



NEWS RELEASE

FOR IMMEDIATE RELEASE

For more information, contact:

Isaac Lopez

Tabor communications

ilopez@taborcommunications.com

(360) 576-5475

CPU Tech and BAE Systems to Develop Virtual Bradley Combat Systems Vehicle

PLEASANTON, Calif. – June 26, 2007 – CPU Technology, Inc.® (CPU Tech) and BAE Systems announced today that they have been funded by the U.S. Army TACOM Life Cycle Management Command for a collaborative effort to begin the development of a SystemLab™ based virtual model of BAE Systems' Bradley Combat Systems vehicle. The virtual model will run on CPU Tech's new SystemLab Platform Simulator and execute actual Bradley software at real time speeds. When completed, the virtual model will enable engineering teams networked together to have complete visibility inside the electronics of the entire vehicle during actual real time software execution.

"BAE Systems is the first corporation in the world to adopt high fidelity real time virtual system development on a major platform. CPU Tech fully supports BAE Systems' objective to migrate Bradley computing and electronics into the era of virtual system development and life cycle management," said Brad Dyer, CPU Tech Vice President and Program Director.

"BAE Systems, as the Bradley systems integrator, is committed to this innovative approach to the management of vehicle electronics," said Andy Hove, Vice President, Bradley Combat Systems for BAE Systems. "Completion of this new virtual vehicle is a technology breakthrough that will for the first time enable the Army and BAE Systems to systematically control and manage obsolescence mitigation, capability enhancements, technology refresh and life-cycle support of Bradley systems."

About CPU Technology, Inc.

CPU Technology, Inc. develops and supplies Compatible System-on-a-Chip solutions for the high-end computing market. The company's products and services directly address the challenges associated with the transformation of microprocessor-based electronic systems to the SoC / MultiCore era. CPU Tech is a privately held company founded in 1989 with headquarters in Pleasanton, CA, and business development offices in Reston, VA. Current investors include The Carlyle Group. Visit www.cputech.com for additional information.

About BAE Systems

BAE Systems is a global defense and aerospace company, delivering a full range of products and services for air, land, and naval forces, as well as advanced electronics, information technology solutions, and customer support services. BAE Systems, with 88,000 employees worldwide, had 2006 sales that exceeded \$25 billion.

###