

FOR: IMMEDIATE RELEASE

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PARAGON TECHNOLOGIES APPOINTS NEW CFO

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EASTON, PA – August 31, 2012 – [Paragon Technologies, Inc.](http://www.paragontechnologies.com) (OTC Pink: PGNT), a leading supplier of "smart" material handling systems and "software-driven" warehouse and distribution center solutions, today announced the appointment of Jacob Cherian as Chief Financial Officer, replacing Interim CFO, James D. Floyd, effective immediately.

Commenting on the announcement, Chairman of the Board, Sham Gad, stated, "On behalf of the Board of Directors, we are pleased to have Jacob join our team. We appreciate the efforts of Mr. Floyd during the Company's transitional process."

Mr. Gad further stated, "Jacob is a welcome addition to the Company as it rebuilds its team for its future growth initiatives. Jacob's extensive financial experience, working with various industrial companies at all stages of growth, will be an invaluable resource as the Company moves forward."

Mr. Gad further added, "I continue to remain fully committed to running this Company for the benefit of our shareholders, I being the largest with a 28% economic and financial interest in Paragon. As I stated in my March 30, 2012 letter to shareholders, my focus remains two-fold: first, we will work diligently and prudently in improving the operations of the Company and second, we will continue to pursue a path that seeks to both maximize and preserve the company's cash assets."

Jacob Cherian

Jacob Cherian, age 60, is an accounting and financial professional with over 30 years of experience in both publicly traded and privately held companies. Prior to joining the Company, Mr. Cherian held positions as Chief Financial Officer, Corporate Controller, Group Financial Controller, and various other senior accounting positions. Prior experiences include Corporate Controller of Measurement Specialties Inc. and SL Industries Inc., Chief Financial Officer of GES Global Energy Services, Inc. and AK Stamping/Globe Manufacturing. Most recently, Mr. Cherian served as Controller and VP of Performance Management at FloDesign Wind Turbine Corp. Mr. Cherian has an MBA from Fairleigh Dickinson University in New Jersey and is a Chartered Accountant (inactive).

About Paragon Technologies

Paragon Technologies, Inc. is a leader in integrating material handling systems and creating automated solutions for material flow applications. SI Systems' (a wholly owned subsidiary of Paragon Technologies, Inc.) branded technologies and material handling solutions address unit assembly in manufacturing operations and order fulfillment applications.

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, and the most recent quarterly report for the period ended June 30, 2012 as filed with the OTC Markets Group.*

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