



**FOR IMMEDIATE RELEASE**

***PRESS RELEASE***

**GENESIS WORLDWIDE INC. ANNOUNCES SECOND QUARTER  
FISCAL 2007 RESULTS**

***47% Growth in Revenue Over Second Quarter 2006 and 26% Growth  
in Revenue Over First Quarter 2007***

Mississauga, Ontario, August 1, 2007 – Genesis Worldwide Inc. (“Genesis” or the “Company”), TSX/AIM: GWI, a leading provider of green structural building technology using light steel, announces its financial results for the quarter ended June 30, 2007. The Company reports its financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”) and reports in Canadian dollars.

Total revenue for the second quarter ended June 30, 2007 increased 47% to \$5,018,264, compared to \$3,412,006 for the same period a year ago, and a sequential growth of 26% from the first quarter of 2007.

Revenue from the licensing division for the second quarter of 2007 was \$2,677,846, reflecting an increase of 13,065%, compared to the same quarter a year ago, and a sequential growth of 279% from the first quarter of 2007. Revenue for the licensing division recorded for the second quarter of 2007 was the highest revenue recorded in the Company’s history.

Revenue from the structural products division for the second quarter of 2007 was \$2,340,418, compared to \$3,391,666 for the second quarter of 2006. This decrease of 31% was due mainly to the stoppage in manufacturing activity for a six-week period while the Company relocated its manufacturing operations to its new facility in Vaughan, Ontario. Compared to the first quarter of 2007, revenue from this division decreased by 23%.

Overall contribution margins for the second quarter of 2007 improved to \$1,498,333, compared to \$122,000 for the same quarter in 2006. This improvement of 1,128% is a direct result of increased licensing activities and an improvement in the contribution margins for structural products. Contribution margin for structural products for the second quarter of 2007 was 16.1%, compared to 3.3% for the same period last year. This improvement is a direct result of improvements made in the operations of the structural products division.

For the second quarter ended June 30, 2007, loss before other expenses was \$952,529, compared to a loss of \$2,203,762 for the second quarter a year ago, and a loss of \$1,174,732 for the first quarter of 2007. Net loss for the second quarter ended June 30, 2007 was \$1,727,168, or \$0.08 per common share, compared to a loss of \$0.12 per common share for the second quarter of 2006, and a loss of \$0.10 per common share for the first quarter of 2007.

## Financial Highlights

(in thousands of dollars, except per share data and where otherwise indicated)

	<u>Q2 2007</u>	<u>Q2 2006</u>	<u>Change</u>	<u>Q1 2007</u>	<u>Q2:Q1-07 Change</u>
Revenue	5,018	3,412	47%	3,989	26%
Contribution Margin	1,498	122	1,128%	1,374	9%
Expenses	3,225	2,602	24%	3,473	(7%)
Net Loss	1,727	2,480	30%	2,099	18%
Loss Per Share – basic and diluted	(0.08)	(0.12)	33%	(0.10)	20%

From the net proceeds of the initial public offering, the Company repaid the Debentures in full on July 6, 2007, and currently does not have any interest bearing debt. On August 1, 2007, the Company has \$10,893,455 in cash on hand.

## Strategic Highlights

- (i) Focus on licensing activities
  - Completed shipment of C4 industrial equipment to Spain licensee. The Spain licensee has been awarded their first contract using light structural steel
  - Completed shipment of C4 industrial equipment to California licensee. This licensee will be commissioning their plant in Q3 2007
  - Executed a license agreement for the United Arab Emirates (UAE) to focus on the UAE and Dubai markets
- (ii) Commercializing structural products division
  - Completed move into the new facilities in Vaughan, Ontario
  - Signed three contracts with first-time customers in Q2 2007
- (iii) Ongoing research and development
  - Released version 4.0 of FrameBuilder™ with complete OEM agreement and integration of AutoCAD

“Genesis Worldwide made significant progress during the second quarter of 2007. We are executing on our strategic vision of growing our licensing technologies worldwide and commercializing our structural products division. Both of these activities are expected to increase the Company’s revenue, improve contribution margins and lead us towards profitability. We believe that we continue to be well-positioned as a leader in providing green light steel structural solutions. All of these improvements took place during a very busy quarter where we successfully relocated our structural products division from Cambridge, Ontario to Vaughan, Ontario, and also completed the work on our initial public offering on both AIM and the TSX,” said Vince Mifsud, Genesis Worldwide’s President and Chief Executive Officer.

## Conference Call

The Genesis management team will discuss its Q2 2007 results on a conference call to be held on Thursday, August 2, 2007 at 8:30 a.m. Eastern time (1:30 p.m. BST). A webcast link (audio only) will be made available from the Investor Relations portal of Genesis’ web site at <http://www.genesisworldwide.com/financial-reports.aspx>. There will be a short presentation followed by a question and answer period (Q & A for conference call participants only) lasting for approximately one (1) hour.

### Conference Call Details

**Date:** Thursday, August 2, 2007

**Time:** 8:30 a.m. Eastern time (1:30 p.m. BST)

**Local dial-in number:** 416-340-8010

**North America toll-free:** 866-540-8136

**Global toll-free:** 800-8989-6323 (dial the international access code of the country you are calling from, i.e. a call from the United Kingdom would be dialed 00-800-8989-6323)

A replay of the call will be made available through the Genesis' Investor Relations web site portal at <http://www.genesisworldwide.com/financial-reports.aspx>, or by dialing 416-695-5800 (local callers only), or toll-free at 1-800-408-3053 (passcode 3230962#), from approximately 12:00 p.m. Eastern time on the date of the call through to August 9, 2007.

### **About Genesis Worldwide Inc.**

Genesis is headquartered in Mississauga, Ontario, Canada and has licensees worldwide. Genesis develops and licenses structural building technology aimed at the residential, commercial and institutional building markets. Genesis offers licensees a turn-key solution enabling them to custom design, manufacture and install complete light steel building structures. The Genesis Solution encompasses engineered processes and materials that are environmentally sustainable or "green". For additional information about the Company, visit [www.genesisworldwide.com](http://www.genesisworldwide.com).

### **Forward-Looking Information**

Certain statements contained in this press release constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities. While the Company considers these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what we currently expect. These factors include changes in market and competition, governmental or regulatory developments and general economic conditions. Additional information identifying risks and uncertainties relating to the Company, its business and prospects are contained in Genesis' prospectus filed with the Canadian securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com).

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### **For further information contact:**

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## Genesis Worldwide Inc.

**INTERIM CONSOLIDATED BALANCE SHEETS**

[unaudited]

	As at June 30, 2007 \$	As at December 31, 2006 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	16,161	1,011,386
Accounts receivable, net	5,297,844	5,626,735
Inventories	858,300	769,441
Prepaid expenses and deposits	900,928	470,352
<b>Total current assets</b>	<b>7,073,233</b>	<b>7,877,914</b>
Long-term accounts receivable	431,250	—
Property, plant and equipment	3,042,975	2,870,557
Deferred share issue costs	3,193,337	—
Intangible assets	2,253,979	2,320,199
	<b>15,994,774</b>	<b>13,068,670</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	4,544,528	4,744,193
Accrued share issue costs	3,140,066	—
Warrants liability	600,000	600,000
Deferred revenue - current portion	2,777,595	2,141,733
Minimum royalty payment obligations	25,300	23,140
<b>Total current liabilities</b>	<b>11,087,489</b>	<b>7,509,066</b>
<b>Long-term</b>		
Deferred revenue	431,250	—
Debentures due to related parties	6,000,000	3,190,585
Minimum royalty payment obligations	1,535,512	1,549,162
<b>Total long-term liabilities</b>	<b>7,966,762</b>	<b>4,739,747</b>
<b>Shareholders' equity (deficiency)</b>		
Capital stock	42,174,920	42,174,920
Contributed surplus	125,356	65,293
Deficit	(45,359,753)	(41,420,356)
<b>Total shareholders' equity (deficiency)</b>	<b>(3,059,477)</b>	<b>819,857</b>
	<b>15,994,774</b>	<b>13,068,670</b>

## Genesis Worldwide Inc.

**INTERIM CONSOLIDATED STATEMENTS OF LOSS,  
COMPREHENSIVE LOSS AND DEFICIT**

[unaudited]

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	\$	\$	\$	\$
<b>Revenues</b>				
Licensing	2,677,846	20,340	3,636,624	182,642
Structural products	2,340,418	3,391,666	5,370,938	7,916,498
<b>Total revenues</b>	<b>5,018,264</b>	<b>3,412,006</b>	<b>9,007,562</b>	<b>8,099,140</b>
<b>Direct cost of revenues</b>				
Licensing	1,555,272	10,412	2,079,943	73,841
Structural products	1,964,659	3,279,594	4,055,476	7,655,106
<b>Total direct cost of revenues</b>	<b>3,519,931</b>	<b>3,290,006</b>	<b>6,135,419</b>	<b>7,728,947</b>
	1,498,333	122,000	2,872,143	370,193
<b>Expenses</b>				
Research and development (recovery)	(120,023)	269,141	111,128	506,867
Selling and marketing	439,953	289,495	825,924	534,645
Engineering and project management	471,619	444,249	857,798	719,343
General and administrative	808,650	1,042,347	1,827,717	1,636,441
Occupancy	323,957	280,530	627,540	604,440
Plant commissioning and restructuring costs	526,706	—	749,297	—
	2,450,862	2,325,762	4,999,404	4,001,736
Loss before other expenses	(952,529)	(2,203,762)	(2,127,261)	(3,631,543)
Amortization of property, plant and equipment	198,881	157,694	376,061	278,544
Amortization of intangible assets	67,412	67,413	134,825	134,826
Foreign exchange gain	(36,413)	(44,310)	(49,620)	(17,510)
Bank interest expense - net	—	22,163	—	17,287
Minimum royalty accretion	74,145	73,236	148,472	146,472
Debenture and loan interest expense	470,614	—	1,088,948	—
	774,639	276,196	1,698,686	559,619
<b>Net loss and comprehensive loss for the period</b>	<b>(1,727,168)</b>	<b>(2,479,958)</b>	<b>(3,825,947)</b>	<b>(4,191,162)</b>
Deficit, beginning of period	(43,632,585)	(35,671,948)	(41,533,806)	(33,960,744)
<b>Deficit, end of period</b>	<b>(45,359,753)</b>	<b>(38,151,906)</b>	<b>(45,359,753)</b>	<b>(38,151,906)</b>
<b>Net loss per share</b>				
Basic and diluted	(0.08)	(0.12)	(0.18)	(0.20)
Weighted average number of common shares outstanding – basic and diluted	20,982,858	20,982,858	20,982,858	20,982,858

## Genesis Worldwide Inc.

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW**

[unaudited]

	<b>Three months ended June 30</b>		<b>Six months ended June 30</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	(1,727,168)	(2,479,958)	(3,825,947)	(4,191,162)
Adjustments for non-cash items				
Amortization of property, plant and equipment	198,881	157,694	376,061	278,544
Amortization of intangible assets	67,412	67,413	134,825	134,826
Stock compensation expense	51,501	8,562	60,063	17,124
Debenture interest expense accretion	342,215	—	809,453	—
Minimum royalty accretion	74,145	73,236	148,472	146,472
	(993,014)	(2,173,053)	(2,297,073)	(3,614,196)
Changes in non-cash working capital balances related to operations				
Accounts receivable	(380,269)	(477,888)	(102,359)	(878,481)
Inventories	1,476,668	(489,669)	(88,859)	(540,134)
Prepaid expenses and deposits	(619,127)	(66,238)	(430,576)	(76,014)
Accounts payable and accrued liabilities	(626,933)	175,999	(381,720)	(653,212)
Deferred revenue	791,801	397,640	1,067,112	1,358,768
<b>Cash used in operating activities</b>	<b>(350,874)</b>	<b>(2,633,209)</b>	<b>(2,233,475)</b>	<b>(4,403,269)</b>
<b>FINANCING ACTIVITIES</b>				
Decrease in bank indebtedness	—	(2,952,492)	—	(1,526,682)
Debenture proceeds	—	—	2,000,000	—
<b>Cash provided by (used in) financing activities</b>	<b>—</b>	<b>(2,952,492)</b>	<b>2,000,000</b>	<b>(1,526,682)</b>
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment	(349,171)	(30,099)	(548,479)	(195,321)
Additions to deferred IPO costs	(53,271)	—	(53,271)	—
Minimum royalties paid	(80,000)	(40,000)	(160,000)	(80,000)
<b>Cash used in investing activities</b>	<b>(482,442)</b>	<b>(70,099)</b>	<b>(761,750)</b>	<b>(275,321)</b>
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(833,316)</b>	<b>(5,655,800)</b>	<b>(995,225)</b>	<b>(6,205,272)</b>
Cash and cash equivalents, beginning of period	849,477	7,285,415	1,011,386	7,834,887
<b>Cash and cash equivalents, end of period</b>	<b>16,161</b>	<b>1,629,615</b>	<b>16,161</b>	<b>1,629,615</b>
<b>Supplemental cash flow information</b>				
Interest paid	171,018	22,163	312,842	17,287
Income taxes paid	—	—	—	—

**2007****Non-cash investing activities**

The Company recorded a long-term receivable in the amount of \$575,000 for a contract with a customer with an offsetting increase in deferred revenue.

The Company recorded costs of \$3,193,337 relating to its initial public offering, of which \$3,140,066 are in accrued share issue costs.

The Company recorded additions of \$68,605 to intangible assets with an offsetting increase in accounts payable and accrued liabilities.