

PRESS RELEASE



PARETO SECOND QUARTER RESULTS TELL PROFITABLE STORY

TORONTO, ONTARIO August 29, 2002 - **PARETO COPORATION** ("Pareto," formerly the Caxton Group Inc.) (TSX Venture: PTO) today announced its financial results for the second quarter and six month period ended June 30, 2002.

The 2002 second quarter results include the results of Naylor Event Management Inc. ("Naylor") for the month of June 2002. The acquisition of Naylor, also known as Pareto Event, was announced on August 1, 2002 and has an effective date of May 31, 2002.

Consolidated Results for the Second Quarter ended June 30, 2002

Sales for the second quarter were \$2,594,870, compared to \$197,374 for the same period in 2001. Second quarter operating expenses in 2002 were \$2,593,821, compared to \$1,077,829 for the same period in 2001. Pareto earned an operational profit of \$1,049 in the second quarter of 2002 compared to a loss from operations of \$880,455 for the same period last year. The net loss in the second quarter was significantly reduced to \$32,755 compared to \$883,910 in the second quarter of 2001.

A substantial portion of this improvement in financial performance arose out of new client and long-term contract acquisitions which contributed significantly to Pareto's revenue base. Approximately 36% of the second quarter's revenue, before including the results of Naylor, pertained to new client revenue. In addition, Pareto acquired Naylor thus adding \$694,231 in revenues and \$83,542 in net profit for the second quarter. Pareto continues to focus on cost control and has managed to grow sales without a corresponding increase in fixed costs.

Consolidated Results for Six month Period ended June 30, 2002

Sales for the six month period ended June 30, 2002 were \$3,440,164, compared to \$197,374 for the same period in 2001. Operating Expenses for the first half of 2002 were \$3,849,457 compared to \$1,418,756 for the same period in 2001. The net loss for the period was significantly reduced to \$455,028 compared to \$1,224,837 in the second quarter of 2001.

Signs of Improvement

"I am extremely pleased with what our second quarter results indicate," said Kerry Shapansky, President and Chief Executive Officer of Pareto. "This improvement evidences the performance culture we have aspired to create at Pareto. In the first half of the year, we took decisive action to cut costs, recruit key personnel, and complete a

significant acquisition. Today's results clearly demonstrate that these actions have firmly set the company on the path to growth and profitability."

Conference Call

You are invited to attend a conference call to discuss the second quarter results. This call will be held on Thursday September 5, 2002 at 9:30 a.m (EST).

The dial-in number is: 1-888-575-8232.

No passcode is required, but attendants are requested to ask for the "Pareto Corporation Investors' Call."

This call will be supervised by an Attendant. Any questions asked during question period, therefore, must be passed through the Attendant. A recording of the call will also be available at our web site (www.paretocorporation.com) shortly thereafter.

For complete financial information, we invite you to visit the SEDAR website at: www.sedar.com. The second quarter statements will be available on SEDAR prior to Thursday September 5, 2002.

About Pareto Corporation

Pareto Corporation is a marketing services company that excels at helping our clients leverage the top 20% of their key relationships. By ensuring our clients deliver the *right message*, to the *right person* in the *right media*, we maximize their marketing return on investment. Through the delivery of Digital Marketing, Print Management and Event Management solutions, Pareto will be known for measurable, quantifiable turn-key marketing services that deliver big value to our clients' vital few relationships. For more information, please visit our website at www.paretocorporation.com.

For further information, contact:

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This press release contains forward-looking statements related to expected future events and financial operating results of the Company that involves 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 the Company'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 Financial Statements
As at June 30, 2002 and December 31, 2001

Consolidated Balance Sheets

	June 30, 2002 (unaudited)	December 31, 2001 (audited)
ASSETS		
Current		
Cash and equivalents	\$ 883,945	\$ 588,440
Short term investments	956,763	575,000
Accounts receivable	2,523,656	799,951
Income and other taxes recoverable	734,018	718,251
Inventory	125,288	100,569
Prepaid expenses	57,150	36,637
Deferred costs	760,709	-
	6,041,529	2,818,848
Capital assets	652,356	615,775
Goodwill	6,069,385	1,333,396
	\$ 12,801,560	\$ 4,768,019
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$ 444,705	\$ 458,405
Accounts payable and accrued liabilities	5,276,723	1,812,013
Current portion of obligation under capital lease	17,736	15,143
Loans payable	590,649	280,000
Deferred revenue	2,321,767	-
	8,651,580	2,565,561
Obligation under capital lease	-	9,892
Loans payable	1,760,702	-
Future income tax liability	110,500	121,000
	10,522,782	2,696,453
Shareholders' equity		
Share capital (Note 3)	4,714,945	4,713,995
Share capital to be issued (Note 3)	612,500	-
Deficit	(3,086,957)	(2,642,429)
	2,278,778	2,071,566
	\$ 12,801,560	\$ 4,768,019

Pareto Corporation
Consolidated Statement of Operations and Deficit

For the periods ending June 30

	Current Quarter (unaudited)		Year-to-date (unaudited)	
	2002	2001	2002	2001
Revenue	\$ 2,594,870	\$ 197,374	\$ 3,440,164	\$ 197,374
Expenses				
Direct materials and production	2,045,647	5,427	2,813,827	5,427
Facilities	95,169	26,125	193,482	44,309
Selling and administration	401,991	721,237	780,049	1,323,921
Amortization	51,014	45,099	62,099	45,099
	2,593,821	1,077,829	3,849,457	1,418,756
Income (loss) from operations	1,049	(880,455)	(409,293)	(1,221,382)
Interest and other income	(1,931)	-	(2,977)	-
Unsuccessful acquisition costs	-	279,941	-	-
Interest expense	35,735	3,455	48,712	3,455
Loss before income taxes	(32,755)	(883,910)	(455,028)	(1,224,837)
Income taxes				
Current (recovery)	-	-	-	-
Future (recovery)	-	-	(10,500)	-
Net income (loss) for the period	\$ (32,755)	\$ (883,910)	\$ (444,528)	\$ (1,224,837)
Deficit, beginning of period	\$ (3,054,202)	\$ (340,927)	\$ (2,642,429)	\$ -
Deficit, end of period	\$ (3,086,957)	\$ (1,224,837)	\$ (3,086,957)	\$ (1,224,837)
Basic and fully diluted loss per common share (Note 7)	\$ (0.001)	n/a	\$ (0.020)	n/a
Basic weighted average number of common shares outstanding	23,332,414	n/a	22,821,998	n/a
Fully diluted weighted average number of common shares outstanding	23,358,414	n/a	22,870,748	n/a

Pareto Corporation
Consolidated Statement of Cash Flows

For the periods ending June 30

	Current Quarter (unaudited)		Year-to-date (unaudited)	
	2002	2001	2002	2001
Cash provided by (used in)				
Operating activities				
Net loss for the period	\$ (32,755)	\$ (883,910)	\$ (444,528)	\$ (1,224,837)
Items not involving cash				
Amortization	51,014	45,099	62,099	45,099
Loss on disposal of capital assets	-	20,763	-	20,763
Loss on unsuccessful acquisition	-	250,000	-	-
Shares issued for services	-	-	-	19,500
	18,259	(568,048)	(382,429)	(1,139,475)
Changes in non-cash operating accounts				
Accounts receivable	(627,234)	(12,647)	(452,216)	(38,821)
Inventory	(31,010)	-	(24,719)	-
Prepaid expenses	(19,820)	(23,047)	(15,161)	(23,751)
Income and other taxes recoverable	16,487	-	16,487	-
Deferred costs	314,050	-	314,050	-
Deferred revenue	(328,723)	-	(328,723)	-
Future income tax liability	-	-	(10,500)	-
Accounts payable and accrued liabilities	877,043	30,003	498,586	186,181
	200,793	(5,691)	(2,196)	123,609
Investing activities				
Purchase of capital assets	-	(4,056)	(31,975)	(26,886)
Business acquisition (note 3)	755,066	(181,121)	755,066	(181,121)
	755,066	(185,177)	723,091	(208,007)
Financing activities				
Share issue costs	950	(3,400)	950	-
Issuance of shares	-	-	-	1,225,600
Increase in loans payable	258,851	-	358,851	-
Repayment of obligation under capital lease	(3,715)	(3,218)	(7,299)	(3,218)
Bank indebtedness	(107,622)	12,691	(13,700)	12,691
	148,464	6,073	338,802	1,235,073
Increase (decrease) in cash for the period	\$ 1,122,582	\$ (752,843)	\$ 677,268	\$ 11,200
Cash and cash equivalents, beginning of period	\$ 718,126	\$ 765,043	\$ 1,163,440	\$ 1,000
Cash and cash equivalents, end of period	\$ 1,840,708	\$ 12,200	\$ 1,840,708	\$ 12,200
Supplementary disclosure				
Interest paid	\$ 16,783	\$ 20,131	\$ 29,760	\$ 41,809