

For immediate release

**GENDIS INC. ANNOUNCES FOURTH QUARTER RESULTS
FOR FISCAL 2002**

Winnipeg, Manitoba (April 2, 2002) - Gendis Inc. (TSE:GDS) today announced its financial results for the 4th quarter of the fiscal year 2002, ended January 26, 2002.

The net earnings for the 4th quarter were \$0.4-million (\$0.02 per share) compared to \$23.6-million (\$1.39 per share) last year. In the 4th quarter last year, Gendis distributed 8.5-million units of Fort Chicago to Gendis shareholders that resulted in a deemed gain of \$13.4-million or \$0.79 per share.

As advised in the Annual Report for the year ended January 27, 2001, Gendis reported events last year that would curtail earnings going forward. In addition to the effect of the gain on the distribution of units of Fort Chicago, there was the effect on earnings of non-recurring items, reduced earnings contribution from Fort Chicago and gains on real estate property sales in the 4th quarter last year. On a comparable basis, earnings would have been \$0.03 per share compared to earnings of \$0.26 in the 4th quarter last year. The decline in earnings in 4th quarter is attributed to employee termination costs, reduced investment income from advancing a deposit for income taxes, offset by a higher earnings contribution from the retail operations. Saan Stores earned \$2.8-million, which is \$0.4-million or \$0.02 per share more than the 4th quarter last year.

For the quarter ended January 26, 2002, consolidated revenue was \$95.5-million, compared to \$104.2-million last year. Most of the decline in revenue occurred in the retail operations. According to plan, Saan Stores commenced the quarter operating ten fewer stores compared to the start of the 4th quarter last year. Fewer stores resulted in a sales reduction of \$5.7-million in the quarter. As well, sales on a same store basis declined 3%, causing a further reduction of \$3.0-million in sales. Regionally, for the quarter, same store sales were flat in Ontario, declined 2% in the Maritimes and in Quebec, and declined 5% in Western Canada. The decrease in same store sales is directly attributed to unsettled and unseasonable weather across most of Canada. Also, the sluggish Canadian economy and the ripple effect and fall-out of the tragic events of September 11 affected all business in the months preceding the important holiday shopping season.

For the year ended January 26, 2002, revenue was \$336.4-million, compared to \$367.7-million last year. The net earnings for the year were \$16.7-million (\$0.98 per share) compared to earnings of \$63.0-million (\$3.74 per share) last year. The effect of non-recurring items is approximately \$0.79 per share this year and \$3.45 per share last year. Accordingly, on a comparable basis,

earnings for this year would be \$0.19 per share compared to \$0.29 per share last year.

Gendis is active in the retail merchandising industry through Saan Stores Ltd., a wholly owned subsidiary that operates junior department and family clothing stores across Canada. These retail outlets have a broad geographic base and operate under the names SAAN and Red Apple Clearance Centre. Gendis is also active in real estate management through its division, Gendis Realty.

Condensed operating results follow.

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Gendis Inc.

Consolidated Statement of Earnings and Retained Earnings

(unaudited - in thousands of dollars)	quarter ended		year ended	
	Jan. 26, 2002	Jan. 27, 2001	Jan. 26, 2002	Jan. 27, 2001
Revenue	95,456	104,233	336,417	367,714
Costs and expenses	93,293	100,751	327,673	354,600
Amortization	1,822	1,470	6,990	7,007
Interest	367	705	2,379	5,208
	<u>95,482</u>	<u>102,926</u>	<u>337,042</u>	<u>366,815</u>
Earnings (loss) before the undernoted	(26)	1,307	(625)	899
Investment income	366	1,595	2,194	17,723
Gain on the sale of:				
investments	1	14,426	14,471	28,439
real estate properties	4	1,080	719	16,887
Restructuring credits	—	5,154	—	5,154
Income tax (expense) recovery	32	(10)	(71)	(6,091)
Earnings	<u>377</u>	<u>23,552</u>	<u>16,688</u>	<u>63,011</u>
Retained earnings - beginning of period	103,860	189,652	141,037	150,193
Shares purchased for cancellation	(494)	—	(494)	—
Dividends	—	(72,167)	(53,488)	(72,167)
Retained earnings - end of period	<u>103,743</u>	<u>141,037</u>	<u>103,743</u>	<u>141,037</u>
Earnings per share	0.02	1.39	0.98	3.74

Gendis Inc.

Consolidated Balance Sheet

(unaudited - in thousands of dollars)	Jan. 26, 2002	Jan. 27, 2001
Assets		
Cash & equivalents	21,217	47,078
Receivables & other current assets	5,476	6,458
Inventory	59,996	66,078
Deposit on income tax reassessment	28,361	—
Investments in Fort Chicago	6,000	47,097
Capital assets	36,744	38,729
Other assets	4,350	4,350
	<u>162,144</u>	<u>209,790</u>
Liabilities & Shareholders' Equity		
Outstanding cheques	3,283	3,705
Payables & other liabilities	21,497	25,483
Credit facility	16,061	21,037
Future income taxes	278	678
Shareholders' equity		
Capital stock	17,282	17,850
Retained earnings	103,743	141,037
	<u>162,144</u>	<u>209,790</u>

Gendis Inc.
Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarter ended		year ended	
	Jan. 26, 2002	Jan. 27, 2001	Jan. 26, 2002	Jan. 27, 2001
By operations:				
Earnings for the period	377	23,552	16,688	63,011
add (deduct) items not affecting cash:				
Future income taxes	(373)	(799)	(400)	4,933
Restructuring credits	—	(3,800)	—	(3,800)
Amortization of capital assets	1,822	1,470	6,990	7,007
Loss (gain) on the sale of:				
capital assets	185	(855)	(421)	(16,542)
investments	(1)	(14,426)	(14,471)	(28,439)
Investment income	(218)	(1,008)	(581)	(8,065)
Investment income distribution	218	1,158	2,704	1,158
Cash flow from earnings	2,010	5,292	10,509	19,263
Changes in non-cash working capital	20,185	23,323	3,033	11,572
	22,195	28,615	13,542	30,835
By investing activities:				
Proceeds from the sale of capital assets	28	1,651	3,009	22,468
Purchase of capital assets	(2,212)	(1,238)	(7,593)	(3,684)
Investments acquired	—	(6,631)	—	(6,631)
Proceeds from the sale of investments	1	968	2	45,073
	(2,183)	(5,250)	(4,582)	57,226
By financing activities:				
Net decrease in debt	(23,303)	(22,406)	(4,976)	(48,994)
Deposit on income tax reassessment	—	—	(28,361)	—
Shares purchased for cancellation	(1,062)	—	(1,062)	—
Share options exercised	—	365	—	750
	(24,365)	(22,041)	(34,399)	(48,244)
Increase (decrease) in cash	(4,353)	1,324	(25,439)	39,817
Cash - beginning of period	22,287	42,049	43,373	3,556
Cash - end of period	17,934	43,373	17,934	43,373
Cash is comprised of:				
Cash & equivalents			21,217	47,078
Outstanding cheques			(3,283)	(3,705)
			17,934	43,373
Supplemental information:				
Interest paid	483	878	2,435	4,829
Income taxes paid	51	25	28,383	234

Gendis Inc.
Segment Information
quarter ended January 26, 2002

		(unaudited - in thousands of dollars)	Retail	Real Estate	Corporate	Inter Segment	Total
External	TY	95,405	51	—	—	—	95,456
revenue	LY	104,071	162	—	—	—	104,233
Intersegment	TY	—	453	396	(849)	—	—
revenue	LY	—	527	429	(956)	—	—
Operating	TY	3,265	233	(2,710)	(81)	707	
profit (loss)	LY	3,242	346	109	(90)	3,607	
Interest &	TY	429	19	—	(81)	367	
finance costs	LY	806	(10)	(1)	(90)	705	
Gain on sale of							
investments &	TY	—	4	1	—	5	
real estate	LY	—	1,080	14,426	—	15,506	
Restructuring	TY	—	—	—	—	—	
credits	LY	—	—	5,154	—	5,154	
Income tax							
expense	TY	33	81	(146)	—	(32)	
(recovery)	LY	1	9	—	—	10	
Earnings	TY	2,803	137	(2,563)	—	377	
(loss)	LY	2,435	1,427	19,690	—	23,552	
Significant non cash items:							
Amortization							
of capital	TY	1,712	100	10	—	1,822	
assets	LY	1,348	111	11	—	1,470	
Future income tax liability							
increase	TY	—	—	(373)	—	(373)	
(decrease)	LY	—	—	(799)	—	(799)	
Gain (loss) on sale of capital							
assets &	TY	(189)	4	1	—	(184)	
investments	LY	(225)	1,080	14,426	—	15,281	
Restructuring	TY	—	—	—	—	—	
credits	LY	—	—	3,800	—	3,800	
Investment	TY	—	—	218	—	218	
income	LY	—	—	1,008	—	1,008	

Gendis Inc.
Segment Information
year ended January 26, 2002

		(unaudited - in thousands of dollars)	Retail	Real Estate	Corporate	Inter Segment	Total
External revenue	TY	336,145	272	—	—	—	336,417
	LY	365,934	1,780	—	—	—	367,714
Intersegment revenue	TY	—	1,787	1,613	(3,400)	—	—
	LY	—	1,978	3,256	(5,234)	—	—
Operating profit (loss)	TY	5,034	942	(1,680)	(348)	—	3,948
	LY	6,117	1,978	17,636	(1,901)	—	23,830
Interest & finance costs	TY	2,694	33	—	(348)	—	2,379
	LY	3,950	1,512	1,647	(1,901)	—	5,208
Gain on sale of investments & real estate	TY	—	719	14,471	—	—	15,190
	LY	—	16,887	28,439	—	—	45,326
Restructuring credit	TY	—	—	—	—	—	—
	LY	—	—	5,154	—	—	5,154
Income tax expense (recovery)	TY	136	508	(573)	—	—	71
	LY	145	275	5,671	—	—	6,091
Earnings	TY	2,204	1,120	13,364	—	—	16,688
	LY	2,022	17,078	43,911	—	—	63,011
Significant non cash items:							
Amortization of capital assets	TY	6,531	419	40	—	—	6,990
	LY	6,453	509	45	—	—	7,007
Future income tax liability increase (decrease)	TY	—	—	(400)	—	—	(400)
	LY	—	261	4,671	—	—	4,932
Gain (loss) on sale of capital assets & investments	TY	(298)	719	14,471	—	—	14,892
	LY	(345)	16,887	28,439	—	—	44,981
Restructuring credits	TY	—	—	—	—	—	—
	LY	—	—	3,800	—	—	3,800
Investment income	TY	—	—	581	—	—	581
	LY	—	—	8,065	—	—	8,065
Capital expenditures	TY	7,586	7	—	—	—	7,593
	LY	3,435	249	—	—	—	3,684
Segment assets	TY	88,031	15,769	58,344	—	—	162,144
	LY	96,351	18,651	94,788	—	—	209,790