

FOR: IMMEDIATE RELEASE

CONTACT: Hesham M. Gad, Chairman of the Board
706-549-7141
www.ptgamex.com

**PARAGON TECHNOLOGIES APPOINTS SHAM GAD CHAIRMAN, ANNOUNCES
BOARD AND MANAGEMENT CHANGES, AND APPOINTS JACK JACOBS TO
BOARD**

EASTON, PA – March 16, 2012 – Paragon Technologies, Inc. (OTC Pink: PGNT), a leading supplier of "smart" material handling systems and "software-driven" warehouse and distribution center solutions, today announced the appointment of Hesham ("Sham") Gad as Chairman of the Board and the appointment of Jack Jacobs to the Company's Board of Directors. The appointment of Mr. Jacobs reduces the size of the Paragon Technologies' Board to three after the voluntary resignation of Messrs. Ted Myers, Robert Schwartz, and Len Yurkovic from the Board. In addition, the Board has appointed Executive Vice President, William J. Casey, to the position of Acting CEO, replacing Len Yurkovic, effective immediately.

Commenting on the announcement, Chairman of the Board, Sham Gad, stated, "I am pleased that Mr. Jacobs is joining the Board of Directors. Mr. Jacobs, along with Mr. Weiser who was appointed to the Board on February 27, brings two highly talented and respected businessmen to guide the Company's future direction. Both directors possess that rare combination of business acumen and corporate integrity that will prove invaluable to both Paragon and its stakeholders."

Mr. Gad further stated, "Paragon's operating division, SI Systems, has met the material handling, supply chain, and logistical needs of some of the world's largest businesses including Caterpillar Inc. and Deere & Company for many decades. I will work tirelessly to ensure that SI Systems maintains that role going forward. Concurrently, I am well aware of the Company's pristine balance sheet and the various opportunities that such a financial position affords Paragon and its stockholders."

Mr. Gad further commented, "As a 23% stockholder of Paragon, I am 110% committed to doing what is best for this Company and its stakeholders. By instilling a disciplined capital allocation process and creating a dynamic work environment for the Company's team members, the Board and I will work tirelessly for the benefit of our stakeholders, our employees, and our customers."

Jack Jacobs

Jack Jacobs, age 66, has been a principal of The Fitzroy Group, Ltd., a firm that specializes in the development of residential real estate in London and invests both for its own account and in joint ventures with other institutions, for the past six years. He has held the McDermott Chair of Politics at West Point since 2005 and has served as an NBC military analyst since 2002. Mr. Jacobs was a co-founder and Chief Operating Officer of AutoFinance Group Inc., one of the firms to pioneer the securitization of debt

instruments, from 1988 to 1989; the firm was subsequently sold to KeyBank. He was a Managing Director of Bankers Trust Corporation, a diversified financial institution and investment bank, where he ran foreign exchange options worldwide and was a partner in the institutional hedge fund business. He retired in 1996 to pursue investments.

Mr. Jacobs' military career included two tours of duty in Vietnam where he was among the most highly decorated soldiers, earning three Bronze Stars, two Silver Stars and the Medal of Honor, the nation's highest combat decoration. He retired from active military duty as a Colonel in 1987. Since January 2007, Mr. Jacobs has served as a member of the Board of Directors of Xedar Corporation, a public company. Mr. Jacobs is also a director of Cybercore and PCubed. Mr. Jacobs received a Bachelor of Arts and a Master's degree from Rutgers University.

William J. Casey

William J. Casey, age 68, whose career with the Company spans 44 years, rejoined the Company on December 29, 2003 as Vice President of SI Systems Production & Assembly after a two and a half year absence. Mr. Casey was appointed Executive Vice President of the Company and President of SI Systems Production & Assembly on October 14, 2005. Mr. Casey was appointed President and Chief Operating Officer of SI Systems effective March 1, 2007. From July 2001 to December 2003, Mr. Casey held an executive position with The Casey Group, an information technology firm specializing in providing Enterprise Services in IT management, integration, and outsourcing. From 1965 to 2001, Mr. Casey held a variety of senior management positions at Paragon Technologies, Inc. including Executive Vice President, Vice President Sales and Marketing, and Director of Sales. Mr. Casey is a well-known leader in the material handling industry. A member of the Conveyor Equipment Manufacturers Association (CEMA) for over 30 years, acting as Board President in 2003-2004, Mr. Casey has served on its Board of Directors since 1997 and chaired numerous committees. Mr. Casey received a Bachelor's Degree in Business and Commerce from Rider University.

About Paragon Technologies

Paragon Technologies is a leader in integrating material handling systems and creating automated solutions for material flow applications. SI Systems' branded technologies and material handling solutions address unit assembly in manufacturing operations and order fulfillment applications. One of the top material handling systems suppliers worldwide, SI Systems' leading clients have included the United States Postal Service, BMG, Peterbilt, Honda, and Maybelline.

* * *

Cautionary Statement. *Certain statements contained herein are not based on historical fact and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities and Exchange Commission rules, regulations and releases. Paragon intends that such forward-looking statements be subject to the safe harbors created hereby. Among other things, the forward-looking statements regard Paragon's earnings, liquidity, financial condition, review of strategic alternatives, and other matters. Words or phrases denoting the anticipated results of future events, such as "anticipate," "does not anticipate," "should help to," "believe," "estimate," "is positioned," "expects," "may," "will," "is expected," "should," "continue," and similar expressions that denote uncertainty, are intended to identify such forward-looking statements. Paragon's actual results, performance, or achievements could differ materially from the results expressed in, or implied by, such "forward-looking statements": (1) as a result of factors over which Paragon has no control, including the strength of domestic and foreign economies, sales growth, competition, and certain cost increases; and (2) if the factors on which Paragon's conclusions are based do not conform to its expectations. The forward-looking statements contained in this press release may become outdated over time. Paragon does not assume any responsibility for updating any forward-looking statements. Furthermore, achievement of the objectives of the Company is subject to certain risks, including, but not limited to, those risks outlined in Paragon's filings with the OTC Markets Group, including its annual report for the fiscal year ended December 31, 2011, as filed with the OTC Markets Group.*

This press release and prior releases are available at www.ptgamex.com.