

27th February 2015

Australian Securities Exchange Company Announcements Office

DIVIDEND ANNOUNCEMENT

Paragon Care Limited (ASX: PGC) ("the Company") is pleased to announce that it has declared an interim dividend of 0.6 cents per ordinary share, to be paid on 31st March 2015 in respect of the financial half year ended 31 December 2014.

The dividend will be paid to all shareholders on the register of members as at the Record Date of 10th March 2015 and represents a 20% increase over the prior corresponding period.

Participation in the DPR

Paragon Care operates a dividend reinvestment plan (DRP) that enables shareholders to elect to reinvest all, or up to a portion of, their dividends into additional shares in Paragon Care Ltd. The DRP will be available for the interim dividend. Shares will be issued at a discount of 5% to the volume weighted average market price of shares sold on the ASX over the 5 trading days immediately following the record date.

The closing / final election date for participation in the DRP will be March 11th 2015.

If you have any questions or wish to receive a DRP Election Notice please contact Link Market Services at the numbers listed below:

Link Market Services Limited Locked Bag A14, Sydney South NSW 1235

Toll free: 1300 554 474

Email: registrars@linkmarketservices.com.au

Matthew Parker

Company Secretary

About Paragon Care:

Paragon Care Limited (ASX: PGC) is one of Australia's leading providers of integrated services to Australia's health and aged care markets. These are high growth markets driven by the ageing of the population, continuously rising consumer expectations and increasing government spending. Paragon Care has seven operating businesses: Axishealth, Iona Medical, Volker Australia, Rapini, GM Medical, Richards Medical, LR Instruments and Scanmedics who combined supply durable medical equipment, consumable medical products and medical devices to hospitals, medical centres and aged care facilities.

For further information please contact Mark Simari, Managing Director (1300 369 559)