

PRESS RELEASE



STRONG Q4 COMPLETES TURNAROUND 2002 FOR PARETO

TORONTO, ONTARIO – March 26, 2003 – Pareto Corporation (“Pareto”) (TSX Venture: PTO) today announced full-year financial results for the year ended December 31, 2002.

Financial highlights include:

- Revenue of \$10,762,411 in 2002, up 441% from 2001, with Q4 2002 revenues up 268% from Q4 2001;
- An improvement in EBITDA of \$1,865,490, to a loss of (\$94,924) in 2002 from (\$1,960,414) in 2001;
- A net loss of (\$462,768) in 2002, down from (\$2,642,429) in 2001.

Pareto experienced a dramatic improvement in operating results in 2002 because of effective restructuring efforts in the earlier part of the year, new business opportunities developed as a result of a strategic refocusing of the company, and a solid contribution from the acquisition of Pareto’s Event division (formerly Naylor Event Management).

“I am excited and pleased that our hard work in renewing and developing Pareto is beginning to show up in our financial results,” said Kerry Shapansky, President and Chief Executive Officer of Pareto. “Our revenue growth in 2002 was generated by strong internal growth and acquisitions. In the fourth quarter we continued this trend, with revenues topping \$3.9 million, up 15% from the third quarter of 2002.

“Our 2003 is already looking very strong, with excellent revenue visibility and high expected revenue growth. Even better, we are not anticipating significant additional headcount requirements as we continue to build more efficient and effective working practices, all while maintaining our focus on relieving our clients of all the executional complexities of delivering their print, digital, and event-based marketing programs. 2003 will be Pareto’s first profitable year.”

For additional information on Pareto Corporation’s full-year financial results, the reader is invited to access Pareto Corporation’s conference call on Thursday, April 3, 2003, at 10:00 a.m. EST. Callers in Toronto should dial (416) 406-9840. All other callers can access the call at 1-800-374-6564. The 48-hour playback numbers are (416) 695-5800 or 1-888-716-7820 (access code: 1397698#). A

recording of the call will also be available in the Investor Relations section of Pareto's website (www.paretocorporation.com) shortly thereafter.

About Pareto Corporation

Pareto Corporation is a marketing services company that excels at handling the executional details of marketing programs, providing services that complement creative agencies and client marketing departments. Through the delivery of print, event, digital, and marketing project management services, Pareto provides measurable, quantifiable services that deliver big value to our clients' vital business relationships. For more information, please visit our website at www.paretocorporation.com.

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This press release contains forward-looking statements related to expected future events and financial operating results of Pareto Corporation that involve risks and uncertainties. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including market and general economic conditions and the risks and uncertainties detailed from time to time in Pareto's SEDAR filings.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

Not for dissemination in the United States of America.

Pareto Corporation Consolidated Balance Sheets

December 31	2002	2001
Assets		
Current assets		
Cash and cash equivalents	\$ 685,489	\$ 1,163,440
Accounts receivable	2,458,341	799,951
Income and other taxes recoverable	748,336	718,251
Work in progress	149,321	64,150
Inventory and other current assets	62,553	73,056
	4,104,040	2,818,848
Deferred finance costs	71,459	-
Capital assets	533,240	615,775
Goodwill and intangible assets	5,730,775	1,333,396
	\$ 10,439,514	\$ 4,768,019
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness	\$ -	\$ 458,405
Accounts payable and accrued liabilities	3,145,043	1,837,048
Deferred revenue	997,580	-
Current portion of long-term debt	300,000	30,000
Current portion of acquisition notes payable	426,250	250,000
	4,868,873	2,575,453
Future income tax liability	272,620	121,000
Acquisition notes payable	526,250	-
Long-term debt	1,050,000	-
	6,717,743	2,696,453
Shareholders' equity		
Share capital	4,044,539	4,713,995
Special warrants	140,000	-
Deficit	(462,768)	(2,642,429)
	3,721,771	2,071,566
	\$ 10,439,514	\$ 4,768,019

Pareto Corporation
Consolidated Statements of Operations and Deficit

For the years ended December 31	2002	2001
Revenue	\$ 10,762,411	\$ 1,988,067
Direct costs	7,804,941	1,605,746
Gross profit	2,957,470	382,321
Expenses		
Facilities	461,193	229,193
Selling and administration	2,591,201	2,113,542
	3,052,394	2,342,735
	(94,924)	(1,960,414)
Amortization of capital assets	194,060	110,068
Amortization of intangible assets	22,208	-
Interest and finance charges	162,076	14,178
Unsuccessful acquisition costs	-	279,941
Loss on disposal of assets	-	24,597
Restructuring expenses	-	47,354
Write down of goodwill	-	242,000
	378,344	718,138
Loss before income taxes	(473,268)	(2,678,552)
Income taxes		
Current (recovery)	-	(5,123)
Future (recovery)	(10,500)	(31,000)
	(10,500)	(36,123)
Net loss for the year	(462,768)	(2,642,429)
Deficit, beginning of year	(2,642,429)	-
Deficit, reallocated to share capital	2,642,429	-
Deficit, end of year	\$ (462,768)	\$ (2,642,429)
Basic and fully diluted earnings (loss) per share	\$ (0.017)	\$ (0.14)
Basic and fully diluted weighted average number of common shares outstanding	26,654,873	18,408,857

Pareto Corporation Consolidated Statements of Cash Flows

For the years ended December 31, 2002 2001

Cash provided by (used in)

Operating activities

Net loss for the year	\$ (462,768)	\$ (2,642,429)
Items not involving cash:		
Amortization of capital assets	194,060	110,068
Amortization of intangible assets	22,208	-
Amortization of deferred finance costs	48,541	-
Non-cash interest expense	29,000	-
Write down of goodwill	-	242,000
Loss on disposal of assets	-	24,597
Expenses settled by share issuance	-	26,500
	(168,959)	(2,239,264)
Changes in non-cash operating accounts	(748,725)	40,877
	(917,684)	(2,198,387)

Investing activities

Capital asset additions	(44,820)	(85,659)
Acquisitions, net of cash acquired	(1,233,315)	(65,866)
	(1,278,135)	(151,525)

Financing activities

Bank indebtedness	(458,405)	43,282
Payment of acquisition notes payable	(270,000)	(110,000)
Issuance of long-term debt	1,350,000	30,000
Repayment of long-term debt	(30,000)	-
Additions to deferred finance costs	(50,000)	-
Issuance of shares	1,200,000	3,725,700
Share issue costs	(23,727)	(176,630)
	1,717,868	3,512,352

Increase (decrease) in cash for the year (477,951) 1,162,440

Cash and cash equivalents, beginning of year 1,163,440 1,000

Cash and cash equivalents, end of year \$ 685,489 \$ 1,163,440