



PARETO ANNOUNCES SUBSTANTIAL ISSUER BID

Up to 11 Million Shares to be Repurchased at \$1.00 Per Share

TORONTO, ONTARIO, August 7, 2008 – Pareto Corporation (TSX: PTO), a leading marketing services company, today announced a substantial issuer bid (the "Offer"), pursuant to which the Company will offer to purchase for cancellation up to 11,000,000 of its outstanding common shares at a price per share of \$1.00. The price represents a premium of approximately 29% over the volume weighted-average trading price of Pareto common shares on the Toronto Stock Exchange for the last 30 days, and a 35% premium over the August 6, 2008 closing price. If more than 11,000,000 common shares are tendered, the Company will purchase the common shares on a pro rata basis according to the number of shares deposited by each shareholder. The Offer is not conditional on any minimum number of common shares being deposited. The funds required to pay for all shares purchased pursuant to this Offer will be provided by credit facilities arranged by Pareto with a Canadian chartered bank. The Company expects to repay any funds borrowed using internally generated cash flow.

Neither Pareto nor its Board of Directors makes any recommendation to any shareholder as to whether to deposit or refrain from depositing shares. The purchase price is within the range of values as determined by an independent Chartered Business Valuator retained by Pareto in the context of the Offer. Pareto is making the Offer to provide a liquidity opportunity for shareholders and because the Board of Directors and management believe that the shares have been trading in price ranges which do not fully reflect the value of Pareto's business and future prospects. Future values cannot be assured however, and are subject to risks. Shareholders are urged to consult their own investment and tax advisors and make their own decisions whether to deposit shares to the Offer and, if so, how many shares to deposit.

As at August 6, 2008, there were 42,731,148 common shares issued and outstanding. Assuming that the Offer is fully subscribed, the Offer will result in the purchase by Pareto of 11,000,000 shares, representing approximately 25.7% of the total number of issued and outstanding shares. Since June 2006, Pareto has, pursuant to its two previously announced normal course issuer bids, purchased for cancellation approximately 4.0 million shares at an average price of \$0.89 per share.

Full details of the Offer, including the procedure for tendering shares, will be provided in a circular which is expected to be mailed to shareholders on or about August 12, 2008. The Offer will expire at 7:00 p.m. (Toronto time) on September 19, 2008, or such later time and date to which the Offer may be extended by the Company.

Conference Call

Pareto will host an investor conference call to discuss its second quarter results and proposed substantial issuer bid at 9:00 a.m. EDT, August 7, 2008. The call may be accessed by dialing 416-644-3427 or 1-866-250-4892. A taped replay will be available for one week by dialing 416-640-1917 or 1-877-289-8525, reference number 21278050#. The call will be available live and for one year at www.pareto.ca ("Investor Relations" section).

About Pareto Corporation

Pareto Corporation is a marketing services company that offers marketing execution 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.

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 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.