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PDS RESPONDS TO THAILAND FLOODING WITH DELIVERY ASSURANCE PROGRAM.

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180 million-unit 4Q11 production runs*

MILWAUKEE – November 14, 2011 – PDS announced today it has launched a Delivery Assurance Program in response to the Hard-Disk Drive (HDD) supply chain issues stemming from the widespread flooding in Thailand.

4Q11/1Q12 HDD Forecast Update from Gartner currently estimates 50 million HDDs will be taken out of the planned 180 million-unit 4Q11 production runs, with potentially an additional 50 million HDDs taken out of the projected 175 million-unit build plans in 1Q12.

Since late July Thailand has experienced widespread flooding killing hundreds of people and causing billions of dollars in damage. In addition to the tragic human consequences, the flooding has inundated hundreds of factories north of the capital. Several of these factories manufacture key components for hard drives. All notebook PC supply-chain vendors will be impacted: processors, graphics chips, displays, and many other key components. PC manufacturers are warning of possible price fluctuations and delays in shipment.

According to PDS vice president of product services, Kerry Marti, every enterprise should at this time:

1. Identify “At Risk” Products within your catalog

Chances are, at least one of your standard devices will be affected. PDS can help research current allocations and any potential challenges.

2. Develop a 6-Month Plan

Volatility is expected to continue through the end of 4Q11 and well into 1Q12. To avoid getting caught short, forecast how much product you will need, both for day-to-day run rates as well as any projects on the horizon. PDS is responding by providing customers historical data on seasonal run rates.

3. Prepare a Procurement Strategy

Develop a shipment plan based upon the run-rate and project requirements you’ve outlined. Estimate the weekly, bi-weekly, or monthly quantities that will get you through this period. Prepare a budget (FY11 and FY12) to allocate the proper funds for a pre-buy.

4. Execute the Delivery Assurance Program

Act now. Companies can pre-purchase the necessary quantity of product through PDS. As part of the Delivery Assurance Program, PDS will hold, manage, and prepare the product for deployment within the next 90 days.

About PDS

For more than 25 years, Paragon Development Systems, Inc. (PDS) has been providing Information Technology (IT) solutions for enterprise organizations. As a technology services company, PDS architects, supplies, implements and manages IT solutions that lower total cost, accelerate time-to-value for IT investments and improve end-user experience. In addition to being a leading Value-added Reseller (VAR), PDS manufactures alternative form-factor computing devices and video solutions for a broad range of applications.



We architect, supply, implement and manage IT.

Headquartered in Oconomowoc, Wisconsin, PDS has been assessed and approved by National Quality Assurance, USA, an accredited ISO 9000 auditor and has been recognized 6 times by the Milwaukee Journal Sentinel as one of the “100 Best Places to Work” in Southeastern WI based on work environment, efficiency and overall culture.

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