

ParagonCare

20th April 2011

Australian Securities Exchange
Company Announcements Office
Level 45 South Tower Rialto
525 Collins St
Melbourne. Vic. 3000

PARAGON CARE LIMITED (ASX Code PGC) ACQUISITION OF GM MEDICAL

The Directors of Paragon Care Limited (ASX: PGC) are pleased to announce that the Company has entered into an agreement to conditionally acquire all the issued capital of GM Medical Pty Ltd for a total consideration of \$1.85 million.

Founded in 2002 by Greg and Michael Rice the business specialises in the design, manufacture, supply and distribution of quality healthcare products for the acute and aged care market throughout Australia and New Zealand (www.gmmedical.com.au). Since inception, GM Medical has developed an exceptional reputation within the healthcare industry for its unique ability to create innovative healthcare concepts as well as manufacture precision designed stainless steel and other medical related products.

GM Medical introduces a host of opportunities via integration of its existing supply channels and expansion of authorised distributors which will in turn enhance the existing Paragon Care subsidiaries Axishealth, Iona Medical Products, Volker Australia and Rapini.

In commenting on this acquisition, Mark Simari, CEO of Paragon Care said “GM Medical has been designing, developing and supplying world class medical products to the Australian acute and aged care market for over 9 years and we are delighted to have GM Medical join the Paragon Care group of healthcare companies.”

Both Greg and Michael Rice will be remaining with the business and will work with Paragon Care to continue the successful growth pathway that GM Medical has enjoyed to date. To demonstrate his commitment to the acquisition and his ongoing involvement in the Company, Mr Michael Rice will subscribe for \$100,000 fully paid ordinary shares in Paragon Care (2,500,000 shares @ 4c per share) which will form part of the consideration of the sale.

The Company will convene a General Meeting to ask shareholders to approve the matters requiring ratification. The Notice of Meeting and Explanatory Notes will be sent to shareholders in due course. It is planned for the General Meeting to be held sometime in June 2011.

PARAGON CARE LIMITED

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About Paragon Care:

Paragon Care Limited (ASX: PGC) has a vision to be 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 six operating businesses: Axishealth, Iona Medical, Volker Australia, and Rapini supply durable medical equipment to hospitals, medical centres and aged care facilities; Lifetime Planning provides financial planning services to the elderly; and Tender Living Care provides location services for aged care accommodation.

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