



2011 Q1 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.

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
- PDSi positioned to take advantage of these opportunities
 - Have continued to generate profits and cash
 - Paid off line of credit and accumulating cash, freeing capacity for funding growth
 - Refinanced our line of credit with Wells Fargo, with terms that give us more flexibility for investing in growth
 - Have continually expanded our capability, most recently adding the capacity to service a variety of new telecommunication infrastructure equipment

2011 First Quarter Financial Results

- Q1 2011 net income of \$0.6 million, or \$0.07 per diluted share
 - \$0.2 million, or 3¢ per share improvement versus Q1 2010
 - Q1 2011 includes \$0.3 million R&D Tax Credit benefit net of allowance
 - Total R&D Tax Credit benefit including Q4 2010 is \$0.8 million (\$1 million gross less \$0.2 million allowance)
- Revenue is up slightly versus Q4 2010
 - Q4 to Q1 decline four of the previous five years averaging -18%
 - Q1 2010 (+2%) and 2011 (+1%) have been the exceptions
- Continue to generate cash and pay off debt
 - \$0.3 million operating cash flow
 - \$0.3 million EBITDA
 - Paid off line of credit from \$0.3 million at the end of 2010

Q1 Key Financial Results

\$ million	2011	2010	B/(W)
Pre-tax Income	\$0.3	\$0.4	(\$0.1)
Net Income	\$0.6	\$0.3	\$0.2
EBITDA	\$0.3	\$0.5	(\$0.2)
<u>Revenue</u>			
Product	\$2.7	\$5.9	(\$3.2)
Service	\$3.7	\$2.9	\$0.8
Total	\$6.4	\$8.8	(\$2.4)
<u>Gross Profit</u>			
Product	\$0.6	\$1.1	(\$0.5)
Service	\$1.5	\$1.1	\$0.4
Total	\$2.1	\$2.1	(\$0.1)
<u>Gross Margin</u>			
Product	21%	18%	3%
Service	41%	37%	4%
Total	33%	24%	8%
Op Exp	\$1.8	\$1.7	(\$0.1)
<i>(as of 3/31)</i>			
Line of Credit	\$0.0	\$1.2	\$1.2
Cash	\$0.5	\$0.0	\$0.5

- Six dedicated Business Development Professionals
 - Driving Sales Opportunities in all Segments
- Defined Routes to Market for each Segment
 - Repair Services – Leveraging 22 years of Support across numerous Industries
 - Reference
 - Network
 - Brand
 - Integration – leveraging Industry Leading Products and IP through partnerships:
 - VAR – Value Added Reseller
 - OEM – Original Equipment Manufacturer
 - Embedded Design – IP Partnership
 - “Using their R our D”

- Continue to invest and grow our Capability
 - Added Telecommunications Infrastructure capability in US
 - Continued to build Service capability in Tiel
 - Recruited Key Technical Expertise to PDSi
- All Core Key Performance Indicators Excellent
 - Quarterly Business Reviews
 - Audits
 - Supply
 - Service Level Agreements
 - Internal Balanced Scorecard

2011 focus is on profitable growth in all three segments of our business.

- Added Business Development resources
- Defined Routes to Market for each targeted segment
 - Leveraging our reputation and capability in Service
 - Developing partnerships with technology leaders that provide access to IP that we can leverage in our Integration and Embedded Computing segments
- Continue to generate earnings and cash, providing capacity for funding growth

“PDSi puts computer 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.