



... committed to excellence.

We are pleased to announce that on August 11, 2010, we executed an agreement to merge DEI Services Corporation (DEI) with Kratos Defense & Security Solutions (Kratos). This means that we will be operating as a key unit of this fast growing, publicly-traded (NASDAQ: KTOS) leader in the Defense and Government Solutions industry.

This agreement represents a strategic step in our companies' common vision to support well-trained, high performance Warfighters for the U.S. and our allies. DEI has enjoyed a superb 14 years as an independent company within the Simulation industry, but we now feel that for the benefit of our customers and staff, we need a strong partner to take us to the next level and ensure we are positioned to provide the same level of quality service and products. Kratos has a broad portfolio of services in the Workforce Learning & Performance field including capabilities in Organizational Development, Workforce Planning, Learning & Performance Solutions and Acquisition Services Support. This will help us provide more complete solutions anchored by DEI's deep experience in designing and development of military training and simulator systems.

The merger also means that we will become an even more solid business partner. The combined company is a solid mid-tier corporation with over \$400 million in revenue, wielding the resources, mass and technology to be a trusted solutions provider for the long term. Kratos is one of the fastest growing companies in our industry and we could not have chosen a more forward-thinking or reliable company with which to join forces. You can learn more about Kratos at <http://www.KratosDefense.com>.

We wanted to get this news out to you as soon as possible. We look forward to speaking with you in the near future with more details about this relationship and the benefits it will bring to you as an industry partner moving forward, including;

- Additional security and stability as a well-funded, growth-oriented public corporation
- New service offerings across the Learning and Performance spectrum
- Added expertise in cutting-edge technologies, learning theory and creative design
- A broader collection of alliances and working partner relationships
- Additional flexible contract options, and
- Stronger back-office, certification, management support, and compliance capabilities

If you have any questions, please contact William Patton, VP 407-678-3388 ext. 124 william.patton@deicorp.net or David Miller, Manager, Business Development 407-678-3388 ext 118 david.miller@deicorp.net