



July 2, 2012

CPI International Completes Acquisition of Codan Satcom

PALO ALTO, Calif. - July 2, 2012 - CPI International Holding Corp. and its wholly owned subsidiary CPI International, Inc. (CPI) have successfully completed their acquisition of the Codan Satcom business from Codan Limited (ASX: CDA) for a payment of \$9 million in cash, subject to certain adjustments. Codan Satcom designs and manufactures solid-state radio frequency subsystems for satellite communications services to commercial and government customers.

The acquisition, which is expected to contribute approximately \$20 million in annual sales to CPI, was funded entirely from cash on hand. CPI has agreed to make additional earnout payments to Codan of up to \$4.5 million if certain financial and other objectives are achieved in the next two years.

The Codan Satcom business, which consists of operations based in Newton, South Australia and the Locus Microwave operations based in Boalsburg, Pennsylvania, will be integrated into CPI's Communications & Medical Products Division in Ontario, Canada. Over an approximately nine-month period, CPI will relocate the Australian-based operations, which design and manufacture C-band and Ku-band subsystems and block-up converters (BUCs), to its existing Canadian facilities. CPI is also establishing an engineering center in South Australia for a number of key research and development personnel from these operations. The Pennsylvania-based Locus Microwave operations, which design and manufacture X-band and Ku-band BUCs, primarily for military communications applications, will remain in their current location and will be operated under the name "CPI Locus Microwave." Over time, CPI expects to increase the scope and capabilities of the CPI Locus Microwave operations.

The acquisition of Codan Satcom expands CPI's portfolio of solid-state and satellite communications products, and CPI now offers the most extensive line of satellite communications amplifiers in the industry. "With the addition of Codan Satcom's products and expertise to the CPI family, we look forward to introducing Codan Satcom's and CPI's customers to our complete line of satcom amplifiers, which operate at all satellite uplink frequencies and power levels," said Joe Caldarelli, chief executive officer of CPI. "Depending on a customer's specific needs in a satcom amplifier, CPI can offer a customized solution using either solid-state or vacuum electron device technology."

Excluding the impact of purchase accounting, the acquisition is expected to be accretive for CPI once the relocation of the Australian-based operations has been completed.

About CPI International Holding Corp.

CPI International Holding Corp., headquartered in Palo Alto, California, is the parent company of CPI International, Inc., which is the parent company of Communications & Power Industries LLC, a leading provider of microwave, radio frequency, power and control solutions for critical defense, communications, medical, scientific and other applications. Communications & Power Industries LLC 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. Statements that include the words "expect," "intent," "plan," "believe," "project," "anticipation," "will," "may," "would," "intends" and similar statements of a future or forward-looking nature may be used to identify forward-looking statements. 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; our significant amount of debt; changes or reductions in the U.S. 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; inability to obtain raw materials and component; and the failure to realize the anticipated benefits of the transaction or a delay or difficulty in integrating the Codan Satcom business with that of CPI. The foregoing review of important factors should not be viewed as exhaustive and should be read in conjunction

with other cautionary statements and risks that 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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