



CPI Commences Tender Offer for up to \$58 Million of its Floating Rate Senior Notes Due 2015

PALO ALTO, Calif., July 2 /PRNewswire-FirstCall/ -- CPI International, Inc. (Nasdaq: CPII), 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, has commenced a cash tender offer for up to \$58.0 million in aggregate principal amount of its Floating Rate Senior Notes due 2015 (Notes). The tender offer is being made upon the terms and conditions set forth in the Offer to Purchase dated July 2, 2007 (Offer to Purchase) and the related Letter of Transmittal. CPI International (CPI) intends to take advantage of market conditions and interest rates to refinance the Notes, a step that would allow CPI to reduce its overall interest cost. Concurrently with the commencement of the tender offer, Communications & Power Industries, Inc., CPI's wholly owned subsidiary, also is seeking to enter into amended or new senior credit facilities pursuant to which, among other things, it would have the ability to borrow additional funds. The initial borrowing under the new senior credit facility would be used to refinance Communications & Power Industries, Inc.'s existing senior credit facility and pay the tender offer consideration.

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

Under the terms of the offer, CPI is offering to purchase a portion of the outstanding Notes for a consideration of \$1,030.00 per \$1,000.00 principal amount of Notes (Purchase Price). Holders who tender on or prior to 5:00 p.m. (EDT), on July 16, 2007, the Early Tender Date, will receive a total consideration of \$1,032.50 per \$1,000.00 principal amount of Notes tendered (Total Consideration), which includes an early tender premium of \$2.50 per \$1,000.00 principal amount of Notes tendered (Early Tender Premium). Holders who tender after 5:00 p.m. (EDT), on July 16, 2007 will receive only the Purchase Price, but not the Early Tender Premium. In each case, Holders that validly tender their Notes will receive accrued and unpaid interest from the last interest payment date to, but not including, the settlement date of the offer. The tender offer will expire at 12:00 midnight (EDT) on July 30, 2007, unless extended or earlier terminated.

If the aggregate principal amount of Notes validly tendered exceeds \$58.0 million, CPI will accept Notes for purchase on a pro rata basis based on the principal amount of Notes tendered. In the application of the proration calculation for the tender offer, CPI will round the principal amount of Notes to be accepted for payment from each Holder down to the nearest \$1,000.00. CPI will return to Noteholders any Notes not accepted for purchase due to proration.

The tender offer is contingent upon the satisfaction of certain conditions, including Communications & Power Industries, Inc. entering into amended or new senior credit facilities providing for a term loan of \$100 million, a revolving facility of \$60.0 million and borrowing initial gross proceeds of at least \$100 million under these new senior credit facilities on or prior to the settlement date. If any of the conditions are not satisfied or waived by CPI, CPI is not obligated to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any tendered Notes, and may even terminate the tender offer. Full details of the terms and conditions of the tender offer are included in the Offer to Purchase. Requests for documents may be directed to Global Bondholder Services Corporation, the Information Agent and Depository, at (866) 807-2200 or (212) 430-3774. CPI has retained UBS Securities LLC to act as Dealer Manager for the tender offer. Questions regarding the Offer may be directed to UBS Investment Bank at (888) 722-9555, Ext. 4210.

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.

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(CPII)

CO: CPI International, Inc.; Communications & Power Industries

ST: California

IN: CPR

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