



# PARETO

## **PARETO ACQUIRES RETAIL SALES AND MERCHANDISING COMPANY SECOM PLUS**

### ***Adds Key Capabilities to Company's Retail Marketing Offering***

**TORONTO, ONTARIO, October 4, 2006** – Pareto Corporation (TSX: PTO), a leading marketing services company, today announced that it has acquired Montreal based retail sales and merchandising company Secom Plus. The acquisition provides Pareto with an important new set of retail marketing capabilities, as well as a base from which to expand its presence in the Quebec marketplace.

“Until now we have been able to design and produce custom marketing pieces and deliver them to the retail location, but what happened next was beyond our control. We now have the ability to ensure all in-retail marketing materials are effectively utilized in a manner most likely to drive sales results. These new capabilities are directly adjacent to our existing service offering.” said Kerry Shapansky, President and Chief Executive Officer of Pareto. “Secom Plus’ retail merchandising capabilities are a critical component that had been missing from our retail supply chain.”

Mr. Shapansky continued: “Secom Plus and Pareto share a very similar culture and philosophy. Both are entrepreneurial companies that have achieved consistent growth by focusing entirely on the executional details of marketing, and both have established relationships with some of Canada’s leading retailers and manufacturers. We are also very pleased to be able to establish a significant presence in Montreal, which has always been our top priority for geographic expansion in our plan to build the country’s leading marketing organization.”

Established in 1992, Secom Plus has over 30 major retail and packaged goods clients including Bayer, L’Oreal, Laura Secord, Metro, Molson, and Shoppers Drug Mart. The firm’s 40 person administration and management team are complemented by an efficient, variable employee base of 650 individuals across Canada.

In-retail compliance and execution is considered one of the biggest challenges facing retail marketers today. In recent years it has been receiving an increasing emphasis within the marketing mix. Secom Plus meets this market need by deploying a national field force to retail locations on behalf of manufacturers and retailers. Field force activities include installation and optimization of promotional materials and displays; retail packaged goods merchandising; relines; and sales representation. Secom Plus’ nationwide “on the ground” field force is a powerful extension of their client’s marketing reach.

Secom Plus will continue to be managed by its founders, Louis Demers and Johanne Jetté, both of whom have committed to remain with Pareto.

“This transaction is a win for both companies and for our customers,” said Mr. Demers, President and CEO of Secom Plus. “We had been exploring a variety of ways to provide a broader suite of marketing services to our own client base. I am excited that we found a Canadian partner to grow our business by expanding our service offering to our clients and the opportunity to deliver our existing services to Pareto clients.”

The acquisition is expected to generate in excess of \$10 million of revenues in 2007, and approximately \$1.5 million of EBITDA (defined as earnings before amortization, net interest and finance charges, share-based compensation, income taxes and non-controlling interest). Management expects the transaction to be immediately accretive.

A material change report relating to this transaction has been filed with regulators on SEDAR.

### **About Pareto Corporation**

Pareto Corporation is a marketing services company that offers retail marketing and channel marketing solutions to leading companies in a broad range of industry sectors. Pareto provides measurable, quantifiable services that complement our clients' marketing and sales departments. For more information, please visit our website at [www.pareto.ca](http://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

Jeff Codispodi, Investor Relations, Equicom Group, (416) 815-0700 ext.261

***This press release contains forward-looking statements related to expected future events and financial operating results of Pareto 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 Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.***