

**FOR:** IMMEDIATE RELEASE

**CONTACTS:** Len Yurkovic, Acting CEO  
610-252-3205  
610-252-3102 (Fax)  
[www.ptgamex.com](http://www.ptgamex.com)

**PARAGON TECHNOLOGIES' SI SYSTEMS BRAND AWARDED A  
\$1.0 MILLION SYSTEM EXPANSION CONTRACT FOR AN  
AUTOMATED LIGHT-PICKING SYSTEM**

- - - - -

**EASTON, PA — October 3, 2007** -- Paragon Technologies, Inc. (Amex:PTG), a leading supplier of “smart” material handling systems and “software-driven” warehouse and distribution center solutions, announced today that its SI Systems’ brand was awarded a contract totaling \$1.0 million to provide an automated light-picking system and related software modules for a manufacturer of a comprehensive line of healthcare products. The contract calls for SI Systems to provide an extensive expansion to the client’s existing distribution center with its line of light-directed picking technology, Accupic™. SI Systems will also furnish several customized modules of its proprietary SINTHESIS™ Software Suite that will be tailored to optimize the client’s split-case order fulfillment operations. Detailed terms of the contract were not disclosed.

Len Yurkovic, Acting CEO of Paragon Technologies, commented, “Our client chose our solution primarily based on the proven reliability of not only our Accupic™ light-directed picking technology but, more importantly, the accuracy and optimization our SINTHESIS™ Software Suite provides to their distribution process. These software modules provide highly accurate order planning, order routing, resource planning, and inventory control in real-time response, all of which are critical in achieving fast, efficient, and accurate order shipments for our client’s distribution operations.”

[MORE]

## 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 Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2006 and the most recent quarterly report on Form 10-Q for the quarter ended June 30, 2007.*

*This press release and prior releases are available at [www.ptgamex.com](http://www.ptgamex.com).*