



Stake Announces First Quarter Results Reports Record Sales And Earnings

Toronto, Ontario, May 7, 2003. Stake Technology Ltd. (Stake) (Nasdaq - STKL) (TSX - SOY) today announced results for the three months ended March 31, 2003. All amounts are expressed in US dollars.

The Company achieved record sales and earnings for the three months ended March 31, 2003, realizing its 22nd consecutive quarter of record sales growth and first quarter with sales in excess of \$40 million. Sales in the quarter increased by 78% to \$41,411,000 as compared to \$23,283,000 in the first quarter of the prior year. These results were led by a 98% increase in sales within the Company's vertically integrated natural and organic food operations, driven by a combination of internal growth and the acquisitions completed in late 2002.

Net earnings for the first quarter were \$1,064,000 or \$0.03 per common share compared to \$23,000 or \$0.00 per common share in the first quarter of 2002. The increase over the prior year was due to a number of factors including increased sales of aseptic packaged soymilk products, increased sales of bulk grains and specialty beans, cost reductions throughout the organization and the impact of the acquisitions in late 2002 of Opta Food Ingredients (Opta), Wild West Organic Harvest and Simply Organic.

The Company continues to maintain a strong balance sheet with working capital of \$14,141,000 and total assets of \$109,485,000. During the first quarter the Company completed the refinancing of the banking facilities used to finance the acquisition of Opta, thus reducing the debt to equity ratio for the Company from the 0.74:1 as at December, 31, 2002 to 0.51:1 at the end of the quarter.

The Company has announced that it expects to achieve revenues of \$175,000,000 in 2003, an increase of 45% versus 2002. The increase is based on a combination of continued internal growth and the impact of the food based acquisitions completed in the fourth quarter of 2002.

Jeremy N. Kendall, Chairman and CEO of Stake Technology Ltd., commented that, "We are extremely pleased with the record results realized in the first quarter of 2003 and are confident that these results will continue to improve as we integrate our recent acquisitions and pursue many exciting opportunities in the fast growing natural and organic foods sectors. We remain committed to profitably growing our business and in doing so, driving solid shareholder value."

Selected financial information (Expressed in US dollars)

	March 31, 2003	March 31, 2002	% Change
Working Capital	\$14,141,000	\$16,586,000	(15)%
Total assets	\$109,485,000	\$82,023,000	33%
Long- term debt	\$26,751,000	\$16,178,000	65%
Shareholders' Equity	\$52,499,000	\$43,701,000	20%
Equity per share	\$1.23	\$1.06	16%

	Three months ended March 31, 2003	Three months ended March 31, 2002	% Change
Revenues	\$41,411,000	\$23,283,000	78%
Gross Profit	\$7,118,000	\$3,304,000	115%
Operating Earnings	\$1,633,000	\$321,000	408%
Earnings Before Taxes	\$1,520,000	\$6,000	25233%
Net Earnings	\$1,064,000	\$23,000	4536%
Basic E.P.S.	\$0.03	\$0.00	N/A
Weighted number of shares	42,290,857	41,110,488	3%
EBITDA ¹	\$3,152,000	\$1,251,000	152%

¹ EBITDA is not a recognized measure under Canadian or United States generally accepted accounting principles (GAAP). Management believes that in addition to net income, EBITDA is a useful supplemental measure as it provides investors with an indication of earnings from our operations prior to debt service, amortization and

income taxes. Investors should be cautioned however, that EBITDA should not be construed as an alternative to net income determined in accordance with GAAP as an indicator of the Company's performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. The Company's method of calculating EBITDA may differ from other companies and, accordingly, EBITDA may not be comparable to measures used by other companies. As such the Company's EBITDA is calculated as follows: Earnings before income taxes \$1,520 (2002 - 6), interest expense \$491 (2002 - 422), interest and other income (\$37) (2002 - (\$111)) and amortization expense \$1,178 (2002 - \$934).

Stake Technology will be holding a conference call for investors and analysts at 10:00 am. Eastern Time on Thursday, May 8, 2003. Jeremy Kendall will discuss first quarter results, as well as recent corporate developments. After opening remarks, there will be a question and answer period. The dial in numbers are 1 (800) 314-7867 or (719) 867-0640 followed by pass code: 688242#. This conference call will also be distributed live over CCBN's Investor Distribution Network to both institutional and individual investors. Individual investors may listen to the call via www.companyboardroom.com. Institutional investors may access the call via www.streetevents.com. Additionally, the call may be accessed via a link at the Company's website at www.staketech.com. To listen to the live call over the Internet please go to one of the websites at least 15 minutes early to register, download and install any necessary audio software. A replay number can also be accessed between May 8 and May 17 with the toll free dial-in number 1 (888) 203-1112 or (719) 457-0820 followed by pass code: 688242#.

Stake Technology Ltd. is an owner/operator of high-growth ethical businesses, focused on environmental responsibility and the health and well being of its communities. For the last four consecutive years, Stake was included in Profit magazine's 'Profit 100' list of the 100 fastest growing companies in Canada. Currently, the company has three business units: the Food Group, which specializes in identity-preserved (IP) grain products and natural and organic food products; from seed to packaged product; the Environmental Industrial Group; a producer, distributor, and recycler of industrial materials; and the Steam Explosion Technology Group who market clean pulping technologies. Each of these business units has proprietary products and services that give it a solid competitive advantage in its sector.

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