



CPI International and Communications & Power Industries Announce Receipt of Required Consents in Consent Solicitation for 8% Senior Subordinated Notes and Floating Rate Senior Notes

PALO ALTO, Calif., Jan. 28, 2011 /PRNewswire/ -- Communications & Power Industries, Inc. ("CPI"), a subsidiary of CPI International, Inc. ("CPII" and, together with CPI, the "Issuers"), announced today that, as of 5:00 p.m. New York City time, on January 27, 2011, holders of (i) approximately 61.2% of the outstanding principal amount of CPI's 8% Senior Subordinated Notes due 2012 (CUSIP No. 20338CAE4) (the "8% Notes") and (ii) 100% of the outstanding principal amount of CPII's Floating Rate Senior Notes due 2015 (CUSIP No. 12618MAB6) (the "FR Notes," and, collectively with the 8% Notes, the "Notes") have validly tendered their Notes and have validly delivered the requisite consents for the proposed amendments to the indentures governing the Notes in connection with the previously announced cash tender offers and consent solicitations for such Notes (the "Offer"). CPII's common stock trades on the Nasdaq Global Select Market under the symbol "CPII."

(Logo: <http://photos.prnewswire.com/prnh/20060426/CPILOGO>)

The consents received exceed the percentage needed to approve the proposed indenture amendments. The terms of the Offer are detailed in the Issuers' offer to purchase and consent solicitation statement dated as of January 13, 2011.

Based on the consents received, the Issuers will enter into supplemental indentures that will, among other things, eliminate most of the restrictive covenants and certain events of default contained in the indentures and waive any and all defaults resulting from the consummation of the merger and financing arrangements described below that become operative upon consummation of the Offer. Consummation of the Offer is subject to the satisfaction or waiver of a number of conditions, including consummation of the proposed merger between CPII and Catalyst Acquisition, Inc. ("Catalyst") or satisfaction of CPII and Catalyst that the merger will occur and satisfactory financing arrangements in at least an amount that will be sufficient to purchase the Notes tendered in the Offer or redeemed thereafter, pay for the delivered consents, repay all outstanding bank debt of CPI, pay the consideration to the CPII stockholders in connection with the merger and pay all costs and expenses associated with the foregoing transactions.

The Offer will expire at 12:00 midnight, New York City time, on February 10, 2011, unless extended (such date and time, as they may be extended, the "Expiration Time") or terminated by the Issuers. Notes tendered and consents delivered pursuant to the Offer may no longer be withdrawn or revoked. Holders that tender their Notes after 5:00 p.m., New York City time, on January 27, 2011 and prior to the Expiration Time will be eligible to receive only the purchase price of \$973.50 per \$1,000 principal amount of the Notes, plus accrued and unpaid interest. Subject to the satisfaction of the conditions set forth in the offer to purchase and consent solicitation statement, the Issuers expect to consummate the Offer on February 11, 2011. The applicable Issuer will pay the total consideration for such Notes on a business day it selects thereafter.

UBS Investment Bank is acting as the dealer manager, D.F. King & Co., Inc. is acting as the information agent, and The Bank of New York Mellon Trust Company, N.A. is acting as the tender agent and paying agent for the Offer. Requests for documentation should be directed to D.F. King & Co., Inc. at (800) 488-8035 (toll free) or (212) 269-5550 (for banks and brokerage firms). Questions regarding the tender offer and consent solicitation should be directed to UBS Investment Bank, acting as dealer manager and consent solicitation agent, at (888) 719-4210 (U.S. toll-free) or (203) 719-4210 (collect), attention: Liability Management Group.

This announcement is not an offer to purchase, a solicitation of an offer to purchase or a solicitation of consents with respect to any Notes. The Offer is being made solely by the Offer to Purchase, which sets forth the complete terms and conditions of the tender offer and consent solicitation.

About CPI International, Inc. and Communications & Power Industries, Inc.

CPI International, Inc., headquartered in Palo Alto, California, is the parent company of Communications & Power Industries, Inc., a 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.

This press release contains forward-looking statements, within the meaning of securities laws, that relate to future events or our future financial performance. In some cases, readers can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties, which could cause actual results to differ materially from the results projected, expected or implied by the forward-looking statements. These risk factors include, without limitation, risks associated with: the amount of Notes tendered and the satisfaction of the conditions of the Offer and the consent solicitation; our ability to consummate the merger; competition in our end markets; our significant amount of debt and our ability to refinance our debt; changes or reductions in the United States defense budget; currency fluctuations; goodwill impairment considerations; customer cancellations of sales contracts; U.S. Government contracts; export restrictions and other laws and regulations; international laws; changes in technology; the impact of unexpected costs; the impact of a general slowdown in the global economy; the impact of environmental laws and regulations; and inability to obtain raw materials and components.

We are under no duty to update any of the forward-looking statements after the date of this press release to conform such statements to actual results or to changes in our expectations. The information in this press release is not a complete description of our business or the risks and uncertainties associated with the Offer and the consent solicitation. Please refer to CPI International's Annual Report on Form 10-K for the fiscal year ended October 1, 2010, as amended, for more detailed information regarding these risks, uncertainties and assumptions.

SOURCE CPI International, Inc.

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