



## Stake Announces Second Quarter Results; Reports Record Sales and Earnings

TORONTO--Aug. 13, 2002--Stake Technology Ltd. (Stake) (Nasdaq:STKL)(TSX:SOY) today announced results for the second quarter and six months ended June 30, 2002. All amounts are expressed in US dollars.

The Company achieved record sales for the second quarter, representing the 19th consecutive quarter of record sales growth. Sales in the second quarter of 2002 increased by 31% to \$31,378,000 compared to \$23,988,000 for the same quarter last year. For the six months ended June 30, 2002, sales increased 27% to \$54,685,000 compared to \$43,107,000 in the previous year. These results were led by a 32% increase in the quarter (29% for six months) in sales within the Company's food operations that are focused on the processing and distribution of natural, organic and non-genetically modified food products. The Environmental Industrial Group realized a 29% increase versus 2001 (21% for six months), due in part to the acquisition of the operations of Virginia Materials in late 2001.

Net earnings for the second quarter were a record \$1,704,000 or \$0.04 per common share, compared to \$525,000 or \$0.02 per common share for the same period one year earlier. For the six months ended June 30, 2002, net earnings were \$1,727,000 or \$0.04 per common share, compared to \$547,000 or \$0.02 per common share for the same period one year earlier. During the quarter the Nordic Aseptic packaging facility achieved its first two months of profitable operations, a critical milestone in the development of this business. Furthermore, all operating groups reported improved earnings in the quarter consistent with the Company's stated objective of overall profitability gains to enhance shareholder return.

The Company continued to maintain a strong balance sheet with a working capital position of \$17,683,000 versus \$6,105,000 in 2001 and a long-term debt to equity ratio of 0.34:1 versus 0.62:1 in 2001. The Company continues to pursue a number of exciting growth opportunities and intends to leverage its financial strength to further develop these in the coming months.

Jeremy N. Kendall, Chairman and CEO of Stake Technology Ltd., commented that, "We are very pleased with the strong growth in both revenues and net earnings across our organization and remain confident that this trend will continue. All operating groups within the organization have been focused on responsible growth of both the top and bottom lines, and we are pleased with the results of these efforts thus far, particularly with the improved performance at Nordic Aseptic. We remain committed to continued growth and improved profitability within our operations, which in turn will drive exceptional return for our shareholders.

### Selected financial information (Expressed in US dollars)

	June 30, 2002	June 30, 2001	% Change
Working Capital	\$17,683,000	\$ 6,105,000	189%
Total Assets	\$82,627,000	\$65,610,000	26%
Long-Term Debt	\$15,754,000	\$17,797,000	(12)%
Shareholders' Equity	\$46,206,000	\$28,770,000	61%
Equity per Share	\$ 1.12	\$ 0.87	29%

	Three months ended June 30, 2002	Three months ended June 30, 2001	% Change
Sales	\$31,378,000	\$23,988,000	31%
Gross Profit	\$ 5,436,000	\$ 3,808,000	43%

Operating Earnings	\$ 2,213,000	\$ 1,314,000	68%
Earnings Before Tax	\$ 2,470,000	\$ 897,000	175%
Net Earnings	\$ 1,704,000	\$ 525,000	225%
Basic E.P.S	\$ 0.04	\$ 0.02	100%
EBITDA	\$ 3,608,000	\$ 2,097,000	72%

	Six months ended June 30, 2002	Six months ended June 30, 2001	% Change
Sales	\$54,685,000	\$43,107,000	27%
Gross Profit	\$ 8,714,000	\$ 6,473,000	35%
Operating Earnings	\$ 2,540,000	\$ 1,599,000	60%
Earnings Before Taxes	\$ 2,477,000	\$ 807,000	207%
Net Earnings	\$ 1,727,000	\$ 547,000	215%
Basic E.P.S	\$ 0.04	\$ 0.02	100%
Weighted # of Shares	41,155,661	30,555,088	35%
EBITDA	\$ 4,863,000	\$ 3,266,000	49%

Stake Technology will be holding a conference call for investors and analysts at 3:00 p.m. Eastern Daylight Time on Wednesday, August 14, 2002. Jeremy Kendall will discuss second 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) 289-0493 or (913) 981-5510. 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.staketechnology.com](http://www.staketechnology.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. If you are unable to listen live, the conference call will be archived and can be accessed for approximately 90 days at the websites.

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 foodproducts; 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.

**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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