



FOR IMMEDIATE RELEASE
Contact: Rob Ellis
Director, Marketing
(614) 748-1115
rob.ellis@pinnacle.com

PDSi Hires Industry Expert to Lead Sales Team

Darnell brings GE Fanuc and VMIC experience to PDSi

COLUMBUS, Ohio (June 20, 2007) Pinnacle Data Systems, Inc. (PDSi) (AMEX: PNS) announced today the addition of Michael Darnell to its executive team as the Vice President of Global Sales and Marketing. Mr. Darnell joins PDSi from Prism Systems Inc., an automation and systems integration company that he co-founded in 1989 and rejoined in 2005 as Technology Manager and VP Sales & Marketing.

Darnell brings over 18 years of management and sales/marketing leadership experience to the PDSi team, including over 10 years of direct involvement with the embedded systems industry. He was VP Sales & Marketing for VME Microsystems International Corp, a leading innovator of mission-critical computer boards and systems, for three years until the company was acquired by GE Fanuc in 2001. He then served as VP Sales & Marketing for GE Fanuc Embedded Systems for 4 years, where he lead a team that drove substantial growth organically and through acquisition, making that company a key player today in the embedded space.

“Michael’s track record of success, leadership, and industry knowledge is exactly what we were looking for to achieve our next phase of profitable growth,” said Michael R. Sayre, PDSi’s President and CEO. “We have built a solid nucleus of technical sales, marketing, and business development professionals. Michael brings strong industry-relevant sales and marketing leadership to that team.”

“I am very excited about helping PDSi achieve their aggressive goals,” stated Darnell. “The company has great technical capabilities and strong relationships with its OEM customers. I am looking forward to leveraging these assets as we accelerate the growth of what has already become a very successful business.”

About PDSi

PDSi provides computer design, production, and repair services to original equipment manufacturers who build computers into their products in industries including medical equipment, telecommunications, defense and imaging. PDSi also helps major computer platform manufacturers respond to customer requirements for customized solutions and extended service life. PDSi specializes in areas where these OEMs often get little help from larger outsource firms, solving the challenges associated with complex technologies, low to medium volume production, and long-term service of third party products.

Not simply a repair depot or a contract manufacturer, PDSi represents a more collaborative and flexible outsourcing partner who helps its clients manage costs, meet unplanned demand changes, improve customer satisfaction, and respond aggressively to new trends in the technology market place. With its innovative and proactive staff of engineering, manufacturing, program management and supply chain specialists, PDSi tailors solutions that meet the particular business and operational needs of each OEM. For more information, visit the PDSi website at www.pinnacle.com.

Safe Harbor Statement: This release contains 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 activities anticipated to benefit operating and financial performance. The words "expect", "anticipate" 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. These factors include changes in general economic conditions, changes in the specific markets for the Company's products and services, changes in customer order patterns, changes in the Company's business or its relationship with major technology partners or significant customers, pricing pressures, lack of adequate financing to take advantage of business opportunities that may arise, lack of success in technological advancements, and risks associated with the Company's new business practices, processes and information systems. 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.

###