

Pinnacle Data Systems, Inc.
(AMEX: PNS)



May 2004

**ISO 9001**

CERTIFIED

**ISO 14001**ENVIRONMENTALLY
CERTIFIED

SERVING HIGH-GROWTH INDUSTRY OEMs, WITH COMPUTER SYSTEMS AND COMPONENTS IN THEIR PRODUCTS:

- Aerospace
- Computer and Computer Peripheral,
- Medical,
- Commercial Imaging, and
- Telecommunications Equipment,

WITH:

- engineering services,
- product design, development and proto-typing,
- manufacturing, and
- after-the-sale repair and logistics programs



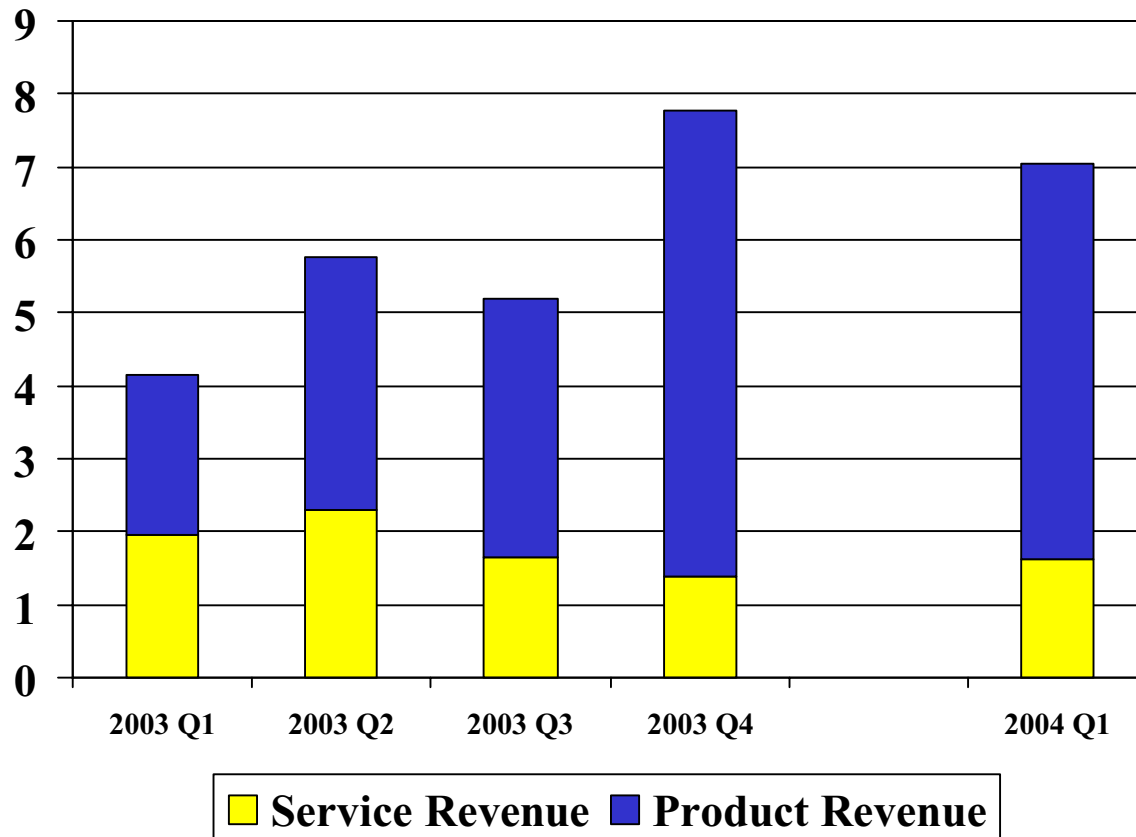


Agilent Technologies



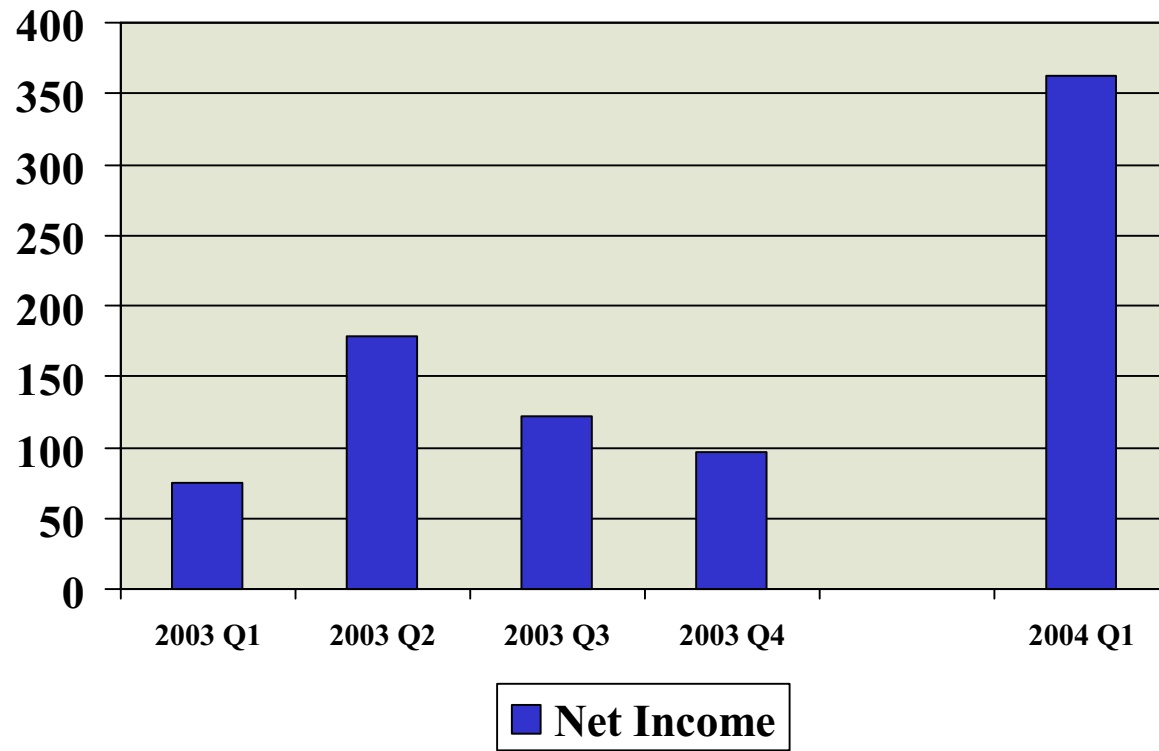


Quarterly Revenue (\$ millions)





Net Income (\$ thousands)





- Sales of \$26 million,
- EBITDA of \$2 million,
- Diluted EPS of \$0.13 per share (on approx. 6 million shares),
- Return on Equity of 19%, and
- No long-term debt.



John D. Bair – Chairman, President & CEO (with PDSi since 1989)

- Founding member of PDSi and CEO.

Michael R. Sayre – Executive Vice President & CFO (2001)

- Over 15 years starting up, growing, acquiring and divesting businesses with Fortune 1000 companies including Worthington Industries, Inc. and Harsco Corp.

Christopher L. Winslow – Vice President - Sales & Supply Chain Management (2000)

- Over 15 years managing sales, marketing and operations in growing technology companies including CompuServe and Metatec International.

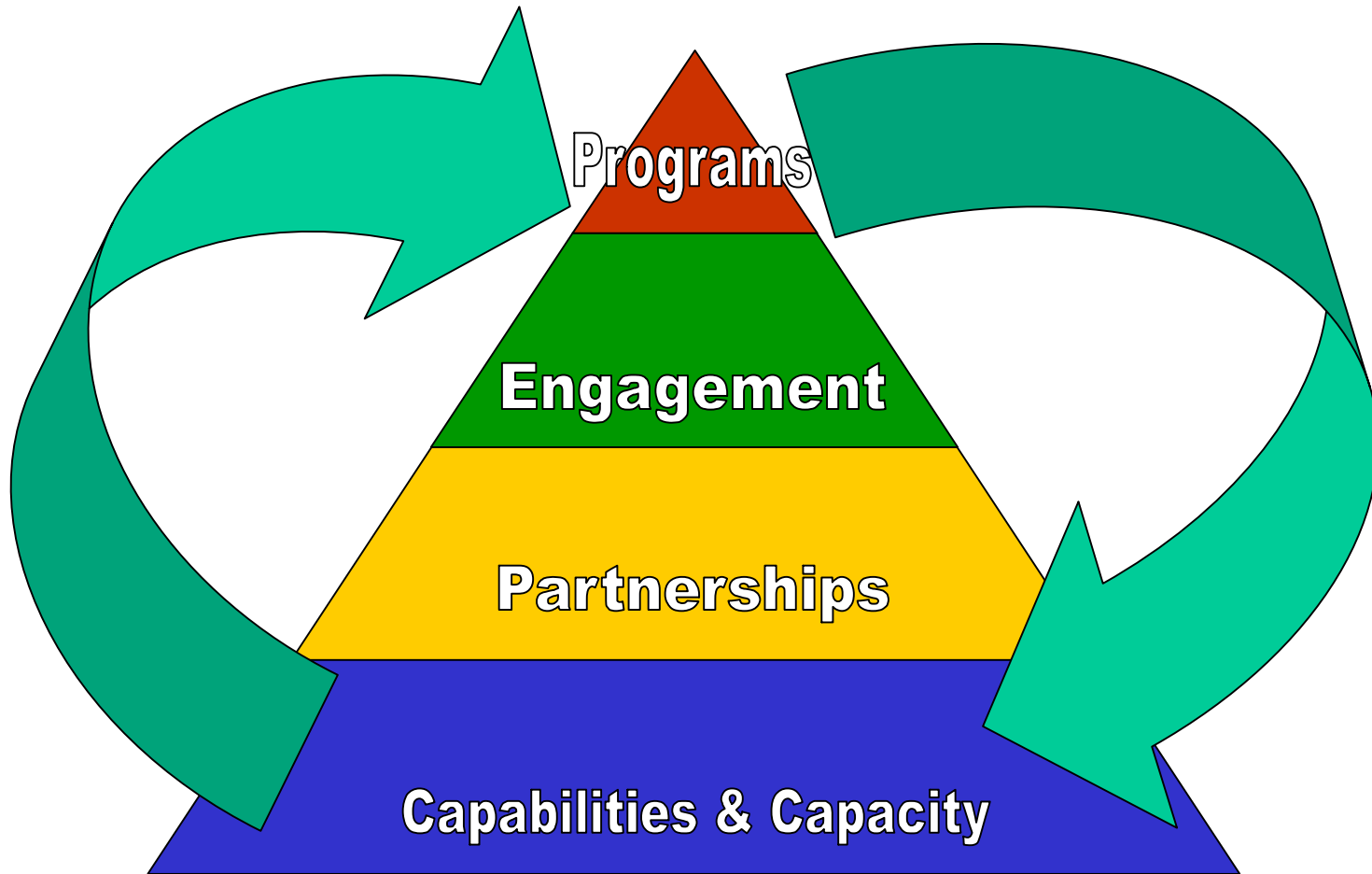
C. Robert Hahn – Vice President - Operations (1994)

- Over 20 years managing manufacturing and service operations in technology companies.

Laura Palko – Director – Human Resources and Quality Systems (2000)

- Over 15 years managing quality systems, including both large (Lucent Technologies) and small technology firms. Over nine years in dual roles also managing HR.

- **Maximize the growth of our repair and logistics services business**, which provides a recurring revenue stream, is profitable, and can be fairly predictable,
- **Leverage the resources** shared or provided by the services business **and strategically invest in the development and manufacture of new products** for customer-specific and niche-industry applications, and
- **Take advantage of the counter-cyclical nature of these two businesses to maintain financial stability and continue to generate significant growth opportunities** on an on-going basis in whatever the prevailing business climate happens to be.



From EMS providers?

- Range of Services (capabilities, after the sale support is a core business),
- Level of Service (99-100% Scorecards from G500 customers),
- Lower Volume, and
- Higher Complexity of Products.

From other repair companies?

- Engineering capabilities...we repair what others won't, and
- Sophistication of operations gained from years of G500 work.

From other technology investments?

- Our business model...**stability** with a fairly stable base of repair business (**recurring revenue**), and
- Large **growth opportunities** in the development and sale of products for our G500 customers who have already invested in the market research.



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- Customer and partner relationships with large original equipment manufacturers like Hewlett-Packard, Sun Microsystems, Intel, Agilent, AMD and more, that we can leverage,
- A business model with both stability and significant growth opportunities, and
- An experienced management team committed to growing the company.



AMEX: PNS

We have

- More large customers actively ordering products,
- More direct referrals from Fortune Global 500 stalwarts in the computer industry,
- More in-house experience selling and closing business through our partnerships, and
- More award-winning technical capabilities

than at any other time in our history!

Pinnacle Data Systems, Inc.
PRODUCTS & SERVICES



Product Development and Manufacturing Services Overview



PDSi offers a complete spectrum of services for the total electronic product development cycle, including the following:

- Product Definition
- Electronic Design and Development
- Software Design and Development
- PCB Design and Advanced Packaging
- Industrial and Mechanical Design
- Compliance Testing / Certification
- Manufacturing
- Complete Project Management / Product Engineering

PDSi offers innovative application-specific embedded controllers and integration services for the medical diagnostic and imaging market spaces. PDSi is sensitive and adaptive to the demanding requirements of the medical OEM to ensure products are safe and ready to deploy in hospital environments.



Digital Imaging Controller



Blood Diagnostic Controller

Commercial Imaging Solutions



PDSi offers innovative application-specific board and system level embedded controllers and integration services for the commercial imaging market space.



XIP-650 Board

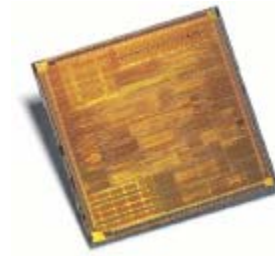


ES220 Server



TS410 Server

PDSi offers innovative application-specific board level and system level embedded controllers and integration services for the Process Control market space.



ES500 Server



ES320 Server



ES1800 Server

PDSi offers a range of innovative, NEBS® Server Platforms based on Intel® and Sun Microsystems® architectures designed to facilitate the convergence of IP and Public Service Telephone Network technologies. By combining the advances afforded by emerging technologies with the scalability and broad-based support of the Intel® and Sun® architectures, PDSi's NEBS® Server Platform line allows Network Equipment Providers (NEPs) to effectively address the challenges of economy of space, functionality, connectivity and universal compatibility.



TS220



TS480



TS1000



TS1350



Frame
Integration

Repair & Logistic Services Overview



PDSi's depot repair facility is staffed with electronic technicians experienced in board and system level repair and possess in-depth knowledge of the latest ball grid array, through-hole and fine pitch surface mount technologies and are backed by a group of engineers experienced in mechanical, electrical, software and electronic board and system level design.



Repair & Logistic Services Overview (cont...)



- Board Level Repair
- System Level Repair
- Peripheral Repair
- Functional Testing
- Failure Analysis
- ECOs and Upgrades
- Re-manufacturing
- Component Recovery
- Custom Configuration
- Serialized Tracking
- Warranty Administration
- Product Recycling
- EOL Management



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