



2010 Q2 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, 2010. 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.

Q2 2010 results show our continuing success as we execute our strategic changes:

- Third sequential quarter of profitability on an operating basis
- Significantly grown our Service business
- Improved Product & Service margins
- Substantially reduced our debt
- Improved our overhead cost structure

- But we still have work to do:
 - Developing a more diversified customer base
 - Providing a more consistent, steady-paced revenue base
- Over the last three quarters we have established a solid foundation for profitable growth
 - In the recent past, our financial position has been a barrier to our winning business where we are otherwise competitive
 - We are competitive in the marketplace, and winning business from larger competitors
 - We are only scratching the surface of the market for services and products that match our technical and operational capabilities

- Q2 2010 net income of \$0.3 million, or \$0.04 per diluted share
 - \$0.6 million net profit in the first half of 2010
 - \$1.6 million improvement in profitability compared to the first half of 2009
- EBITDA \$0.5 million
 - \$1.0 million in first half of 2010
 - \$2.0 million improvement compared to first half of 2009
- Operating cash flow was \$1.2 million
 - \$1.7 million in cash generated from operations year-to-date
 - Debt outstanding reduced dramatically from \$2.4 million to \$0.2 million

2010 First Half Key Financial Results

| \$ million | 2010 | 2009 | B/(W) |
|--|--------|---------|---------|
| Net Income | \$0.6 | (\$1.0) | \$1.6 |
| EBITDA | \$1.0 | (\$0.9) | \$2.0 |
| <u>Revenue</u> | | | |
| Product | \$10.8 | \$15.1 | (\$4.3) |
| Service | \$6.0 | \$4.8 | \$1.2 |
| Total | \$16.8 | \$19.9 | (\$3.1) |
| <u>Gross Profit</u> | | | |
| Product | \$2.1 | \$2.4 | (\$0.4) |
| Service | \$2.3 | \$1.6 | \$0.7 |
| Total | \$4.4 | \$4.0 | \$0.4 |
| <u>Gross Margin</u> | | | |
| Product | 19% | 16% | 3% |
| Service | 39% | 33% | 6% |
| Total | 26% | 20% | 6% |
| Op Exp | \$3.6 | \$5.3 | \$1.7 |
| Line of Credit (as of 6/30) | \$0.2 | \$3.0 | \$2.7 |

Service Segment

- Continued success in adding new Customers and programs
 - Both in the U.S. and EMEA
 - Run rate business for these programs by end of Q3
- Excellent pipeline of opportunities in front of us
 - Taking advantage of Market, Technical Expertise and Service to Customers

Operations

- Lean Initiatives have driven operating efficiency, working capital reductions and service performance
- Recently completed full recertification of all ISO quality registrations

Product Segment

- Continued development of new strategy
- Re-qualified current pipeline

Summary:

- Successfully grown our service business and improved margin performance;
- We have achieved changes in our organization to support our strategic focus and become increasingly efficient;
- Continued our excellent operational performance to our customers;
- Developed a new strategy and pipeline for the product business;
- And most importantly achieved operating income targets for the company three quarters in a row.

We are in a much better position as a Company than we were last year:

Financial

- Sustained Operating Profitability over the past several quarters
- Significantly reduced our debt
- Focusing of the organization has reduced overhead, better ensuring profitability

Strategic Wins

- Continuing to see business wins in Service segment, with solid pipeline of new opportunities
- Maintaining best-in-class operational performance while ramping multiple new Service programs

Focus Areas for Improvement

- Developing a more diversified customer base with more predictable, run-rate business that we can build upon
- Continue to work on developing Product segment pipeline

- 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.