

For immediate release

GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS FOR FISCAL 2003

Winnipeg, Manitoba (December 1, 2003) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 25, 2003, of the fiscal year ending January 31, 2004.

Consolidated net earnings for the 3rd quarter were \$0.2-million (\$0.01 per share) compared to \$0.9-million (\$0.06 per share) last year. On a year to date basis, the consolidated net loss was \$9.8-million (\$0.64 per share) compared to \$2.9-million (\$0.18 per share) last year. In the 2nd quarter of the year, the Company recorded a non-recurring finance cost of \$2.9-million. Accordingly, on a normalized basis, the loss year to date would be \$6.9-million (\$0.45 per share).

The Company's investment in Fort Chicago continues to appreciate in value. Since the 2nd quarter, the investment in Fort Chicago has appreciated by approximately \$1-million. Currently, the investment has a fair market value of approximately \$5-million in excess of the carrying value. This represents an unrealized appreciation of approximately \$0.35 per share.

Revenue for the 3rd quarter declined \$4.8-million from the comparable period last year, \$4.2-million on a year to date basis. According to plan, Saan Stores commenced the quarter operating 11 fewer stores compared to last year. Sales on a same store basis declined 5% for the quarter. Regionally, for the quarter, same store sales declined 4% in the Maritimes, 3% in Quebec, 2% in Ontario, and 7% in Western Canada. On a year to date basis, same store sales were flat overall, increasing 1% in the Maritimes and in Quebec, 3% Ontario but declining 1% in Western Canada.

Eleven SAAN stores and one Red Apple store were opened in the quarter. Four of the locations were in Ontario, two each in Manitoba and Saskatchewan, and four in Alberta. Two SAAN stores were converted to the Red Apple format in Alberta. No stores were closed in the quarter.

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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 Inc.

Consolidated Statement of Earnings and Retained Earnings

(unaudited - in thousands of dollars)

	13 weeks ended		39 weeks ended	
	Oct. 25,	Oct. 26,	Oct. 25,	Oct. 26,
	2003	2002	2003	2002
<u>Revenue</u>	<u>77,208</u>	<u>82,046</u>	<u>222,460</u>	<u>226,649</u>
Costs and expenses				
Cost of goods sold, selling, general and administrative expenses	75,055	78,839	223,597	223,487
Amortization of property and equipment	1,899	2,155	5,731	5,660
Interest and finance costs	504	535	4,456	1,450
	<u>77,458</u>	<u>81,529</u>	<u>233,784</u>	<u>230,597</u>
Earnings (loss) before the undernoted	(250)	517	(11,324)	(3,948)
Investment income	428	366	1,267	971
Gain on the sale of real estate properties	71	-	468	135
Provision for income taxes	(60)	(33)	(180)	(106)
Earnings (loss) for the period	<u>189</u>	<u>850</u>	<u>(9,769)</u>	<u>(2,948)</u>
Premium on shares purchased for cancellation	-	-	(182)	(319)
Retained earnings				
- beginning of period	93,080	99,626	103,220	103,743
Retained earnings				
- end of period	<u>93,269</u>	<u>100,476</u>	<u>93,269</u>	<u>100,476</u>
Earnings (loss) per share				
- basic and diluted	.01	0.06	(0.64)	(0.18)

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

	Oct. 25, 2003	Jan. 25, 2003	Oct. 26, 2002
Assets			
Cash and equivalents	8,565	12,246	15,138
Receivables and other current assets	9,323	6,879	7,219
Inventory	78,853	61,930	94,336
	<u>96,741</u>	<u>81,055</u>	<u>116,693</u>
Investment - Fort Chicago	15,018	14,189	13,094
Deposit on income tax reassessment	28,361	28,361	28,361
Property and equipment	43,356	40,181	42,071
Accrued pension asset	4,350	4,350	4,350
	<u>187,826</u>	<u>168,136</u>	<u>204,569</u>
Liabilities and Shareholders' Equity			
Outstanding cheques	3,688	3,371	4,356
Payables and other current liabilities	34,591	20,398	35,900
	<u>38,279</u>	<u>23,769</u>	<u>40,256</u>
Capital lease obligation	2,042	2,361	1,795
Credit facility	38,127	22,507	44,807
Future income taxes	-	-	278
	<u>40,169</u>	<u>24,868</u>	<u>46,880</u>
Shareholders' equity			
Capital stock	16,109	16,279	16,957
Retained earnings	93,269	103,220	100,476
	<u>109,378</u>	<u>119,499</u>	<u>117,433</u>
	<u>187,826</u>	<u>168,136</u>	<u>204,569</u>
Number of shares outstanding ('000's)	15,325	15,486	16,132

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

	13 weeks ended		39 weeks ended	
	Oct. 25, 2003	Oct. 26, 2002	Oct. 25, 2003	Oct. 26, 2002
By operations:				
Earnings (loss) for the period	189	850	(9,769)	(2,948)
add (deduct) items not affecting cash:				
Future income taxes	-	-	-	-
Amortization of property and equipment	1,899	2,155	5,731	5,660
Loss (gain) on the sale of property and equipment	(40)	12	(440)	(104)
Cash flow from earnings	2,048	3,017	(4,478)	2,608
Changes in non-cash working capital	(8,422)	(14,660)	(5,432)	(23,265)
	(6,374)	(11,643)	(9,910)	(20,657)
By investing activities:				
Proceeds from the sale of property and equipment	265	108	1,458	582
Purchase of property and equipment	(2,528)	(3,677)	(9,103)	(7,370)
Investment acquired	(525)	(1,017)	(829)	(4,331)
	(2,788)	(4,586)	(8,474)	(11,119)
By financing activities:				
Net increase in credit facility	10,302	17,086	15,620	28,746
Payments on capital lease obligations	(316)	(263)	(882)	(622)
Purchase of shares for cancellation	-	-	(352)	(644)
	9,986	16,823	14,386	27,480
Increase (decrease) in cash	824	594	(3,998)	(4,296)
Reclassification of cash equivalents to investments	-	-	-	(2,856)
Cash - beginning of period	4,053	10,188	8,875	17,934
Cash - end of period	4,877	10,782	4,877	10,782
Cash is comprised of:				
Cash and equivalents			8,565	15,138
Outstanding cheques			(3,688)	(4,356)
			4,877	10,782
Supplemental information:				
Interest and finance costs paid	497	494	4,382	1,323
Income taxes paid	2	72	90	30

Gendis Inc.
Segment Information
13 weeks ended October 25, 2003

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External revenue	TY	77,038	170	—	77,208
	LY	81,983	63	—	82,046
Intersegment revenue	TY	—	479	(479)	—
	LY	—	561	(561)	—
Operating profit (loss)	TY	262	483	(63)	682
	LY	1,018	463	(63)	1,418
Interest and finance costs	TY	567	—	(63)	504
	LY	598	—	(63)	535
Gain (loss) on sale of real estate	TY	—	71	—	71
	LY	—	—	—	—
Income tax expense	TY	38	22	—	60
	LY	31	2	—	33
Earnings (loss)	TY	(343)	532	—	189
	LY	389	461	—	850

Significant non cash items:

Amortization of property & equipment	TY	1,787	112	—	1,899
	LY	2,052	103	—	2,155
Gain (loss) on sale of property and equipment	TY	(30)	70	—	40
	LY	(12)	—	—	(12)
Expenditures for property & equipment	TY	2,528	—	—	2,528
	LY	2,149	1,528	—	3,677

Gendis Inc.
Segment Information
39 weeks ended October 25, 2003

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External revenue	TY	221,987	473	—	222,460
	LY	226,490	159	—	226,649
Intersegment revenue	TY	—	1,434	(1,434)	—
	LY	—	1,681	(1,681)	—
Operating profit (loss)	TY	(6,763)	1,358	(196)	(5,601)
	LY	(2,474)	1,117	(170)	(1,527)
Interest and finance costs	TY	1,739	2,913	(196)	4,456
	LY	1,620	—	(170)	1,450
Gain on sale of real estate	TY	—	468	—	468
	LY	—	135	—	135
Income tax expense	TY	114	66	—	180
	LY	101	5	—	106
Earnings (loss)	TY	(8,616)	(1,153)	—	(9,769)
	LY	(4,195)	1,247	—	(2,948)
Significant non cash items:					
Amortization of property & equipment	TY	5,382	349	—	5,731
	LY	5,352	308	—	5,660
Gain (loss) on sale of property and equipment	TY	(27)	467	—	440
	LY	(31)	135	—	104
Expenditures for property & equipment	TY	5,621	3,482	—	9,103
	LY	9,937	1,528	—	11,465
Segment assets	TY	115,365	77,461	(5,000)	187,826
	LY	130,428	79,141	(5,000)	204,569