

FOR: IMMEDIATE RELEASE

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PARAGON TECHNOLOGIES REPORTS 2007 FOURTH QUARTER AND YEAR-END RESULTS

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EASTON, PA — March 18, 2008 -- Paragon Technologies, Inc. (Amex:PTG), a leading supplier of “smart” material handling systems and “software-driven” warehouse and distribution center solutions, announced today results for the fourth quarter and year ended December 31, 2007.

During the fourth quarter ended December 31, 2007, the Company had a net loss of \$58,000 or \$0.02 loss per share on revenues of \$4.5 million. The Company’s backlog of orders at December 31, 2007 was \$7.9 million compared to the Company’s backlog of orders at the beginning of the year of \$5.9 million.

During the year ended December 31, 2007, the Company had net income of \$341,000 or \$0.12 earnings per share on revenues of \$21.4 million. The rate of new orders rose during the year ended December 31, 2007 to \$23.5 million compared to \$16.8 million in new orders received during the year ended December 31, 2006.

Net income for the twelve months ended December 31, 2007 was favorably impacted by the recognition of a \$309,000 income tax benefit primarily related to the reversal of accruals for the expiration of tax return statutes.

Len Yurkovic, Acting CEO of Paragon Technologies, commented, “Although we are disappointed in our 2007 fourth quarter and twelve month earnings, we are encouraged by the increase in the backlog of orders, which provides a good foundation for financial performance for 2008. Selling, general and administrative expenses have impacted our bottom line, but are in keeping with our long-term strategy to increase the level of sales by investing in resources associated with sales efforts in response to quoting and sales activities.”

[MORE]

The Company will host a conference call to discuss these results on Tuesday, March 18, 2008 at 11:00 a.m. ET. To participate in the call, please dial 1-866-752-7147 and ask for the Paragon Technologies teleconference. Simultaneous with the conference call, an audio webcast of the call will be available via a link on the Paragon website, www.ptgamex.com.

Paragon's SI Systems' branded technologies drive productivity at Fortune 1000 companies and the United States Government.

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, 2006 and the most recent quarterly report on Form 10-Q for the quarter ended September 30, 2007.*

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

Paragon Technologies, Inc.
Summary Financial Information
Selected Financial Data — Balance Sheets (UNAUDITED)
(In Thousands, Except Ratio Information)

	December 31, 2007	December 31, 2006
Cash and cash equivalents	\$ 12,104	2,447
Short-term investments	200	9,625
Total cash and cash equivalents and short-term investments	\$ 12,304	12,072
Trade receivables	\$ 2,640	2,557
Inventories	\$ 859	469
Current assets	\$ 17,842	16,370
Current liabilities	5,802	4,296
Working capital	\$ 12,040	12,074
Current ratio	3.08	3.81
Total assets	\$ 18,316	16,752
Total stockholders' equity	\$ 12,253	12,428

Paragon Technologies, Inc.
Summary Financial Information
Selected Financial Data — Statements of Operations (UNAUDITED)
(In Thousands, Except Per Share Information)

	Fourth Quarter Ended December 31,		Year Ended December 31,	
	2007	2006	2007	2006
Net sales	\$ 4,524	3,536	21,448	17,788
Income (loss) before income taxes ...	\$ (176)	37	(92)	449
Income tax benefit	(118)	(20)	(433)	(19)
Net income (loss)	\$ (58)	57	341	468
Basic earnings (loss) per share	\$ (.02)	.02	.12	.14
Diluted earnings (loss) per share	\$ (.02)	.02	.12	.14

Paragon Technologies, Inc.
Supplemental Financial Information
Reconciliation of Net Income (Loss) to EBITDA (UNAUDITED)
(In Thousands)

	Fourth Quarter Ended December 31,		Year Ended December 31,	
	2007	2006	2007	2006
Net income (loss)	\$ (58)	57	341	468
Add: Income tax benefit	(118)	(20)	(433)	(19)
Income (loss) before income taxes	(176)	37	(92)	449
Add: Interest expense	-	-	1	1
Add: Depreciation and amortization expense	27	31	109	104
EBITDA	(149)	68	18	554