

For immediate release

**GENDIS INC. ANNOUNCES FOURTH QUARTER RESULTS
FOR FISCAL 2003**

Winnipeg, Manitoba (April 4, 2003) - Gendis Inc. (TSX:GDS) today announced its financial results for the 4th quarter of the fiscal year ended January 25, 2003.

The net earnings for the 4th quarter were \$3.3-million (\$0.20 per share) compared to \$0.4-million (\$0.02 per share) last year. Although there was a reduced earnings contribution from the retail operations from the comparable quarter last year, the company experienced favourable restructuring credits in the current quarter. Also, employee termination costs incurred in the quarter last year were not recurring in the current quarter.

Consolidated revenue for the 4th quarter was \$95.0-million, compared to \$95.5-million last year. According to plan, Saan Stores commenced the quarter operating nine fewer stores compared to the start of the 4th quarter last year. Fewer stores resulted in a sales reduction of \$1.6-million in the quarter. Sales on a same store basis increased 1% providing \$1.1-million of increased sales. Regionally, for the quarter, same store sales declined 1% and 2% in the Maritimes and Quebec respectively, increased 7% and 1% in Ontario and Western Canada respectively.

For the year, revenue was \$321.7-million, compared to \$336.4-million last year. The net earnings for the year were \$0.4-million (\$0.02 per share) compared to earnings of \$16.7-million (\$0.98 per share) last year. Last year, the distribution of Fort Chicago to Gendis shareholders provided a gain of \$14.5-million (\$0.88 per share).

Condensed operating results follow. For more information, please contact:

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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.

Gendis Inc.

Consolidated Statement of Earnings and Retained Earnings

(unaudited - in thousands of dollars)	quarter ended		year ended	
	Jan. 25, 2003	Jan. 26, 2002	Jan. 25, 2003	Jan. 26, 2002
<u>Revenue</u>	<u>95,038</u>	<u>95,456</u>	<u>321,687</u>	<u>336,417</u>
Costs and expenses	91,755	93,293	315,242	327,673
Amortization	2,156	1,822	7,816	6,990
Interest	512	367	1,962	2,379
	<u>94,423</u>	<u>95,482</u>	<u>325,020</u>	<u>337,042</u>
Earnings (loss) before the undernoted	615	(26)	(3,333)	(625)
Investment income	427	366	1,398	2,194
Gain on the sale of:				
investments	—	1	—	14,471
real estate properties	—	4	135	719
Restructuring credits	1,984	—	1,984	—
Income tax (expense) recovery	274	32	168	(71)
<u>Earnings</u>	<u>3,300</u>	<u>377</u>	<u>352</u>	<u>16,688</u>
Shares purchased for cancellation	(556)	(494)	(875)	(494)
Dividend	—	—	—	(53,488)
Retained earnings - beginning of period	100,476	103,860	103,743	141,037
<u>Retained earnings - end of period</u>	<u>103,220</u>	<u>103,743</u>	<u>103,220</u>	<u>103,743</u>
<u>Earnings per share</u>	<u>0.20</u>	<u>0.02</u>	<u>0.02</u>	<u>0.98</u>

Gendis Inc.
Consolidated Balance Sheet
(unaudited -
in thousands of dollars)

Jan. 25, Jan. 26,
2003 2002

Assets

Cash & equivalents	12,246	21,217
Receivables & other current assets	6,879	5,476
Inventory	61,930	59,996
Deposit on income tax reassessment	28,361	28,361
Investments in Fort Chicago	14,189	6,000
Capital assets	40,181	36,744
Other assets	4,350	4,350
	<u>168,136</u>	<u>162,144</u>

Liabilities & Shareholders' Equity

Outstanding cheques	3,371	3,283
Payables & other liabilities	20,398	21,497
Credit facility	22,507	16,061
Capital lease obligation	2,361	—
Future income taxes	—	278
Shareholders' equity		
Capital stock	16,279	17,282
Retained earnings	103,220	103,743
	<u>168,136</u>	<u>162,144</u>

Gendis Inc.
Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarter ended		year ended	
	Jan. 25, 2003	Jan. 26, 2002	Jan. 25, 2003	Jan. 26, 2002
By operations:				
Earnings for the period	3,300	377	352	16,688
add (deduct) items not affecting cash:				
Future income taxes	(278)	(373)	(278)	(400)
Restructuring credits	(1,153)	—	(1,153)	—
Amortization of capital assets	2,156	1,822	7,816	6,990
Loss (gain) on the sale of:				
capital assets	166	185	62	(421)
investments	—	(1)	—	(14,471)
Investment income	—	(218)	93	(581)
Investment income distribution	—	218	—	2,704
Cash flow from earnings	4,191	2,010	6,892	10,509
Changes in non-cash working capital	18,987	20,185	(4,371)	3,033
	<u>23,178</u>	<u>22,195</u>	<u>2,521</u>	<u>13,542</u>
By investing activities:				
Proceeds from the sale of capital assets	(9)	28	573	3,009
Purchase of capital assets	(195)	(2,212)	(7,565)	(7,593)
Investments acquired	(1,095)	—	(5,426)	—
Proceeds from the sale of investments	—	1	—	2
	<u>(1,299)</u>	<u>(2,183)</u>	<u>(12,418)</u>	<u>(4,582)</u>
By financing activities:				
Net decrease in debt	(22,300)	(23,303)	6,446	(4,976)
Deposit on income tax reassessment	—	—	—	(28,361)
Shares purchased for cancellation	(1,234)	(1,062)	(1,878)	(1,062)
Payments on capital lease obligations	(252)	—	(874)	—
	<u>(23,786)</u>	<u>(24,365)</u>	<u>3,694</u>	<u>(34,399)</u>
Decrease in cash	(1,907)	(4,353)	(6,203)	(25,439)
Reclassification of cash equivalents to investments	—	—	(2,856)	—
Cash - beginning of period	10,782	22,287	17,934	43,373
Cash - end of period	<u>8,875</u>	<u>17,934</u>	<u>8,875</u>	<u>17,934</u>
Cash is comprised of:				
Cash & equivalents			12,246	21,217
Outstanding cheques			(3,371)	(3,283)
			<u>8,875</u>	<u>17,934</u>
Supplemental information:				
Interest paid	584	483	1,907	2,435
Income taxes paid	23	51	53	28,383

Gendis Inc.
Segment Information
quarter ended January 25, 2003

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External revenue	TY	94,959	79	—	95,038
	LY	95,405	51	—	95,456
Intersegment revenue	TY	—	571	(571)	—
	LY	—	717	(717)	—
Operating profit (loss)	TY	1,186	430	(62)	1,554
	LY	3,265	(2,496)	(62)	707
Interest & finance costs	TY	574	—	(62)	512
	LY	429	—	(62)	367
Gain on sale of investments & real estate	TY	—	—	—	—
	LY	—	5	—	5
Restructuring credits	TY	—	1,984	—	1,984
	LY	—	—	—	—
Income tax recovery (expense)	TY	(34)	308	—	274
	LY	(33)	65	—	32
Earnings (loss)	TY	578	2,722	—	3,300
	LY	2,803	(2,426)	—	377

Significant non cash items:

Amortization of capital assets	TY	2,052	104	—	2,156
	LY	1,712	110	—	1,822
Restructuring credits	TY	—	1,153	—	1,153
	LY	—	—	—	—
Capital expenditures	TY	187	8	—	195
	LY	2,212	—	—	2,212

Gendis Inc.
Segment Information
year ended January 25, 2003

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External revenue	TY	321,449	238	—	321,687
	LY	336,145	272	—	336,417
Intersegment revenue	TY	—	2,252	(2,252)	—
	LY	—	2,912	(2,912)	—
Operating profit (loss)	TY	(1,288)	1,547	(232)	27
	LY	5,034	(771)	(315)	3,948
Interest & finance costs	TY	2,194	—	(232)	1,962
	LY	2,694	—	(315)	2,379
Gain on sale of investments & real estate	TY	—	135	—	135
	LY	—	15,190	—	15,190
Restructuring credit	TY	—	1,984	—	1,984
	LY	—	—	—	—
Income tax recovery (expense)	TY	(135)	303	—	168
	LY	(136)	65	—	(71)
Earnings	TY	(3,617)	3,969	—	352
	LY	2,204	14,484	—	16,688

Significant non cash items:

Amortization of capital assets	TY	7,404	412	—	7,816
	LY	6,531	459	—	6,990
Gain (loss) on sale of capital assets & investments	TY	(197)	135	—	(62)
	LY	(298)	15,190	—	14,892
Restructuring credits	TY	—	1,153	—	1,153
	LY	—	—	—	—
Capital expenditures	TY	6,029	1,536	—	7,565
	LY	7,586	7	—	7,593
Segment assets	TY	93,481	79,655	(5,000)	168,136
	LY	88,031	79,113	(5,000)	162,144