

**CONCORD, ONTARIO, July 30, 2001** - Prism Equities Inc. ("Prism" or "the Company") (CDNX:YPQ) today announced its results for the second quarter of fiscal 2001 and the six months ended May 31, 2001.

Total revenue for the second quarter was \$5.6 million compared to \$2.6 million in the second quarter of fiscal 2000. This represents an increase of \$3.0 million (111.2%) over the same period last year. Total revenue for the six months ending May 31, 2001 was \$9.9 million compared to \$4.6 million in fiscal 2000. While all subsidiaries experienced increased demand for their products during the quarter, the majority of the increase in sales can be attributed to Westholme Limited. Westholme is a United Kingdom based distributor of homecare products, including ceiling lifts, acquired in August 2000.

Gross profit increased from \$1.0 million in the second quarter of fiscal 2000 to \$2.1 million in the second quarter of fiscal 2001. In the same period, gross profit as a percentage of sales increased slightly from 37.8% of sales to 37.9%, despite the impact of lower gross margin sales by Westholme Limited. compared to the purely manufacturing gross margins experienced in the second quarter of fiscal 2000. Gross profit for the six months ending May 31, 2001 was \$3.7 million compared to \$1.8 million in fiscal 2000.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased 72.0% to \$811,221 in the second quarter of fiscal 2001 compared to the same quarter in 2000. EBITDA for the six months ending May 31, 2001 was \$1.2 million or 46.5 % higher compared to the same period in fiscal 2000 reflecting the impact of fixed selling and administrative expenses in a seasonally weaker first quarter sales period.

Amortization costs increased to \$295,777 in this quarter compared to \$96,052 in the same quarter last year. Amortization costs increased to \$578,304 in the six months ending May 31, 2001 compared to \$187,560 in the same period last year due to the increased depreciable and intangible asset base of the Company and its subsidiaries.

Prism reported a net income for the quarter of \$206,065 or \$0.06 per share on a fully diluted basis compared to a net income of \$204,494 or \$.09 per share for the same period last year. Net income for the six months ending May 31, 2001 was \$102,039 or \$ 0.03 per share on a fully diluted basis compared to a net income of \$304,739 or \$0.14 per share for the same period last year.

Andrew McIntyre, President and CEO of Prism Equities stated, "I am pleased with the company's performance this quarter. All of our subsidiaries experienced significant growth in terms of sales and net income in the second quarter compared to the previous quarter. For the balance of the year all subsidiaries will strive to achieve further market share gains. In certain cases, this growth depends upon securing large institutional orders and completing the installation of lift products. The timing of these installations is beyond our control and may cause wide fluctuations in reported quarterly results. I remain confident that continued growth will result from our strategic plans."

Prism is a holding company whose subsidiaries include Waverley Glen Systems Ltd., a leading manufacturer and distributor of ceiling lifts in Canada with an estimated 70% of the Canadian market (excluding Quebec), and Westholme Ltd., a U.K.-based distributor of homecare products including ceiling lifts. Ceiling lifts are considered a superior method to lift, reposition and transfer immobile patients. Waverley's portable and fixed ceiling products address both the homecare and institutional medical markets through a national and international dealer network.

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The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

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