



Communications & Power Industries Completes Acquisition of Malibu Research Associates

PALO ALTO, Calif., August 10 /PRNewswire-FirstCall/ -- Communications & Power Industries, Inc. (CPI), a leading provider of microwave, radio frequency, power and control solutions for critical defense, communications, medical, scientific and other applications, has completed its acquisition of Malibu Research Associates, Inc., a leader in the design, manufacture and integration of advanced antenna systems for radar, radar simulators and telemetry systems, as well as for strategically vital data links used in ground, airborne, unmanned aerial vehicles (UAV) and shipboard systems.

Under the terms of the acquisition, which was previously announced on June 28, 2007, CPI, a subsidiary of CPI International, Inc. (Nasdaq: CPII), purchased all outstanding common stock of Malibu Research Associates, a privately held company, for approximately \$22.0 million in cash. The acquisition was funded entirely from CPI's cash on hand. CPI has agreed to make up to \$15.0 million in additional earnout payments, which are primarily contingent upon the achievement of certain financial objectives over the three years following the acquisition. Malibu Research Associates will remain headquartered in Camarillo, Calif., where it will operate as an independent division of CPI. The division manager of Malibu Research Associates will report directly to Bob Fickett, president and chief operating officer of CPI.

The acquisition will expand CPI's product offering to both new and existing customers in the radar, electronic warfare and communications markets. Malibu Research Associates' customers include major aerospace and defense contractors and government agencies. Its current programs include advanced antenna solutions for the airborne and ground nodes of the tactical common data link (TCDL) network for various platforms, including UAVs. TC DL is a high-bandwidth digital data link that transmits and receives real-time command and control, intelligence, surveillance and reconnaissance data between manned and unmanned airborne platforms and their associated ground-based and ship-based terminals.

"We look forward to working with the team at Malibu Research Associates to manufacture and distribute their cutting-edge radar and communications products using CPI's established production capabilities and extensive global sales channels," said Joe Caldarelli, chief executive officer of CPI. "This acquisition furthers CPI's goal of providing complementary, technologically advanced products and services to our existing markets and customers, while gaining innovative technology and exciting opportunities for future growth."

The acquisition is expected to be slightly accretive in fiscal 2008, excluding the impact of purchase accounting, and increasingly accretive in fiscal 2009.

About CPI International, Inc.

CPI International, Inc., headquartered in Palo Alto, California, is the parent company of Communications & Power Industries, Inc., a leading provider of microwave, radio frequency, power and control solutions for critical defense, communications, medical, scientific and other applications. Communications & Power Industries, Inc. develops, manufactures and distributes products used to generate, amplify and transmit high-power/high-frequency microwave and radio frequency signals and/or provide power and control for various applications. End-use applications of these systems include the transmission of radar signals for navigation and location; transmission of deception signals for electronic countermeasures; transmission and amplification of voice, data and video signals for broadcasting, Internet and other types of communications; providing power and control for medical diagnostic imaging; and generating microwave energy for radiation therapy in the treatment of cancer and for various industrial and scientific applications.

Certain statements included above constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements provide our current expectations, beliefs or forecasts of future events. Forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual events or results to differ materially from the results projected, expected or implied by these forward looking statements. These factors include, but are not limited to, competition in our end markets; our significant amount of debt; changes or reductions in the U.S. defense budget; U.S. government contracts laws and regulations; changes in technology; the impact of unexpected costs; inability to obtain raw materials and components; and currency fluctuations. These and other risks are described in more detail in our periodic filings with the Securities and Exchange Commission. As a result of these uncertainties, you should not place undue reliance on these forward-looking statements. All future written and oral forward-looking statements attributable to us or any person acting on our behalf are

expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We undertake no duty or obligation to publicly revise any forward-looking statement to reflect circumstances or events occurring after the date hereof or to reflect the occurrence of unanticipated events or changes in our expectations.

SOURCE CPI International, Inc. - 08/10/2007

CONTACT:

Amanda Mogin, investor relations of CPI International, Inc.,

+1-650-846-3998, amanda.mogin@cpii.com

Web site: <http://www.cpii.com>