



10th June 2010

Australian Securities Exchange
Company Announcements Office
Level 45, South Tower Rialto
525 Collins Street
MELBOURNE VIC 3000

**ACQUISITION COMPLETED –
IONA MEDICAL PRODUCTS AND VOLKER AUSTRALIA**

The Directors of Paragon Care (ASX: PGC) are pleased to announce that the acquisition of Iona Medical Products Pty Ltd and Volker Australia Pty Ltd has now been completed.

Iona and Volker Australia are established distributors of durable medical products (including beds, trolleys and other mobility products) for use in aged care, hospitals and other medical facilities. Iona was established in 1997 and has a long history of business growth and profitability. Volker Australia was established in 2006 to distribute the Volker range of healthcare and hospital beds from Germany. The two businesses have experienced rapid growth over the past three years and consolidated sales are currently approximately \$5.5 million.

These businesses will operate alongside the company's Axishealth division and significant savings will be achieved through the rationalisation of overheads. More importantly, the additional sales opportunities are considerable as the product ranges of each of the businesses are complementary. Furthermore, Axishealth will provide a national distribution channel to Iona and Volker Australia who have been predominantly focused on the Victorian marketplace.

Mark Simari, Paragon Care CEO said

“The acquisition of Iona and Volker Australia is another milestone in the development of Paragon Care into a leading provider of products and services to the health and aged care sectors and follows three previous successful acquisitions that the company has completed over the past two years.”

Mark Simari
CEO
Paragon Care Limited

PARAGON CARE LIMITED

ABN 76 064 551 426

Unit 1, 56 Norcal Road, Nunawading, Victoria, Australia 3131
Telephone: 1300 781 586 Facsimile: 61 3 9877 2902