



Communications & Power Industries Receives Award of up to \$10.6 Million for NULKA Decoy System

PALO ALTO, Calif., July 9, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- 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 a \$10.6 million indefinite-delivery/indefinite-quantity contract award from the U.S. Navy for production of traveling wave tubes to support the NULKA decoy system. CPI is a subsidiary of CPI International, Inc. (Nasdaq: CPII).

Under the contract, CPI will provide traveling wave tubes to the U.S. Navy and the Canadian government to support the NULKA decoy system. Work on the contract will be performed at CPI's Microwave Power Products Division in Palo Alto, Calif. and is expected to be completed by June 2011. The firm-fixed-price contract was awarded to CPI by the Crane Division of the Naval Surface Warfare Center in Crane, Ind.

"This contract is a testament to the strength of CPI's track record as a trusted partner on the NULKA decoy system," said Bob Fickett, president and chief operating officer of CPI. "CPI has been the sole-source provider of traveling wave tubes for the NULKA decoy system since the system's inception, and more than 700 NULKA decoys have been produced to date."

The NULKA decoy system is a shipborne system that uses rocket-propelled, active expendable decoys to provide protection against anti-ship missiles. Once launched, the decoy hovers in the air to seduce enemy missiles away from their intended targets.

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.

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