



2010 Q4 Investor Conference Call

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NYSE Amex: PNS

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Today's discussion may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, but not limited to, statements regarding the Company achieving its financial growth and profitability goals, or its sales, earnings and profitability expectations for the fiscal year ending December 31, 2011. The words "believe," "expect," "anticipate," "estimate," "intend," "seek," "may" and similar expressions identify forward-looking statements that speak only as of the date thereof. Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from historical or anticipated results due to many factors. For more details please refer to the Company's Securities and Exchange Commission filings, including its most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q.

- Number one goal was **return to profitability**...while growing our business
 - Delivered four profitable quarters, and record annual profitability
 - Paid down the line of credit and strengthened balance sheet
 - Managed spending and focused on our core strategy in the markets where we work
 - Record 2010 annual Service revenue

We finished 2010 a much stronger company than when the year began

- Focus on profitable growth of the overall business
- Working on growth opportunities in all three targeted market segments:
 - Electronic Repair Services
 - Integrated / ODM Computing Solutions
 - Embedded Computing Products

2010 Fourth Quarter Financial Results

- Q4 2010 net income of \$0.8 million, or \$0.10 per diluted share
 - \$1.2 million, or 15¢ per share improvement versus Q4 2009
 - Pre-tax income improvement of \$1.1 million versus Q4 2009
 - Q4 2009 included \$1.0 million severance and other charges
- Both Q4 2009 and Q4 2010 net income include one-time tax items
 - Q4 2009 \$0.3 million deferred tax carryback benefit
 - Q4 2010 R&D Tax Credit benefit of \$0.5 million net of allowance

\$ thousands	Q4 2010	Q4 2009
Income (loss) before income taxes	\$ 403	\$ (699)
<u>Income tax expense (benefit)</u>		
Income tax expense (benefit) related to the quarter	102	(18)
R&D tax credit benefit	(480)	-
Deferred tax carryback benefit	-	(291)
Net tax benefit	(378)	(309)
Net income (loss)	\$ 781	\$ (390)

2010 versus 2009 Fiscal Year Profitability

\$ thousands	FY 2010	FY 2009
Income (loss) before income taxes	\$ 1,673	\$ (2,785)
Income tax expense (benefit)		
Income tax expense (benefit) related to the year	582	(615)
Deferred tax valuation allowance expense (benefit)	(1,492)	1,571
R&D tax credit benefit	(480)	-
Deferred tax carryback benefit	-	(291)
Net tax expense (benefit)	(1,390)	665
Net income (loss)	\$ 3,063	\$ (3,450)

2010 Fiscal Year Key Financial Results

\$ million	2010	2009	B/(W)
Pre-tax Income	\$1.7	(\$2.8)	\$4.5
Net Income	\$3.1	(\$3.5)	\$6.5
EBITDA	\$2.1	(\$2.1)	\$4.2
<u>Revenue</u>			
Product	\$15.7	\$24.5	(\$8.8)
Service	\$13.7	\$11.1	\$2.6
Total	\$29.4	\$35.6	(\$6.2)
<u>Gross Profit</u>			
Product	\$3.1	\$3.7	(\$0.6)
Service	\$5.7	\$3.6	\$2.1
Total	\$8.8	\$7.3	\$1.4
<u>Gross Margin</u>			
Product	19%	15%	4%
Service	41%	32%	9%
Total	30%	21%	9%
Op Exp	\$7.0	\$9.9	\$2.9
Line of Credit (as of 12/31)	\$0.3	\$2.4	\$2.1

- **Investment in Direct Sales**
 - Addition of Direct Sales Resources with Business Segment Experience
- **Evaluating Industry Partnerships to Address Specific/Target Markets**
 - Industry Leaders
 - Channel Experts
 - Joint Ventures
- **Target Industries which require our Core Competencies**
 - Military/Defense
 - Aerospace
 - Telecom
 - Storage & Networking Products
 - Enterprise
 - Medical
- **Marketing Efforts**
 - Focused Advertising to Military/Defense & Embedded Markets
 - Direct Marketing/Sales for Integration
 - Service Marketing through existing customer base (referral, and reputation as industry leader)
- **Business Segment Positioning**
 - Repair Services: *Leader* in Complex Repair
 - Integration: *Challenger* to Technical Competency & Landed Cost within Geography
 - Embedded Products: *Niche* plays within targeted Industries

- Quarterly Business Reviews
- Customer & External Audits
- Our Operation Showcased as a part of the Sales Process

Electronic Repair Services

- Telecommunications equipment service providers
 - From Legacy to LTE equipment
 - We supplement the internal capabilities of equipment providers that are offering complete network support including equipment they may or may not have manufactured
- Aerospace, Defense and Medical
 - Require long lifecycles and extended service after EOL by original OEM
 - Our deep engineering expertise enables us to reverse engineer complex products and systems when our customers do not have access to the original manufacturers' documentation or test procedures

Integrated / ODM Computing Solutions

- Growing our partnership networks with leading technology companies
 - Our past success in this market segment was based upon these types of partnerships
 - Leverage the massive R&D of leading technology companies
 - We add value through solving complex customer problems; designing and delivering unique solutions

Embedded Computing

- Aerospace and Defense
 - Seeking to reduce the complexity of the operational management of multitudes of different systems and computing environments
 - › Requires high-end computing for virtualization of hardware
 - › Must meet the rugged requirements of the defense industry
 - Unmanned Aerial Vehicles (UAVs) require powerful aircraft-worthy computing systems
 - › Must perform in extreme temperature and humidity environments

Financially and strategically we are much better positioned as a Company than we were last year:

Financially

- We delivered sustained Profitability over the past year and record annual profitability
- We significantly reduced our debt and strengthened our balance sheet
- We are back in the business of making money for our stakeholders

Strategically

- We must focus on broader growth across all market segments that we serve
- We are maintaining best-in-class operational performance while ramping multiple new programs
- We will continue to grow our new business pipeline

“We put computing technologies to work for our customers”

- If you would like to ask a question, please press the * key followed by the 1 key on your push-button phone.
- You will hear a three tone prompt following your selection. If you are using speaker equipment, you will have to lift the hand set before pressing the numbers.
- A replay of this conference call will be available on the Company's website in approximately one hour.