

FOR: IMMEDIATE RELEASE

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PARAGON TECHNOLOGIES APPOINTS NEW CEO

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EASTON, PA – August 20, 2012 – [Paragon Technologies, Inc.](http://www.paragontechnologies.com)'s (OTC Pink: PGNT), wholly owned subsidiary, SI Systems, Inc., a leading supplier of "smart" material handling systems and "software-driven" warehouse and distribution center solutions, today announced the appointment of Larry Strayhorn as Chief Executive Officer, replacing Acting CEO, William ("Bill") J. Casey, effective immediately.

Commenting on the announcement, Chairman of the Board, Sham Gad, stated, "On behalf of the Board of Directors, we would first like to thank Bill Casey for his 44 years of dedicated and loyal service to the Company."

Mr. Gad further stated, "SI Systems is at a very important transition point in its history as the material handling industry becomes more and more critical to satisfying the growing demand for enhanced productivity solutions from businesses today. No one is more qualified than Larry to lead SI Systems on this critical and exciting journey."

Mr. Gad further commented, "Larry's background and accomplishments during his 34 years serving the material handling industry simply jump off the page. Larry is widely regarded by his peers in the industry as one of the most respected and qualified material handling executives today as is evidenced by his current role as Chair of Material Handling Industry of America. Furthermore, Larry brings a level of integrity that is often remiss in today's corporate world. Larry's ability to build a material handling company has been well documented in the industry."

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 SI Systems and second, we will continue to pursue a path that seeks to both maximize and preserve the Company's nearly \$5 million cash balance. Larry is just as committed to this focus, and the Board is thrilled to have him join our team."

Edward "Larry" Strayhorn

Larry Strayhorn, age 52, has served the material handling industry for over 34 years. He has held multiple management positions at Eaton-Kenway, Inc., Mannesmann Demag and Rapistan Demag, all with a focus on automation. He was one of the principal owners of Diamond Phoenix Corp. before selling the company to Systems Logistics, and most recently served as the President of TGW Systems.

Mr. Strayhorn has also served the Material Handling Industry (MHI) trade organization for a number of years in various capacities, and he currently is the Executive Chairman of Material Handling Industry of America, the industry leading organization. He also serves as a board member of the Material Handling Education Foundation.

About Paragon Technologies

Paragon Technologies, through its wholly owned subsidiary, SI Systems, Inc., 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.

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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.