

CPI INTERNATIONAL, INC.

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Comtech Telecommunications Corp.		Noble Financial Equity	
	CMTL	Conference	Jun. 8, 2010
Company	Ticker	Event Type	Date

MANAGEMENT DISCUSSION SECTION

Jerome Kapelus, Senior Vice President, Strategy and Business Development

Good morning everybody. Thank you for joining this presentation. I am Jerome Kapelus, Senior Vice President for Strategy and Business Development at Comtech Telecommunications. I have – you can see our cautionary statements regarding forward-looking statements. This material is also on our website and will be there along with this presentation for the next couple of weeks.

Just a quick snapshot, we just announced our third quarter earnings last week and based on the current momentum in the business with strong backlog et cetera, we're certainly in a position where we expect revenues to be at a record level in fiscal 2010, which will be our eighth year in a row of record revenues and our earnings per share will be up significantly from the prior year. As many of you are aware, we announced almost a month ago the acquisition of CPI International, Inc. and I'll discuss that further along in the presentation.

Just as a quick snapshot with respect to CPI, it's a \$472 million acquisition, a combination of cash and stock and the business brings a lot of significant value that positions Comtech extremely well for the long term. It triples the size of our RF amplifier segment and it will – and as well as generates over 50 million of EBITDA going forward.

It positions Comtech as a leader in the vacuum electron device market that we haven't been in before. There is a lot of opportunity to combine our manufacturing, engineering and sales from our Comtech's icon branded product line with CPI's Satcom product group. It creates a significant opportunity to diversify Comtech who until now has had reasonable concentration with our mobile data business that we'll talk about shortly.

A big portion, approximately 40% of CPI sales is annuity like sales of replacement spares and repairs of these vacuum electron devices and it provides recurring cash flow that we think is very beneficial to smoothing out the revenues and profitability of the company and as well we certainly had a significant cash balance and we believe it's a very efficient redeployment of cash for position of the company for the long-term.

Talking about Comtech now excluding CPI just as a standalone as it today. We're a company with three complimentary business segments, if there were a couple of components of the company that really tie it all together and drive our strategy. One is leadership. As we talk about the product lines, you will find that we're a leader in each of the markets that we serve. And this leadership is driven by technology innovation. Typically, the reason that we have a leadership position in our market is that we have something from a feature functionality perspective that our competitors don't have, and that's all driven by our commitment to invest in R&D.

We report our business in three segments: telecommunications transmission which includes our satellite earthstation product line and our over-the-horizon products. The second segment is our mobile data communications which predominantly includes our mobile data products that are geared towards the U.S. Army under the MTS and Blue Force Tracking contracts.

And in the third segment in which CPI fits is the RF Microwave Amplifier segment. As you can see on the pie charts there, we certainly have a fair amount of shift from quarter-to-quarter, or year-to-year in terms of the percentage of revenue coming from each of the segments. But as of the third quarter, mobile data was about 62%, telecom transmission 26%, and RF Amplifiers at about 11%. And then on the bottom right you can see that, because mobile data where we have a significant amount of army business had a strong revenue quarter, we were 72% U.S. Government, which is very high for us. International was 22% and domestic was – commercial was 5.5%. Post the closing of the CPI acquisition you'll see that this U.S. Government portion of total revenues will come down.

Comtech Telecommunications Corp.	CMTL	Noble Financial Equity Conference	Jun. 8, 2010
Company	Ticker	Event Type	Date

Just a quick snapshot and update on our revenue and EPS guidance. Our year end is July 31, so we're in the middle right now of our fourth quarter. We were able to – as a result of strong bookings and just strong overall business momentum, we were able to increase our guidance. And as such our guidance for fiscal year 2010 is 750 to 765 million in revenues. And our diluted EPS we were able to raise the midpoint by about \$0.11 cents from 19. And the new range is a \$1.96 to \$2.06. And as you can see on – we described on the left – the underlying assumptions for that assume no further delays. In our computer shipments, we had a one-time very significant third party computer shipment for MTS products that's currently in the middle of being shipped. We also are not assuming there's any new material, merger and integration charges related to CPI. And obviously it does not include any other potential acquisitions.

As far as the financial components and aspects of CPI, I'll just spend a minute on this. We in terms of looking the business, and we discussed this on our announcement call three weeks ago that we believe that CPI is \$350 million business with over 50 million of EBITDA as a year one expectation that we'll discuss more obviously on our September earnings call assuming the transaction has closed. We assume merger and integration related expenses of 18 to \$22 million. We expect the acquisition to be pro forma accretive and we are looking at initial year one synergies of 1 to \$2 million, in year two of 5 to \$7 million.

I'll now talk more about our existing businesses. [audio gap] with telecom transmission as I mentioned, satellite earth station product is our -- is by far the largest product line within the segment and the second is over-the-horizon communications. The satellite earth station product line is a one-stop shop leading market player. What do we do here? We provide all the key electronics that go into a satellite ground station. This includes modems, converters, transceivers, amplifiers, gateways and network management products.

We acquired a company called Radyne Corporation about two years ago that further strengthened this product line and together with the Radyne products, we believe we have 150,000 embedded modems in the market. The reason this is so valuable to us is that it provides a recurring revenue in the sense that if customers are comfortable with our products and they have had them in their networks for a decade or two, they're not going to summarily replace them and so we have a great market that comes back to us year-after-year to buy upgraded modems.

We also have a very diverse and global commercial and customer base. We have no significant revenue concentration. We sell across the global market, in fact, I will give you some general splits, but our business is approximately 75% commercial, 25% defense in this product line and the commercial part of the business is predominantly approximately 80% non-United States. So we are selling into the emerging markets, we are selling into Europe, we are selling into Latin America, et cetera. We are also well positioned with the U.S. government and Radyne really bolstered our U.S. government position by bringing on -- along a number of products that had already been embedded into those government networks.

But what drives this? And it goes back to my opening comments about technology. At the end of the day, the customers buy our products because it reduces the cost of their satellite services, the operating cost of their satellite. The technologies we incorporate into our modems include our patented Turbo Product Code technology and more recently over the last couple of years a technology that we licensed called Carrier-in-Carrier. And these two technologies combined can dramatically reduce the cost of running a satellite network, and for end-customers who include wireless and wireline carriers, broadcasters, ISPs, the return on investment by replacing an old modem with a new Comtech modem with this updated technology in it can save them significant dollars. In fact, in many cases, the payback can be 3 to 6 months by virtue of how much efficiency these products create for the customer.

Comtech Telecommunications Corp. CMTL Company Ticker	Noble Financial Equity Conference Event Type	Jun. 8, 2010 Date
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The markets are very favorable towards us and these statistics that are on this page, on page 12, are really long term, 5 to 10 year type of dynamics and trends in the industry. First, there is not enough satellite capacity in many parts of the world to meet the current demand and we believe that based on some [audio gap] research that the satellite transponder utilization is going to increase to 84% from 60% today which means there's just far less bandwidth to go around which would result in increases in cost of bandwidth.

What's driving this is both commercial market demand and -- as well as government and military demand. On the commercial side, cellular backhaul which is oftentimes the only way to move traffic back within third world markets is a significant use of satellite capacity as well as the proliferation of high definition television, IPTV, digital television, all requiring a huge amount of bandwidth that wasn't required before, as well as from direct-to-home and satellite. On the government side today and I think the statistics will hold because the government demand for satellite continues to grow. Approximately 80% of the U.S. government satellite capacity is actually -- comes from commercial satellite companies rather than government satellites.

And so as a result, not only is the government has used up a significant portion of their capacity but they are actually draining a lot of capacity from the commercial market for the needs that they have. And as a result, this creates an overall demand. So if you look at the simple equation, if there's not enough capacity, the satellite service providers are going to raise the prices which they continue to do, and the only way to combat that if you are the end-customer is to buy a modem -- to make improvements to the ground station level where we provide this modem and the other components. And that can bring down the cost and somewhat offset the high cost of satellite.

The second product line in this segment is over-the-horizon products. We've been in this business for more than 35 years. We've stuck through some lean years but some very strong years and we believe that we are in a very exciting period now for the business, which was in a lull for the last couple of years.

Just very simply, what this product line does is if you look at that picture at the top right, in that truck would be sitting that over-the-horizon terminal that you see in the bottom right picture. And what it does is it allows you to communicate video, voice, data, point-to-point connection up to 350 to 400 miles. It can go as far as 600 miles but the antenna gets bigger and bigger.

But what it functionally does is it replaces or provides a complementary communications medium to satellite. It's secure and cost effective. For many customers, it's a one-time cost because when you buy one of these systems, you don't have the recurring cost of paying the satellite service provider. You own it and the troposphere, which is the medium it uses to bounce the signal, is free.

So in the last couple of months, we've had very strong momentum in this business. With the U.S. government, we recently won a purchase agreement. It's a \$31 (sic) [\$31 million] purchase agreement to upgrade 151 of those terminals that are setting up with the U.S. government today with upgraded antennas that are going to make them more efficient.

Additionally, we've recently won a contract from a North African country who we've sold over \$150 million worth of product to over the last 10 years to -- and what they are doing is they're building a radar installation around their border. And we're providing the communications link. So why would they not use satellite?

And I think the answer to this question will give you a sense of where this product fits in. They're not using satellite for a number of different reasons. Number one, is that there is a recurring cost. In this country no one has capital

today, they may not have the money tomorrow to pay for that operating expense, the recurring operating expense of satellite.

3

Comtech Telecommunications Corp.CMTL Company Ticker	Noble Financial Equity Conference Event Type	Jun. 8, 2010 Date
--	---	-------------------------

Secondly, it's a country where there is an insurgency issue. So if you – you can consider building microwave link, a microwave network, but you're going to have to put poles every 20 miles and if one pole is cut down, the network is cut down. What this allows is you to have a secure piece of equipment sitting in an area and it's protected from any insurgency issues.

And so with this – in terms of the opportunities beyond these two, we see – there is another business opportunity related to these TRC-170 units that relates to upgrading other electronics that we could believe is a fiscal 2011 new business opportunity for us as well as with this foreign government, we believe that there is another potential order in fiscal 2011.

So this business in the last couple of years has been at a low point with two meaningful contracts and opportunities here with others on the way. So we feel very good about this product line moving forward.

Moving now to our Mobile Data Communications segment, and this is on page 15. What we provide here is a full suite of mobile satellite based communications solutions for the U.S. government.

At the end of the day, what we're providing, we're providing a satellite transceiver that sits on a vehicle. It's attached through a cable to a ruggedized computer that sits in a cab with that vehicle. And it could sit in a Humvee, a tanker truck, a helicopter.

And what it allows, it allows the soldier sitting in that vehicle to be able to communicate with Central Command, with other vehicles that are in the field. And it also enables the Central Command to track those vehicles at all time. And in Iraq and Afghanistan today, it's become an essential, a fabric key component of the overall communications infrastructure of the U.S. Army.

The reason that this technology became just – part of the core infrastructure was that when we first invaded Iraq for the second time I guess in 2003-2004, we had a number of tragedies in the first year of the war where soldiers were going the wrong way and getting captured where we had significant situations of friendly fire fatalities.

And the reason this was happening was that once the soldiers extended beyond the range of a microwave radio, a terrestrial radio, they had no communications. So what we solved here is the situation, which is now pretty relevant to any types of war environment we're in where when you enter that particular location, there is no – you don't expect there to be any communications infrastructure.

And the only way you can ensure that there's ubiquitous ability for a soldier in a vehicle to communicate beyond the range of that terrestrial network is to provide satellite. And as a result, over the last 10 years, we've sold well over 100,000 of these transceivers. And I'll break that down for you within the two contracts that we address.

The first is movement tracking contract – the Movement Tracking System contract, which we've been selling to the U.S. government for 10 years. With this particular customer, and it relates to the logistics command of the U.S. army, we're providing a full product. We're providing a transceiver, we're providing a network, we're providing satellite air time, we're providing service upgrade, et cetera, completely outsourced division similar to the way you have your relationship with the Verizon or AT&T for your cellular phone.

The current contract is a \$672 million contract. There is \$51 million of availability, dry powder if you will, under that contract which in fact expires in July 12 of 2010. And I'll talk in a minute about the next, the future with respect to MTS.

Comtech Telecommunications Corp.CMTL Company Ticker	Noble Financial Equity Conference Event Type	Jun. 8, 2010 Date
--	---	-------------------------

Our other big contract in the mobile data segment is our Blue Force Tracking contract. And this is with the war fighter side of the U.S. army. We've sold over a 122,000 transceivers to the U.S. army for Blue Force Tracking. And the current contract is \$384 million contract, expires in December 2011, and as we sit here today there's about \$150 million of availability under the contract.

So digging a little bit more into MTS and Blue Force Tracking, there has certainly been a lot of activity and a lot of interesting action over the last couple of months. We recently received \$67 million increase in the MTS contract ceiling that enabled us to free up more capacity for the government to be able to buy more satellite air time as well as transceivers. And immediately after receipt of that increase we'll receive a new \$26 million order.

As far where do we go from now, we're sitting here really a month away from the contract expiring. In – a draft RFP was put up to market a number of months ago. We're still waiting a final RFP, if the government is not able to finalize that and get it out before July 12, there certainly will – is an expectation there will have to be an extension of the contract to go along with the increase they just in place. So we're in a little bit of a waiting game. The program office is obviously working hard to figure out what the strategy is in terms of moving forward but again we've been providing this capability for 10 years, our solution is a proprietary solution in the sense that our transceiver has a waveform that's unique in algorithm, that's unique that doesn't allow us to talk to – that wouldn't allow a competitor's product to come in and talk to our products.

So we believe that by virtue of that we are in a very strong position. But more importantly, we are proud of the capability of solutions we've provided and really have saved soldiers lives and enabled – their work in a war environment to be far more efficient. As far as the funding estimates for movement tracking, in fiscal 2010, there's \$78 million on the army budget and in fiscal 2000, \$93 million.

Moving on to Blue Force Tracking, as I mentioned there was a contract increase. We have \$150 million availability right now under that contract. This expires in December 2011. Blue Force Tracking is farther along in terms of its next generation contract and in fact we are well along the way, we've submitted along with another competitor a bid to win what's called Blue Force Tracking-2, BFT-2 which is the next generation Blue Force Tracking contract and what the army was trying to achieve out of that was the – as I mentioned this has become such a critical component of the overall communications infrastructure and what they wanted in BFT-2 was a better, faster, more capable solution. And what we were able to do with some government funding that we received along with our competitor was build a very powerful next generation transceiver that dramatically increases the throughput on the modems allowing – and these transceivers allowing far more capabilities, more applications to be driven off of those because the bandwidth has been expanded and a number of different other capabilities including a network upgrade that would allow more simultaneous uses of the network at a point in time.

The BFT evaluation process is well underway and in fact we anticipate that there could be an award of this contract in the June – July timeframe and what does this mean from a longer term perspective, the expectation is that BFT-2 will order 100,000 plus or minus transceivers over the next five to six years upgrading the current systems they have in the field along with all the airtime and services that go along with that.

So we feel highly confident of our position. As I mentioned before the proprietary nature of our waveform puts us in a position where moving and making decision to move forward with contact provides a seamless and less costly upgrade. As we always say make no mistake it's a competition and we respect that but we feel that we've done outstanding work and are in a very strong position with respect to the next generation.

Comtech Telecommunications Corp. CMTL Company Ticker	Noble Financial Equity Conference Event Type	Jun. 8, 2010 Date
---	---	-------------------------

Moving to our third segment, RF microwave amplifiers, we provide two product lines within this segment. One is solid state power amplifiers and these solid state power amplifiers address primarily the electronic warfare, the jamming, aviation and medical markets and we have – we really cater to the who’s who of the prime contractors here. We typically don’t sell to the end-customers because our systems – amplifiers are going into large and more sophisticated systems. But we have outstanding relationships with a number of primes and also in a number of different programs and some of the notable programs that we’ve worked on in the last couple of years include the CREW program and again where this is a program that addresses the issue of the improvised explosive device that was obviously a horror for the U.S. in Iraq and Afghanistan and our amplifiers are going into these IED jamming systems that neutralize the IEDs in the field.

We are in the middle right now of a – the government is evaluating upgrades to what was the accretive point one we received a significant amount of revenue and we are working closely with our prime partner to be positioned to benefit from that going forward.

On the traveling wave tube side, we – which is the other key product line within the segment, we design and manufacture traveling wave tube amplifiers that are designed purely for the satellite communications market. Our customers reach across both the commercial and defense markets but in the last couple of quarters the defense part of the business has been stronger as the government continues to upgrade and build new satellite programs to address its needs.

So we are well positioned on important DoD programs like FAB-T, GMT and AEHF. As far as the growth and long term drivers of this market, we feel that we are in the sweet spot if you will of where the U.S. government is going certainly from the – in terms of its needs. We are dealing with all the communications and electronics aspects of the needs which again is radar, electronic warfare, jamming, as well as the medical market where we are providing amplifiers that are going into oncology treatment systems to treat cancer – skin cancer issues. So we feel like we are in a rich quality and high quality private market.

A lot of our customers or competitors in fact are our customers. Some of the large primes or most of the large primes have amplifier capabilities and one of the strategies that we’ve employed over the last number of years is to instill more confidence and contact from these large primes that they will allow us to take more of that business. It’s not core to what they do and we feel that we can do it very well with – by virtue of the investments we’ve made in the innovation and the technology.

So just to kind of rounding up before we finalize what does CPI do? What it really does, it expands what is a one-stop shop approach. If you go through our product lines again and we’re a leader in the mobile data market, we’re the sole provider to the U.S. Army today. If you look at the satellite earthstation product, we are by far the market leader there with a broad range of products in the over-the-horizon we are the primary player in the market, there have been some companies that are coming in up, we’re the primary player and in both of our product lines in RF, we have a very solid position in the marketplace.

So what CPI does, it adds another component of leadership to the company while making us a leader in the vacuum electron device market, and it ties in a lot of the markets that we currently address which is radar, electronic warfare, communications, medical and lesser so, industrial scientific but it adds a little bit more diversity to the company.

So in summary, I've beaten the idea of market leadership but it's essential to us and allows us to preserve the kinds of margins that we are in the business and that's all again driven by innovative products and technology. We are addressing both the military market and the commercial market and very importantly when we invest the dollar in R&D we are not directing it just to one market. We have the benefit of taking a piece of R&D and using it and leveraging it in both the commercial and the defense markets.

Comtech Telecommunications Corp.CMTL Company Ticker	Noble Financial Equity Conference Event Type	Jun. 8, 2010 Date
--	---	-------------------------

Our manufacturing capability is a significant differentiator for us. We've always taken the approach that internal manufacturing and keeping things in our control is a significant strategic advantage. And in fact, our manufacturing facility in Tempe, Arizona which is a significant and very sophisticated facility does all our internal manufacturing and they manufacture all the mobile data communications products as well. So we've got a strong management team, proven acquisition strategy and we look forward to any questions you may have.

7

Comtech Telecommunications Corp.CMTL Company Ticker	Noble Financial Equity Conference Event Type	Jun. 8, 2010 Date
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QUESTION AND ANSWER SECTION

<Q>: BFP funding is down in the [inaudible] do you think that they will use this proportionate amount of funds throughout the retrofit [inaudible] the Army might want to take this next generation capability forward?

<A – Jerome Kapelus>: Mark’s question was based on the budget where the funding was down year-over-year at BFT, what the impact will be at the end of the day on the decisions as far as orders.

First of all Mark, if you look into the details of that BFT budget, you will find that – I believe it’s close to \$400 million of the prior year’s budget was allocated to retrofit regarding a security component that I think Harris made. So if you look at it on an apples-to-apples basis, the hardware spending has really not decreased.

Number two is looking at the final RFP for Blue Force Tracking. The expectation is that there will be 100,000 new transceivers ordered over the next five years; whether that’s back ended or front ended we don’t have the details, those will be moving parts, but that combines with the satellite air time that is needed provides us with pretty clear path to sustained revenue over the five to six year period.

Thank you.

Cautionary Statement Regarding Forward-Looking Statements

Certain information in this document contains forward-looking statements, including but not limited to, information relating to Comtech Telecommunications Corp.'s ("Comtech" or the "Company") future performance and financial condition, plans and objectives of the Company's management and the Company's assumptions regarding such future performance, financial condition, plans and objectives that involve certain significant known and unknown risks and uncertainties and other factors not under the Company's control which may cause actual results, future performance and financial condition, and achievement of plans and objectives of the Company's management to be materially different from the results, performance or other expectations implied by these forward-looking statements. These factors include: the risk that the acquisition of CPI may not be consummated for reasons including that the conditions precedent to the completion of the acquisition may not be satisfied; the possibility that the expected synergies from the proposed merger will not be realized, or will not be realized within the anticipated time period; the risk that the Company's and CPI's businesses will not be integrated successfully; the possibility of disruption from the merger making it more difficult to maintain business and operational relationships; any actions taken by either of the companies, including but not limited to, restructuring or strategic initiatives (including capital investments or asset acquisitions or dispositions); the timing of receipt of, and the Company's performance on, new orders that can cause significant fluctuations in net sales and operating results; the timing and funding of government contracts; adjustments to gross profits on long-term contracts; risks associated with international sales, rapid technological change, evolving industry standards, frequent new product announcements and enhancements, changing customer demands, and changes in prevailing economic and political conditions; risks associated with the results of ongoing investigations into the Company's compliance with export regulations; risks associated with the Company's legal proceedings and other matters; risks associated with the Company's MTS and BFT contracts; risks associated with the Company's obligations under its revolving credit facility; and other factors described in the Company's and CPI's filings with the Securities and Exchange Commission.

Participants in Solicitations

Comtech, CPI and their respective directors, executive officers and other members of their management and employees may be deemed to be participants in the solicitation of proxies from stockholders of CPI in connection with the merger. Information regarding Comtech's directors and officers is available in Comtech's proxy statement on Schedule 14A for its 2009 annual meeting of stockholders, which was filed with the SEC on November 9, 2009. Information regarding CPI's directors and executive officers is available in CPI's proxy statement on Schedule 14A for its 2010 annual meeting of stockholders, which was filed with the SEC on January 20, 2010. Additional information regarding the interests of such potential participants will be included in the proxy statement and the other relevant documents filed with the SEC when they become available.

Additional Information about the Transaction and Where to Find It

This document shall not constitute an offer of any securities for sale. The acquisition will be submitted to CPI's stockholders for their consideration. In connection with the acquisition, Comtech and CPI intend to file relevant materials with the SEC, including the registration statement, the proxy statement/prospectus and other relevant documents concerning the merger. Investors and stockholders of Comtech and CPI are urged to read the registration statement, the proxy statement/prospectus and other relevant documents filed with the SEC when they become available, as well as any amendments or supplements to the documents because they will contain important information about Comtech, CPI and the merger.

Stockholders of Comtech and CPI can obtain more information about the proposed transaction by reviewing the Form 8-K filed by Comtech on May 11, 2010 in connection with the announcement of the entry into the merger agreement, and any other relevant documents filed by Comtech or CPI with the SEC when they become available. The registration statement, the proxy statement/prospectus and any other relevant materials (when they become available), and any other documents filed by Comtech and CPI with the SEC, may be obtained free of charge at the SEC's web site at www.sec.gov. In addition, investors and stockholders may obtain free copies of the documents filed with the SEC by directing a written request to: Comtech Telecommunications Corp., 68 South Service Road, Suite 230, Melville, New York 11747, Attention: Investor Relations, or CPI International, Inc., 811 Hansen Way, Palo Alto, California 94303, Attention: Investor Relations. Investors and stockholders are urged to read the registration statement, the proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the merger.
