



## **Communications & Power Industries Receives Two Defense Contract Awards Totaling Up to \$13.5 Million**

PALO ALTO, Calif., Sept. 18 /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 received two defense contract awards totaling up to \$13.5 million, including a \$9.7 million indefinite-delivery/indefinite-quantity award to support a radar system and a \$3.8 million award to support an airborne towed decoy system. Work on both contracts will be performed at CPI's Microwave Power Products Division in Palo Alto, Calif. CPI is a subsidiary of CPI International, Inc. (Nasdaq: CPII).

The \$9.7 million indefinite-delivery/indefinite-quantity contract award was granted by the U.S. Air Force for the repair and replacement of hybrid traveling wave tube and klystron, or twystron, technology in support of a high-power radio frequency amplifier for the TPS-75 radar system. Under the terms of the contract, CPI will provide repair services for up to 150 twystrons for the TPS-75 radar system over a five year period. The firm- fixed-price contract was awarded to CPI by the 84th Combat Sustainment Wing at Hill Air Force Base, Utah.

"CPI's twystron is a critical element of the TPS-75 radar system, which is the backbone of the U.S. Air Force's air defense system," said Bob Fickett, president and chief operating officer of CPI. "We are pleased to have a long- term role in supporting the sustainment of this important radar system." The TPS-75 radar system is a mobile, tactical radar system capable of providing azimuth, range, height and Identification Friend or Foe (IFF) information for an area of 240 nautical miles. This transportable radar system provides long- range radar data to support operations and control of tactical aircraft, and presents "real-time" radar airspace pictures and data via radio, telephone, microwave relay or satellite communications link.

The \$3.8 million contract award is for the production of traveling wave tubes to be used in the ALE-50 towed decoy system. The contract was awarded by Raytheon Company's Electronic Warfare Systems organization in Goleta, Calif.

The ALE-50 system has played a key role in aircraft self-protection for several military conflicts and is currently operational on F-16, B-1B and F/A- 18 aircraft. CPI has been producing traveling wave tubes (TWTs) for the system since 1992. The production contract calls for the delivery of TWTs through September 2008.

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, our ability to consummate the described bank financing on reasonable terms, 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. - 09/18/2007

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