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PDSi and AMD to Develop Advanced Mezzanine Card

A New Boost for Customers Building Modular Computer Systems

COLUMBUS, Ohio (Oct 10, 2007) Pinnacle Data Systems, Inc. (PDSi) (AMEX: PNS) announced that it has been selected by AMD (NYSE: AMD) to develop a third Reference Design Kit (RDK) around AMD's embedded technology. This RDK is focused on the design and commercialization of a compact computing module conforming to the latest Advanced Mezzanine Card (AdvancedMC™) standard.

The new design will feature the AMD Athlon™ 64 processor family and represents another significant step by AMD in establishing an ecosystem of embedded computing designs that reduce time-to-market for its customers. PDSi will contribute its AdvancedMC board design information to AMD's freely-distributed RDK collateral, while also independently marketing this new computing module and related customization and integration services. AdvancedMC computer boards can function as plug-in auxiliary CPUs for high-end telco-oriented AdvancedTCA® systems as well as main CPUs in the popular new modular system architecture known as MicroTCA. MicroTCA appeals to a broad range of OEM industries that require compact and cost-effective computing platforms which are also robust, flexible and expandable.

PDSi and AMD have previously collaborated on two other RDK projects. In 2006, PDSi demonstrated the world's first commercially available multi-processor AdvancedTCA® compute blade design using the AMD Opteron™ processor. Earlier this year PDSi embarked on a design project to incorporate AMD Sempron™ and AMD Turion™ processors into a board based on the COM Express™ standard.

"We are very pleased to continue our collaborative partnership with AMD and to be developing this new module," said Michael Darnell, PDSi's Vice President of Global

Sales and Marketing. “AMD Athlon 64 processors offer the compelling performance per watt needed for a compact yet capable embedded computer in the AdvancedMC format.”

Greg White, AMD’s Vice President and General Manager, Desktop and Embedded Divisions, stated, “Advanced design partners like PDSi are helping AMD serve the implementation needs of our growing base of OEM customers. This latest RDK, and the support ecosystem behind it, is further evidence of AMD’s long-term commitment to the embedded market.”

The AdvancedMC standard is managed by PICMG (www.picmg.org), a consortium of over 450 companies who collaboratively develop open specifications for high performance telecommunications and industrial computing applications. The current AdvancedMC specification was released in November 2006.

About PDSi

PDSi is an embedded computing technology provider offering design, development, production, and repair services to original equipment manufacturers (OEMs). Industries served currently include medical, telecommunications, industrial/automation, military/aerospace and imaging. PDSi also helps major computer platform manufacturers respond to their customers’ requirements for customized solutions and extended service life. PDSi specializes in solving the challenges associated with complex technologies, multi-vendor integrations, low to medium volume production, and long-term service of third party products.

PDSi is a collaborative and flexible outsourcing partner who helps clients create cost-effective solutions, respond to unplanned demand changes, improve customer satisfaction, and aggressively adapt to new trends in the technology market place. Through its innovative and proactive staff of engineering, design, manufacturing, program management and supply chain specialists, PDSi tailors solutions that meet the particular business and operational needs of each OEM client. For more information, visit the PDSi website at www.pinnacle.com.

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