

For immediate release

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

Winnipeg, Manitoba (November 22, 2002) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter of the fiscal year 2003, ended October 26, 2002.

Consolidated net earnings for the 3rd quarter were \$0.9-million (\$0.06 per share) compared to \$2.6-million (\$0.15 per share) last year. On a year to date basis, the consolidated net loss was \$2.9-million (\$0.18 per share) compared to net earnings of \$16.3-million (\$0.96 per share) last year. Last year results included a gain of \$14.5-million (\$0.85 per share) from the distribution of 5.9-million units of the Company's investment in Fort Chicago to Gendis shareholders.

Revenue for the 3rd quarter declined \$4.5-million from the comparable period last year, \$14.3-million on a year to date basis. According to plan, Saan Stores commenced the quarter operating 12 fewer stores compared to last year. Sales on a same store basis declined 2% for the quarter. Regionally, for the quarter, same store sales declined 2% in the Maritimes, 1% in Quebec and in Ontario, and 2% in Western Canada. On a year to date basis, same store sales declined 3% overall, 4% in the Maritimes, 2% in Quebec, 3% in Western Canada and remained even in Ontario.

Three stores were opened in the quarter in the prototype format. Results to date are encouraging. However, the success of this format should become evident during the Christmas selling season. Six locations were renovated early in the 3rd quarter in the same style as the prototype format. A location that was temporarily closed due to a roof collapse from snow in the 1st quarter this year re-opened in the 3rd quarter. Two Saan stores were converted to the Red Apple format in the quarter. One store closed in the 3rd quarter.

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.

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Gendis Inc.

Consolidated Statement of Earnings and Retained Earnings

(unaudited - in thousands of dollars)

	13 weeks ended		39 weeks ended	
	Oct. 26,	Oct. 27,	Oct. 26,	Oct. 27,
	2002	2001	2002	2001
Revenue	82,046	86,579	226,649	240,961
Costs and expenses	78,839	82,054	223,487	234,380
Amortization of capital assets	2,155	1,791	5,660	5,168
Interest and finance costs	535	579	1,450	2,012
	81,529	84,424	230,597	241,560
Earnings (loss) before the undernoted	517	2,155	(3,948)	(599)
Investment income	366	582	971	1,828
Gain on the sale of:				
Investments	-	(26)	-	14,470
Real estate properties	-	(125)	135	715
Provision for income taxes	(33)	(32)	(106)	(103)
Earnings (loss) for the period	850	2,554	(2,948)	16,311
Premium on shares purchased for cancellation	-	-	(319)	-
Dividend	-	(19)	-	(53,488)
Retained earnings				
- beginning of period	99,626	101,325	103,743	141,037
Retained earnings				
- end of period	100,476	103,860	100,476	103,860
Earnings (loss) per share				
- basic and diluted	0.06	0.15	(0.18)	0.96

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

	Oct. 26, 2002	Jan. 26, 2002	Oct. 27, 2001
Assets			
Cash & equivalents	15,138	21,217	25,497
Receivables & other current assets	7,219	5,476	7,848
Inventory	94,336	59,996	91,099
	<u>116,693</u>	<u>86,689</u>	<u>124,444</u>
Investment - Fort Chicago	13,094	6,000	6,000
Deposit on income tax reassessment	28,361	28,361	28,361
Capital assets	42,071	36,744	36,567
Accrued pension asset	4,350	4,350	4,350
	<u>204,569</u>	<u>162,144</u>	<u>199,722</u>
Liabilities & Shareholders' Equity			
Bank advances	4,356	3,283	3,210
Payables & other current liabilities	35,900	21,497	34,787
	<u>40,256</u>	<u>24,780</u>	<u>37,997</u>
Capital lease obligation	1,795	-	-
Credit facility	44,807	16,061	39,364
Future income taxes	278	278	651
	<u>46,880</u>	<u>16,339</u>	<u>40,015</u>
Shareholders' equity			
Capital stock	16,957	17,282	17,850
Retained earnings	100,476	103,743	103,860
	<u>117,433</u>	<u>121,025</u>	<u>121,710</u>
	<u>204,569</u>	<u>162,144</u>	<u>199,722</u>
Number of shares outstanding ('000's)	16,132	16,441	16,981

Gendis Inc.
Consolidated Statement of Cash Flows
(unaudited- in thousands of dollars)

	13 weeks ended		39 weeks ended	
	Oct. 26,	Oct. 27,	Oct. 26,	Oct. 27,
	2002	2001	2002	2001
By operations:				
Earnings (loss) for the period	850	2,554	(2,948)	16,311
add (deduct) items not affecting cash:				
Future income taxes	-	(63)	-	(27)
Amortization of capital assets	2,155	1,791	5,660	5,168
Loss (gain) on the sale of:				
Capital assets	12	107	(104)	(606)
Investments	-	26	-	(14,470)
Investment income	-	(160)	-	(363)
Investment income distribution	-	160	-	2,486
Cash flow from earnings	3,017	4,415	2,608	8,499
Changes in non-cash working capital	(14,660)	(3,434)	(23,265)	(17,152)
	(11,643)	981	(20,657)	(8,653)
By investing activities:				
Proceeds from the sale of capital assets	108	1,322	582	2,981
Purchase of capital assets	(3,796)	(1,279)	(11,465)	(5,381)
Proceeds from the sale of investments	-	1	-	1
Investment acquired	(1,017)	-	(7,187)	-
	(4,705)	44	(18,070)	(2,399)
By financing activities:				
Net increase in credit facility	17,086	3,564	28,746	18,327
Deposit on income tax reassessment	-	(28,361)	-	(28,361)
Capital lease obligations incurred	119	-	4,095	-
Payments on capital lease obligations	(263)	-	(622)	-
Purchase of shares for cancellation	-	-	(644)	-
	16,942	(24,797)	31,575	(10,034)
Increase (decrease) in cash	594	(23,772)	(7,152)	(21,086)
Cash - beginning of period	10,188	46,059	17,934	43,373
Cash - end of period	10,782	22,287	10,782	22,287
Cash is comprised of:				
Cash & equivalents			15,138	25,497
Bank advances			(4,356)	(3,210)
			10,782	22,287
Supplemental information:				
Interest paid	494	625	1,323	1,952
Income taxes paid	72	27,798	30	28,332

Gendis Inc.
Segment Information
13 weeks ended October 26, 2002

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External revenue	TY	81,983	63	—	82,046
	LY	86,512	67	—	86,579
Intersegment revenue	TY	—	561	(561)	—
	LY	—	720	(720)	—
Operating profit (loss)	TY	1,018	463	(63)	1,418
	LY	2,643	749	(76)	3,316
Interest & finance costs	TY	598	—	(63)	535
	LY	655	—	(76)	579
Gain (loss) on disposal of investments & real estate	TY	—	—	—	—
	LY	—	(151)	—	(151)
Income tax expense	TY	31	2	—	33
	LY	32	—	—	32
Earnings	TY	389	461	—	850
	LY	1,956	598	—	2,554
Significant non cash items:					
Amortization of capital assets	TY	2,052	103	—	2,155
	LY	1,679	112	—	1,791
Gain (loss) on disposal of capital assets & investments	TY	(12)	—	—	(12)
	LY	18	(151)	—	(133)

Gendis Inc.
Segment Information
39 weeks ended October 26, 2002

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External revenue	TY	226,490	159	—	226,649
	LY	240,740	221	—	240,961
Intersegment revenue	TY	—	1,681	(1,681)	—
	LY	—	2,195	(2,195)	—
Operating profit (loss)	TY	(2,474)	1,117	(170)	(1,527)
	LY	1,769	1,725	(253)	3,241
Interest & finance costs	TY	1,620	—	(170)	1,450
	LY	2,265	—	(253)	2,012
Gain on disposal of investments & real estate	TY	—	135	—	135
	LY	—	15,185	—	15,185
Income tax expense	TY	101	5	—	106
	LY	103	—	—	103
Earnings (loss)	TY	(4,195)	1,247	—	(2,948)
	LY	(599)	16,910	—	16,311
Significant non cash items:					
Amortization of capital assets	TY	5,352	308	—	5,660
	LY	4,818	350	—	5,168
Gain (loss) on disposal of capital assets & investments	TY	(31)	135	—	104
	LY	(109)	15,185	—	15,076
Capital expenditures	TY	9,937	1,528	—	11,465
	LY	5,374	7	—	5,381
Segment assets	TY	130,428	79,141	(5,000)	204,569
	LY	123,361	81,361	(5,000)	199,722