

Paragon Technologies News Release

EASTON, Pa., April 1, 2015 /PRNewswire/ -- Paragon Technologies, Inc. (OTC Pink: PGNT), a holding company, today announces its results for the fiscal year ended December 31, 2014.

Paragon Technologies, Inc.'s Consolidated Statement of Operations for the Years ended December 31, 2014, 2013 and 2012 are summarized below. For further detail on our results, shareholders should carefully review our annual report, which can found at www.pgntgroup.com.

Paragon Technologies, Inc. Financial Summary for Press Release

(in thousands)	December <u>31, 2014</u>	December <u>31, 2013</u>	December <u>31, 2012</u>
Net Sales	\$ 6,680	\$ 11,643	\$ 8,854
Operating income (loss)	<u>(467)</u>	<u>901</u>	<u>(360)</u>
Other income (expense)			
Interest expense	(11)	(1)	-
Interest Income	17	12	28
Loss on investment, equity method	-	(2,997)	(107)
Gain on investment, marketable securities	<u>13</u>	<u>37</u>	<u>-</u>
Total other income (expense), net	<u>19</u>	<u>(2,949)</u>	<u>(79)</u>
Loss before income taxes	(448)	(2,048)	(439)
Income tax benefit	<u>17</u>	<u>272</u>	<u>7</u>
Net loss	<u>\$ (431)</u>	<u>\$ (1,776)</u>	<u>\$ (432)</u>

Analysis of Results:

The year 2014 was a rebuilding year with a new senior management team on board mid-year and a renewed focus on our core product capabilities. We expect the 2015 results to show material improvement in our core material handling operations.

In 2014 Paragon recognized a realized gain of \$13,000 on its investment portfolio. In 2013, the equity method of accounting required Paragon to write-off its investment in SED International Holdings of approximately \$3 million. This write-off is not yet deemed a realized loss on investment and it is possible that this write off may be reversed in the future. Interest income includes \$5,600 of dividend income.

Paragon utilizes pre-tax operating income, non-GAAP financial measure, in its analysis of financial results. Paragon Technologies defines pre-tax operating earnings outside of the investment gains/losses of the Company, and interest expense.

About Paragon Technologies

Paragon Technologies, Inc. is a holding company with diverse business activities. Paragon's wholly owned operating subsidiary, SI Systems, Inc., offers branded technologies and material handling solutions that serve manufacturing operations and order fulfillment applications. Operating decisions for Paragon's operating businesses are made by the management of those businesses. All investment decisions under Paragon's investment policy are made by Sham Gad, Chairman and CEO of Paragon pursuant to the Company's investment management policy.