
GENDIS INC.

NEWS RELEASE

For immediate release

Winnipeg, Manitoba – October 15, 2004 - Gendis Inc. (TSX:GDS) today announced that negotiations are continuing to sell its wholly-owned subsidiary, SAAN Stores Ltd., to an investor group led by Avalon Group, Ltd. of New York City. Karabus Management continues to work with the investor group and SAAN's management team to develop and implement a plan to return the chain to profitability.

The transaction is conditional upon concluding Definitive Agreements. Gendis Inc. contemplates that the sale of SAAN Stores Ltd. will conclude on or before October 30, 2004.

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