



CPI International Retires Additional \$18 Million of Debt

PALO ALTO, Calif., Sept 30, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- As part of its ongoing debt reduction program, CPI International, Inc. (Nasdaq: CPII), the parent company of Communications & Power Industries, Inc. (CPI), has recently made additional principal payments totaling \$18.0 million on its senior term loan. As of the end of fiscal 2009, CPI International will have \$195.0 million in aggregate principal amount of debt outstanding.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20060426/CPILOGO>)

During fiscal 2009, CPI International has retired a total of \$30.75 million of aggregate principal amount of debt, consisting of payments of \$22.75 million on its senior term loan and repurchases of \$8.0 million of CPI's 8% Senior Subordinated Notes.

"Despite the challenging economy in fiscal 2009, CPI International has remained a reliably profitable company and continues to generate positive free cash flows that have equaled or exceeded our earnings, on a last-12-months basis, since the second quarter of fiscal 2008. During this past year, we have made the retirement of debt one of our highest priorities for that cash flow," said Joe Caldarelli, chief executive officer. "As a result, we have been able to retire more than \$30 million in debt during the year. We are quite proud of this achievement, and debt repayment will remain a priority for us as we continue to generate cash in fiscal 2010 and beyond."

In fiscal years 2008 and 2009, CPI has made principal debt payments totaling more than \$50 million, or approximately 20 percent of the company's total aggregate indebtedness at the start of fiscal 2008.

CPI defines free cash flow as net cash provided by operating activities minus capital expenditures and patent application fees.

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, transmit and receive 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 commercial and military 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; the impact of a general slowdown in the global economy; our significant amount of debt; changes or reductions in the U.S. defense budget; currency fluctuations; U.S. government contracts laws and regulations; changes in technology; the impact of unexpected costs; and inability to obtain raw materials and components. 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.

<http://www.cpii.com>

Copyright (C) 2009 PR Newswire. All rights reserved