CPI Closes Sale of San Carlos, Calif. Property

PALO ALTO, Calif., Sept. 7 /PRNewswire/ -- 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 closed on the sale of its commercial property located at 301 Industrial Boulevard in San Carlos, Calif. The sale closed on September 1, 2006, and CPI has received a final payment of approximately $11 million from the buyer. In fiscal 2004, CPI had received advance payments of $13.5 million for the sale of this property. CPI is a subsidiary of CPI International, Inc. (Nasdaq: CPII).

CPI entered into an agreement to sell and close the San Carlos facility of its Eimac operations in fiscal 2003 in order to consolidate these operations into the company's existing facility in nearby Palo Alto, Calif. CPI used the advance payments for the property to fund the physical relocation of the Eimac operations. The physical relocation was completed in June 2006, several months ahead of schedule.

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 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, 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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