

FOR: PARAGON TECHNOLOGIES, INC.

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**PARAGON TECHNOLOGIES' SI SYSTEMS
BRAND AWARDED A \$625,000 CONTRACT FOR AN AUTOMATED
ASSEMBLY CONVEYOR SYSTEM**

EASTON, PA — October 14, 2008 -- 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 received an order totaling \$625,000 to design, build, and install an automated conveyor system. This order calls for two separate conveyor systems, which together will be used to assemble a variety of fuel-efficient gasoline engines for the Asian market. The conveyor systems are part of a global automobile manufacturer’s major automation project at a facility located in Korea. This order is with a large Korean-based systems integrator company who is designing and supplying production lines and process equipment for the automobile manufacturer. On this project, SI Systems will be a major subcontractor to the integrator firm that is designing and installing a multi-million dollar, large-scale manufacturing automation project.

Len Yurkovic, Acting CEO of Paragon Technologies, said, “We are delighted at being selected by this Korean-based integrator company who has recognized SI Systems as a leading supplier of assembly conveyor technologies, particularly in engine assembly applications. As the automotive industry at large continues to develop new fuel-efficient engine technologies, we have been very successful in working with manufacturers of all types of vehicles and vehicle subassemblies to utilize our ergonomically-designed towline conveyor in their assembly process.”

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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.

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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 Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2007 and the most recent quarterly report on Form 10-Q for the quarter ended June 30, 2008.*

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