

PRESS RELEASE



PARETO REVENUE GROWTH DRIVES PROFITABLE THIRD QUARTER

TORONTO, ONTARIO November 7, 2002 - **PARETO CORPORATION** ("Pareto,") (TSX Venture: PTO) today announced its financial results for the third quarter ended September 30, 2002.

Financial highlights include:

- Revenues of \$3.4 million - up 31% or \$0.8 million from Q2 2002, up 368% over 2001
- EBITDA of \$139,964 - up 169% from Q2 2002.
- Net Income of \$21,686 compared to a net loss of (\$32,755) in Q2 2002.

Pareto continued its trend of quarter over quarter profit and revenue growth by continuing to aggressively pursue new revenue streams while keeping fixed costs at a minimum. The full quarter inclusion of the recently acquired subsidiary, Naylor Event Management Inc. was also a significant contributor to the strong quarterly results.

"We continue to deliver on our promise to increase top line and bottom line growth", stated Kerry Shapansky, President and Chief Executive Officer of Pareto. "I am very pleased with the performance of all our divisions during the quarter. Naylor Event Management, our largest acquisition to date, is exceeding expectations and Pareto's revenues, excluding Naylor, grew by 121% compared to Q3 2001. We are also excited about the response we are receiving from clients as Pareto demonstrates how we can help them drive relationships with their most important customers. "

Shapansky added, "Looking forward we see continued revenue and earnings growth. We are experiencing significant growth with our key customers, including starting in November, a sizeable expansion in the scope and volume of the services we provide our largest customer. In addition, the acquisition of Bridge Sales and Marketing is already driving increased new business opportunities. "

For additional information on Pareto Corporation's third quarter results and the reader is invited to access the Pareto Corporation conference call on Thursday November 14, at 10 a.m. EST. The toll-free number for North America is 1-888-575-8232 or 416-406-6419. The 72-hour playback number is 1-888-716-7820 or 416-695-5800 (Access code 1308377#). A recording of the call will also be available in the Investor Relations section of our website, www.paretocorporation.com, shortly thereafter.

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.

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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 Balance Sheets**September 30,**
2002
(unaudited)December 31,
2001
(audited)

ASSETS**Current**

Cash and equivalents	\$	736,070	\$	1,163,440
Accounts receivable		2,234,962		799,951
Income and other taxes recoverable		724,035		718,251
Work in progress		541,636		64,150
Inventory and other current assets		78,973		73,056

4,315,676**2,818,848****Deferred finance costs****76,988****-****Capital assets****600,803****615,775****Goodwill****4,980,396****1,333,396**

\$ 9,973,863**\$ 4,768,019**

LIABILITIES AND SHAREHOLDERS' EQUITY**Current**

Bank indebtedness	\$	-	\$	458,405
Accounts payable and accrued liabilities		3,133,405		1,812,013
Deferred revenue		1,315,177		-
Current portion of obligations under capital leases		13,885		15,143
Current portion of long-term debt		225,000		30,000
Current portion of accrued acquisition obligations		306,250		250,000

4,993,717**2,565,561****Obligations under capital leases****-****9,892****Future income tax liability****110,500****121,000****Accrued acquisition obligations****306,250****-****Long-term debt****1,125,000****-**

6,535,467**2,696,453****Shareholders' equity**

Share capital

3,861,239**4,713,995**

Deficit

(422,843)**(2,642,429)**

3,438,396**2,071,566**

\$ 9,973,863**\$ 4,768,019**

Pareto Corporation
Consolidated Statement of Operations and Deficit
(Unaudited)

For Periods ended September 30

	Three Months		Nine Months	
	2002	2001	2002	2001
Revenues	\$ 3,408,648	\$ 728,007	\$ 6,849,867	\$ 925,381
Direct Costs	2,590,534	796,870	5,067,123	802,297
Gross Profit	818,114	(68,863)	1,782,744	123,084
Expenses				
Facilities	144,497	110,252	337,979	154,561
Selling and administration	533,653	478,713	1,674,272	1,522,693
	678,150	588,965	2,012,251	1,677,254
	139,964	(657,828)	(229,507)	(1,554,170)
Depreciation	52,285	46,772	114,385	91,871
Unsuccessful acquisition costs	-	-	-	279,941
Loss on disposal of assets	-	42,384	-	42,384
Interest and finance charges, net	65,993	(6,156)	89,451	(2,701)
Income (loss) before income taxes	21,686	(740,828)	(433,343)	(1,965,665)
Income taxes				
Current (recovery)	8,460	-	-	-
Future (recovery)	(8,460)	-	(10,500)	-
Net income (loss) for the period	\$ 21,686	\$ (740,828)	\$ (422,843)	\$ (1,965,665)
Deficit, beginning of period	\$ (3,086,958)	\$ (1,224,837)	\$ (2,642,429)	\$ -
Deficit, reallocated to share capital (Note 5)	\$ 2,642,429	\$ -	\$ 2,642,429	\$ -
Deficit, end of period	\$ (422,843)	\$ (1,965,665)	\$ (422,843)	\$ (1,965,665)
Basic and fully diluted earnings (loss) per common share (Note 8)	\$ 0.001	n/a	\$ (0.016)	n/a
Basic weighted average number of common shares outstanding	29,374,081	n/a	26,707,414	n/a
Fully diluted weighted average number of common shares outstanding	29,412,176	n/a	26,867,414	n/a

Pareto Corporation
Consolidated Statements of Cash Flow
(Unaudited)

For the periods ending September 30

	Three Months		Nine Months	
	2002	2001	2002	2001
Cash provided by (used in)				
Operating activities				
Net income (loss) for the period	\$ 21,686	\$ (740,828)	\$ (422,843)	\$ (1,873,794)
Items not involving cash				
Depreciation	52,285	46,772	114,385	91,871
Amortization of deferred financing costs	23,333	-	23,333	-
Non-cash interest expense	14,500	-	29,000	-
Loss on sale of capital assets	-	42,384	-	42,384
	111,804	(651,672)	(256,125)	(1,739,539)
Changes in non-cash operating accounts				
Accounts receivable	288,694	226,277	(163,522)	287,457
Work in progress	308,475	(4,900)	597,273	(4,900)
Inventory and other current assets	14,063	(65,863)	(565)	(89,614)
Income and other taxes recoverable	9,983	(70,962)	26,470	18,996
Deferred revenue	(1,006,590)	-	(1,335,313)	-
Future income tax liability	-	31,000	(10,500)	31,000
Accounts payable and accrued liabilities	(118,319)	14,505	380,267	8,281
	(503,694)	130,057	(505,890)	251,220
Investment activities				
Purchase of capital assets	(732)	(49,385)	(32,708)	(121,616)
Sale of short-term securities	956,763	575,000	575,000	575,000
Business acquisition	(638,011)	(735,399)	(2,497,444)	(901,911)
	318,020	(209,784)	(1,955,152)	(448,527)
Financing Activities				
Share issue cost	(23,777)	-	(22,827)	-
Issuance of shares	1,200,000	2,575,932	1,200,000	3,802,052
Increase in long-term debt	711,149	(356,664)	1,320,000	(388,493)
Additions to deferred costs	(100,320)	-	(100,320)	-
Repayment of obligation under capital leases	(3,852)	-	(11,151)	35,047
Increase in accrued acquisition obligations	(1,412,500)	-	362,500	-
Bank indebtedness	(444,705)	30,738	(458,405)	18,047
	(74,005)	2,250,006	2,289,797	3,466,653
Increase (decrease) in cash for the period	\$ (147,875)	\$ 1,518,607	\$ (427,370)	\$ 1,529,807
Cash and equivalents, beginning of period	\$ 883,945	\$ 12,200	\$ 1,163,440	\$ 1,000
Cash and equivalents, end of period	\$ 736,070	\$ 1,530,807	\$ 736,070	\$ 1,530,807