

PRESS RELEASE



PARETO TO ACQUIRE BARRY RAYNER ASSOCIATES – REVENUES TO INCREASE BY OVER 50%

TORONTO, ONTARIO August 03, 2004 - **PARETO CORPORATION** ("Pareto") (TSX: PTO) has agreed to acquire Barry Rayner Associates ("B.R.A.") of Oakville, Ontario.

Pareto Corporation is very pleased to announce the acquisition of Barry Rayner Associates, an award winning marketing services firm that has been focused on the needs of the Ford Motor Company ("Ford") for over 17 years. B.R.A.'s 55 employees deliver a wide range of sales and marketing programs including Sponsorship Management, Program Administration, Data Management, Web and Interactive Services, Shows and Events, Print Material, Contests and Incentives, Program Execution and Fulfillment.

B.R.A. is unique in that they integrate client industry expertise with marketing expertise and process-driven discipline to add measurable value. They are proud of their distinction as one of only a few agencies to have achieved both ISO:9001 certification and Ford's Q1 designation. B.R.A. will continue to be led by co-founder and President, Michael Collins as well as Vice-President Anthony Benham. They will operate under the name Barry Rayner Associates, as a wholly owned subsidiary of Pareto.

"I am extremely pleased to welcome Michael, Tony and the talented team from B.R.A. to the Pareto family," commented Kerry Shapansky, President and Chief Executive Officer of Pareto. "B.R.A. is a remarkable agency. If you knew nothing else about them their staff retention rate of over 90%, significantly above the industry average, would give you a strong indication of the quality of this organization as well as the depth of experience and expertise that resides there. Pareto and B.R.A. have very complimentary capabilities and we see significant synergies being driven by this association. Pareto has been experiencing dramatic organic growth and will benefit greatly from B.R.A.'s suite of services and its outstanding executional abilities. B.R.A. will benefit from our enhanced services offering and the opportunity to work with our clients."

"This is an exciting day for Barry Rayner Associates," commented Michael Collins, President of B.R.A. "Kerry and I have a shared vision of a client-centric company that is Canada's leading "below the line" marketing firm. Pareto's complimentary services provide B.R.A. with a more powerful platform and will dramatically expand our ability to service Ford and contribute to their results. Our existing services, experience and executional excellence will enhance Pareto's ability to achieve the objectives of their clients. We have strikingly similar corporate cultures and values and can boast of highly committed and talented teams. Collectively, we will be a significant organization for our clients."

Pareto will acquire 100% of the shares in B.R.A. for initial consideration consisting of \$3.5 million cash and \$500,000 in Pareto shares in a transaction which is subject to regulatory approval and will close in the next three weeks. Up to \$8.0 million of additional consideration may be paid upon achievement of future period profitability growth and

performance objectives over the next three and a half years with up to approximately 25% of the future consideration potentially payable in Pareto shares.

“This acquisition further enables the next level of organic growth for Pareto”, says Mr. Shapansky. “The combination of Pareto and B.R.A. is accretive. We anticipate that B.R.A. will add \$15 million a year to our revenues, and increase net income by more than 50%. Pareto currently has no debt, and the debt required to finance this transaction will leave the company with a comfortable debt:EBITDA ratio.”

Pareto will hold an investor call on Thursday August 5, 2004, at 11:00 a.m. EST to discuss this acquisition as well as Q2 results. Callers in Toronto should dial (416) 695-5801. All other callers can access the call at 1-800-478-9326. A playback of the call will also be available by telephone for 48 hours at (416) 695-5800 or 1-800-408-3053 (access code: 3086314#). A recording of the call will also be available in the Investor Relations section of Pareto’s website (www.pareto.ca) 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 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.

For further information, contact:

Kerry Shapansky, President and Chief Executive Officer, Pareto Corporation

(416) 790-2350

Clint Becker, Chief Financial Officer, Pareto Corporation

(416) 790-2360

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.