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# GENDIS INC.

NEWS RELEASE

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**For immediate release**

**March 8, 2001**

Winnipeg, Manitoba (March 8, 2001) - As reported in our financial statements last year, Canada Customs and Revenue Agency ("CCRA") was reviewing income tax filings relating to certain transactions in 1995. One transaction remains outstanding. CCRA has now advised Gendis Inc. that it proposes to re-assess taxes in respect of the sale of the shares of Sony of Canada Ltd. formerly owned by Gendis Inc., subject to Gendis Inc. providing further information or documentation within 30 days of the CCRA Notice.

CCRA and Gendis Inc. are now in discussion regarding the issue, and Gendis Inc.'s position is that there are grounds on which to appeal any such reassessment. Should the proposed re-assessment proceed, the tax with interest would amount to approximately \$28 million. In this event, the Corporation would file a Notice of Objection to the re-assessment and would pursue that course vigorously. We believe that our legal position would prevail. In the meantime, consideration is being given to paying the \$28 million on a without prejudice basis to CCRA from the cash reserves of the Corporation. This leaves sufficient cash and short term investments to fund the ongoing requirements of the Corporation.

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