt-class destroyer is America's next generation, multi-mission, naval destroyer. Zumwalt's advanced mission capabilities give the ship unprecedented versatility in a variety of operational environments and dramatically reduce manning requirements. The open architecture design enables commonality across the U.S. Navy's entire family of ships, which will pay dividends for years to come.

### **About Kratos Gichner Systems Group**

Gichner Systems, the most recent addition to the Weapons Systems Solutions Division of Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS), is a leading designer, engineering, manufacturer and integrator of tactical and other shelters, products, solutions, modular containers, subsystems and support equipment for the U.S. military, its allies, and leading defense prime contractors. Gichner products protect military personnel as well as electronic and other systems from the environment during transport and operation in some of the world's harshest environments. Gichner provides turn-key systems that are "rack ready" for the installation of its customers' electronic systems and service, maintenance, reset and repair of existing shelter and containerized systems.

### **About Kratos Defense & Security Solutions**

Kratos Defense & Security Solutions, Inc. (Nasdaq:KTOS) is a United States National Security Solutions provider. Kratos provides Mission Critical Products, Solutions and Services for United States National and Homeland Security. Principal areas of expertise include C4ISR, sensor development, unmanned system solutions and support, weapon systems upgrade and sustainment; design, engineering, manufacturing and integration of military products, tactical and other shelters; military weapon range operations; critical network engineering services; information assurance and cybersecurity solutions; security and surveillance systems; and critical infrastructure security system design, integration and operation. The Company is headquartered in San Diego, California, with resources located throughout the U.S. and at key strategic military locations. News and information are available at [www.KratosDefense.com](http://www.KratosDefense.com).

The Kratos Defense & Security Solutions, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=3519>

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This news release contains certain forward-looking statements including, without limitation, expressed or implied statements concerning the Company's expectations regarding the amount of revenue that will ultimately be recognized under the contract described in this release. Such statements are only predictions, and the Company's actual results may differ materially. Factors that may cause the Company's results to differ include, but are not limited to: risks that the customer will curtail or delay the work under the contract; risks of adverse regulatory action or litigation; risks associated with debt leverage; risks that changes or cutbacks in spending by the U.S. Department of Defense may occur, which could cause delays or cancellations of key government contracts; failure to successfully consummate acquisitions or integrate acquired operations and competition in the marketplace which could reduce revenues and profit margins. The Company undertakes no obligation to update any forward-looking statements. These and other risk factors are more fully discussed in the Company's Annual Report on Form 10-K for the period ended December 27, 2009, the Company's Quarterly Report on Form 10-Q for the period ended March 28, 2010, and in other filings made with the Securities and Exchange Commission.

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