

For immediate release

**GENDIS INC. ANNOUNCES FOURTH QUARTER RESULTS
FOR FISCAL 2004**

Winnipeg, Manitoba (April 2, 2004) - Gendis Inc. (TSX:GDS) today announced its financial results for the 4th quarter of the fiscal year ended January 31, 2004.

The net earnings for the 4th quarter were \$0.6-million (\$0.04 per share) compared to \$3.3-million (\$0.20 per share) last year.

Consolidated revenue for the 4th quarter was \$89.3-million, compared to \$95.0-million last year. Sales on a same store basis declined 4% Regionally, same store sales declined 7% in the Maritimes, 2% in Quebec, 5% in Ontario and 4% in Western Canada.

Ten SAAN stores and one Red Apple store were closed in the quarter. One SAAN was opened in the quarter, in Ontario.

For the year, revenue was \$311.7-million, compared to \$321.7-million last year. Sales on a same store basis declined 1%. Regionally, same store sales declined 1% in the Maritimes, increased 1% in Quebec, were flat in Ontario and declined 2% in Western Canada.

The net loss for the year was \$9.1-million (\$0.60 per share) compared to net earnings of \$0.4-million (\$0.02 per share) last year. In the 2nd quarter of the current year, the Company recorded a non-recurring finance cost of \$2.9-million. A previous lender to the Company gave notice of its intent to exercise its option to acquire from the Company 1.0-million units of Fort Chicago at \$6.00 per unit. The Company elected to retain the 1.0-million units and settled the option by paying the difference between the fair market value of the units and the option price. The Company's investment in Fort Chicago continues to appreciate in value. Currently, the investment of 2.2-million units has a fair market value of approximately \$25-million, \$8-million in excess of the carrying value. This represents an unrealized appreciation of approximately \$0.53 per share.

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 Inc.

Consolidated Statement of Earnings and Retained Earnings

(unaudited - in thousands of dollars)	quarter ended		year ended	
	Jan. 31, 2004	Jan. 25, 2003	Jan. 31, 2004	Jan. 25, 2003
<u>Revenue</u>	<u>89,271</u>	<u>95,038</u>	<u>311,731</u>	<u>321,687</u>
Costs and expenses				
Cost of goods sold, selling, general and administrative expenses	87,211	91,755	310,808	315,242
Amortization of property and equipment	1,892	2,156	7,623	7,816
Interest and other finance costs (note)	456	512	4,912	1,962
	<u>89,559</u>	<u>94,423</u>	<u>323,343</u>	<u>325,020</u>
Earnings (loss) before the undernoted	(288)	615	(11,612)	(3,333)
Investment income	467	427	1,734	1,398
Gain on the sale of real estate properties	-	-	468	135
Restructuring credits	321	1,984	321	1,984
Income tax (expense) recovery	125	274	(55)	168
<u>Earnings</u>	<u>625</u>	<u>3,300</u>	<u>(9,144)</u>	<u>352</u>
Shares purchased for cancellation	(16)	(556)	(198)	(875)
Retained earnings - beginning of period	93,269	100,476	103,220	103,743
<u>Retained earnings - end of period</u>	<u>93,878</u>	<u>103,220</u>	<u>93,878</u>	<u>103,220</u>
Earnings per share - basic and diluted	0.04	0.20	(0.60)	0.02

Note: The interest and finance cost for the current year includes \$2.9-million of a non-recurring finance cost associated with the settlement of an option held by a previous lender.

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

Jan. 31, Jan. 25,
2004 2003

Assets

Cash & equivalents	6,318	12,246
Receivables & other current assets	6,598	6,879
Inventory	50,927	61,930
	<u>63,843</u>	<u>81,055</u>
Deposit on income tax reassessment	28,361	28,361
Investment in Fort Chicago	16,123	14,189
Property and equipment	44,105	40,181
Accrued pension asset	4,350	4,350
	<u>156,782</u>	<u>168,136</u>

Liabilities & Shareholders' Equity

Outstanding cheques	1,347	3,371
Payables & other liabilities	19,604	20,398
	<u>20,951</u>	<u>23,769</u>
Credit facility with Congress	23,652	22,507
Long-term portion of capital lease obligations	2,201	2,361
	<u>25,853</u>	<u>24,868</u>
Shareholders' equity		
Capital stock	16,100	16,279
Retained earnings	93,878	103,220
	<u>109,978</u>	<u>119,499</u>
	<u>156,782</u>	<u>168,136</u>

Number of shares outstanding ('000's) 15,316 15,486

Gendis Inc.
Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarter ended		year ended	
	Jan. 31, 2004	Jan. 25, 2003	Jan. 31, 2004	Jan. 25, 2003
By operations:				
Earnings for the period	625	3,300	(9,144)	352
add (deduct) items not affecting cash:				
Future income taxes	-	(278)	-	(278)
Restructuring credits	-	(1,153)	-	(1,153)
Amortization of property and equipment	1,892	2,156	7,623	7,816
Loss (gain) on the sale of property and equipment	126	166	(314)	62
Cash flow from earnings	2,643	4,191	(1,835)	6,799
Changes in non-cash working capital	15,501	18,987	10,069	(4,371)
	18,144	23,178	8,234	2,428
By investing activities:				
Proceeds from the sale of property and equipment	117	(9)	1,575	573
Purchase of property and equipment	(2,111)	(195)	(11,214)	(7,565)
Investments acquired	(1,105)	(1,095)	(1,934)	(5,333)
	(3,099)	(1,299)	(11,573)	(12,325)
By financing activities:				
Net increase (decrease) in credit facility debt	(14,475)	(22,300)	1,145	6,446
Shares purchased for cancellation	(451)	(1,234)	(1,333)	(1,878)
Payments on capital lease obligations	(25)	(252)	(377)	(874)
	(14,951)	(23,786)	(565)	3,694
Increase (decrease in cash)	94	(1,907)	(3,904)	(6,203)
Reclassification of cash equivalents to investments	-	-	-	(2,856)
Cash - beginning of period	4,877	10,782	8,875	17,934
Cash - end of period	4,971	8,875	4,971	8,875
Cash is comprised of:				
Cash & equivalents			6,318	12,246
Outstanding cheques			(1,347)	(3,371)
			4,971	8,875
Supplemental information:				
Interest and finance costs paid	572	584	4,954	1,907
Income taxes paid (recovered)	(46)	23	44	53

Gendis Inc.
Segment Information
quarter ended January 31, 2004

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External	TY	89,111	160	—	89,271
revenue	LY	94,959	79	—	95,038
Intersegment	TY	—	289	(289)	—
revenue	LY	—	571	(571)	—
Amortization of	TY	1,783	109	—	1,892
property & equipment	LY	2,052	104	—	2,156
Interest &	TY	524	(1)	(67)	456
finance costs	LY	574	—	(62)	512
Restructuring	TY	—	321	—	321
credits	LY	—	1,984	—	1,984
Income tax	TY	84	41	—	125
recovery (expense)	LY	(34)	308	—	274
Earnings	TY	(96)	721	—	625
(loss)	LY	578	2,722	—	3,300

Significant non cash items:

Restructuring	TY	—	—	—	—
credits	LY	—	1,153	—	1,153
Expenditures for	TY	2,111	—	—	2,111
property & equipment	LY	187	8	—	195

Gendis Inc.
Segment Information
year ended January 31, 2004

(unaudited - in thousands of dollars)		Retail	Corporate & Realty	Inter Segment	Total
External revenue	TY	311,098	633	—	311,731
	LY	321,449	238	—	321,687
Intersegment revenue	TY	—	1,723	(1,723)	—
	LY	—	2,252	(2,252)	—
Amortization of property & equipment	TY	7,165	458	—	7,623
	LY	7,404	412	—	7,816
Interest & finance costs	TY	2,263	2,912	(263)	4,912
	LY	2,194	—	(232)	1,962
Gain on sale of real estate	TY	—	468	—	468
	LY	—	135	—	135
Restructuring credit	TY	—	321	—	321
	LY	—	1,984	—	1,984
Income tax recovery (expense)	TY	(30)	(25)	—	(55)
	LY	(135)	303	—	168
Earnings	TY	(8,712)	(432)	—	(9,144)
	LY	(3,617)	3,969	—	352

Significant non cash items:

Restructuring credits	TY	—	—	—	—
	LY	—	1,153	—	1,153
Expenditures for property & equipment	TY	7,732	3,482	—	11,214
	LY	6,029	1,536	—	7,565
Segment assets	TY	83,703	78,079	(5,000)	156,782
	LY	93,481	79,655	(5,000)	168,136