

PRESS RELEASE



PARETO CLOSSES ACQUISITION OF BARRY RAYNER ASSOCIATES

TORONTO, ONTARIO August 13, 2004 - **PARETO CORPORATION** ("Pareto") (TSX: PTO) today announced the completion of the previously announced acquisition of Barry Rayner Associates ("B.R.A.").

"I am very confident the joint capabilities of our organizations will form the platform for the next level of our organic growth" commented Kerry Shapansky, President and Chief Executive Officer of Pareto. "The closing of the acquisition of B.R.A. will significantly improve Pareto's profitability, and we now expect our 2005 revenues to exceed \$50 million and that our 2005 EBITDA margin will improve to between 9 to 10% of revenues".

In connection with the closing of the acquisition, Pareto has entered into a \$4.0 million debt facility with a group of lenders which includes officers and directors of the Company. The facility matures on October 13, 2005. The Company granted to the lenders warrants to purchase 800,000 Pareto shares at an exercise price of \$1.00 per share. The warrants expire August 13, 2006. A portion of the facility was arranged by Northern Securities Inc.

About Pareto Corporation

Pareto Corporation is a marketing services company that excels at handling the executional details of marketing programs, providing services that complement client marketing and sales departments. Through the delivery of print management, event management, interactive technologies, tactical field marketing, customer incentive and loyalty management services as well as fulfillment and distribution 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.pareto.ca.

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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.