CPI International Expands Its Canadian Facility to Accommodate Growth in Demand for Medical and Communications Products

PALO ALTO, Calif., June 1 /PRNewswire-FirstCall/-- CPI International, Inc. (Nasdaq: CPII), 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, recently began construction to expand its 125,000 square foot building in Georgetown, Ontario, Canada by an additional 62,000 square feet. CPI International (CPI) is expanding its existing facility to accommodate continued demand for the medical and satellite communications products manufactured at that facility.

"The expansion of our Canadian operations is a testament to the strength of CPI and the recent growth in our medical and communications businesses," said Joe Caldarelli, chief executive officer of CPI. "In the past few years, we have seen increasing customer demand for our medical imaging and radiation therapy products and for our satellite communications amplifiers. We are proud and excited CPI is able to accommodate this growth by expanding this facility by an additional 50 percent."

The medical and communications applications are two of CPI's largest markets. In the past year, sales of CPI's x-ray and radiation therapy products for the medical market and sales of CPI's products for the communications market, particularly satellite communications amplifiers for direct-to-home broadcasting and other satellite communications applications, have enjoyed double-digit growth.

On May 26, 2006, CPI held a groundbreaking ceremony to officially start construction on the $7.0 million expansion project, which is expected to be completed in December 2006. Mayor Rick Bonnette and several members of the Town Council of the Town of Halton Hills, Ontario, attended the ceremony. "In 2004, CPI celebrated 50 years in Georgetown," said Bonnette. "The company has contributed to the growth of Halton Hills and the strength of our community. I am very impressed by the technical research and production that they do here and the success CPI's products have worldwide."

CPI has production facilities in Palo Alto, Calif.; Woodland, Calif.; Beverly, Mass.; and Georgetown, Ontario, Canada. The company's Satcom Division and Communications & Medical Products Division are both located in CPI's Canadian facility.

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, 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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