



## Stake Announces 2002 Year End Results; Reports Record Sales and Earnings

TORONTO--March 20, 2003--Stake Technology Ltd. (Stake) (Nasdaq:STKL)(TSX:SOY) today announced results for the year ended December 31, 2002. All amounts are expressed in US dollars.

The Company achieved record sales and earnings for the year ended December 31, 2002, realizing its 21st consecutive quarter of record sales growth. Sales in 2002 increased by 35% to \$120,898,000 compared to \$89,822,000 in the prior year. These results were led by a 38% increase in sales within the Company's vertically integrated food operations which are focused on the natural and organic foods markets. The Environmental Industrial Group realized a 25% increase in sales versus 2001, primarily due to the acquisition of the operations of Virginia Materials and International Materials in late 2001.

Net earnings for the year were a record \$3,766,000 or \$0.09 per common share compared to \$19,000 or \$0.00 per common share in 2001. The increase over the prior year was due to a number of factors including significant improvements at the Nordic Aseptic packaging operation, higher volumes and margins in dietary fiber and certain grain and agronomy products, cost reductions throughout the organization, the impact of the 2001 acquisition of Virginia Materials and reduced borrowing costs as a result of the new banking arrangements implemented in 2002.

During the fourth quarter of 2002, the Company used its strong balance sheet to acquire Opta Food Ingredients, Inc. (Nasdaq - OPTS), a leading developer and manufacturer of proprietary food ingredients, headquartered in Bedford, MA., Wild West Organic Harvest Co-operative Association, a privately held organic and natural foods distributor based in Vancouver, British Columbia and Simply Organic Co. Ltd, a privately held Toronto, Ontario based distributor of organic and natural foods. These acquisitions were all completed late in the year and consequently had a limited effect on 2002 results.

The Company continues to maintain a strong balance sheet with working capital of \$13,134,000, total assets of \$115,287,000 and a debt to equity ratio of 0.74:1. During the first quarter of 2003 the Company refinanced the tender facility used to fund the acquisition of Opta and as such the debt to equity ratio has been reduced to approximately 0.55:1.

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 very pleased with the record results of the past year and are confident that this will continue to improve as we integrate our recent acquisitions and position the Company as a dominant player in the fast growing natural and organic foods sectors. Stake's commitment to profitable growth in these expanding food categories should produce solid returns for our valued shareholders."

Selected financial information (Expressed in US dollars)

	December 31, 2002	December 31, 2001	% Change
Working Capital	\$13,134,000	\$17,066,000	(23)%
Total Assets	\$115,287,000	\$80,061,000	44%
Long-Term Debt	\$36,749,000	\$16,648,000	121%
Shareholders' Equity	\$49,527,000	\$43,500,000	14%
Equity per Share	\$1.18	\$1.06	11%

	Year ended December 31, 2002	Year ended December 31, 2001	% Change
Sales	\$120,898,000	\$89,822,000	35%
Gross Profit	\$19,467,000	\$12,372,000	57%
Operating Earnings	\$5,186,000	\$1,230,000	322%
Earnings Before Taxes	\$4,167,000	\$166,000	2410%
Net Earnings	\$3,766,000	\$19,000	19721%
Basic E.P.S.	\$0.09	\$0.00	N/A
Weighted # of Shares	41,547,302	32,220,352	29%
EBITDA(1)	\$9,492,000	\$5,291,000	79%

(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.

Historical consolidated results have been restated using a translation of convenience, whereby all historical results have been reflected using the exchange rate in effect on December 31, 2001 of \$1 US to \$1.5928 CDN.

Stake Technology will be holding a conference call for investors and analysts at 10:00 am. Eastern Standard Time on Friday, March 21, 2003. Jeremy Kendall will discuss 2002 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) 946-0785 or (719) 457-2661 followed by pass code: 456591#. 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](http://www.companyboardroom.com). Institutional investors may access the call via [www.streetevents.com](http://www.streetevents.com). Additionally, the call may be accessed via a link at the Company's website at [www.staketech.com](http://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 March 21 and 31 with the toll free dial-in number (888) 203-1112 or (719) 457-0820 followed by pass code: 456591#

Stake Technology Ltd. is an owner/operator of high-growth ethical businesses, focusing on integrated business models in the natural and organic food markets. 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.

Websites: [www.staketech.com](http://www.staketech.com) [www.sunrich.com](http://www.sunrich.com) [www.bei.ca](http://www.bei.ca) [www.steamexplosion.com](http://www.steamexplosion.com) [www.sunrichvalley.com](http://www.sunrichvalley.com)  
[www.organicckitchen.ca](http://www.organicckitchen.ca) [www.wildwestorganicharvest.com](http://www.wildwestorganicharvest.com) [www.opta-food.com](http://www.opta-food.com)

**Note:** This news release may contain forward-looking information.

Actual future results may differ materially. The risks, uncertainties, and other factors that could influence actual results are described in the Company's annual report to shareholders and in SEC reports.

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