

Mercury Systems Receives \$3.9M Initial Contract Award From US Navy for DRFM Jammers

CHELMSFORD, Mass., September 30, 2013 (GLOBE NEWSWIRE) -- Mercury Systems, Inc. (Nasdaq:MRCY) (<u>www.mrcy.com</u>), a best-of-breed provider of commercially developed, open sensor and Big Data processing systems for critical commercial, defense and intelligence applications, announced that its Mercury Defense Systems (MDS) subsidiary has received a \$3.9 million initial contract award against its 5 year sole source basic ordering agreement (BOA) to deliver advanced Digital RF Memory (DRFM) jammers to the U.S. Navy. The order is expected to be shipped by the end of Mercury's fiscal 2015 third quarter.

The jammers will be delivered to the US Navy at Pt. Mugu, Calif., in support of training asset requirements. Through this and subsequent BOA contract awards, MDS and the US Navy will continue development of state-of-the-art techniques and target generation capabilities in conjunction with the advanced DRFM architecture developed under a prior Small Business Innovation Research (SBIR) Phase II.5 award previously issued to KOR Electronics, now Mercury Defense Systems.

"This initial production contract award solidifies MDS's commitment to the advancement of DRFM hardware and software subsystems in support of the warfighter," said Kevin Carnino, President, Mercury Defense Systems. "Our advanced jammers provide U.S. aircrews with exposure and training to ensure that the first time they encounter advanced electronic attack capabilities it is not in an actual combat environment. These jammer capabilities are critical for continued U.S. air superiority."

For more information on Mercury Defense Systems, visit defense.mrcy.com or contact Mercury at (866) 627-6951 or info@mrcy.com.

Mercury Systems — Innovation That Matters[™]

Mercury Systems (Nasdaq:MRCY) is a best-of-breed provider of commercially developed, open sensor and Big Data processing systems, software and services for critical commercial, defense and intelligence applications. We deliver innovative solutions, rapid time-to-value and world-class service and support to our prime contractor customers. Mercury Systems has worked on over 300 programs, including Aegis, Patriot, SEWIP, Gorgon Stare and Predator/Reaper. We are based in Chelmsford, Massachusetts. To learn more, visit www.mrcy.com.

Forward-Looking Safe Harbor Statement

This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the products and services described herein. You can identify these statements by the use of the words "may," "will," "could," "should," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in the U.S. Government's interpretation of federal procurement rules and regulations, market acceptance of the Company's products, shortages in components, production delays due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and divestitures or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, changes to export regulations, increases in tax rates, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2013. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

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