

For immediate release

GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS FOR FISCAL 2006

Winnipeg, Manitoba (December 9, 2005) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 29, 2005 of the fiscal year ending January 28, 2006.

The net earnings from continuing operations for the 3rd quarter was \$46,000 (\$0.01 per share) compared to a loss of \$82,000 (\$0.01 per share) last year. For the quarter ended October 29, 2005, revenue from continuing operations was \$464,000, compared to \$525,000 last year. In the 3rd quarter last year, the Company designated its retail segment, Saan Stores, as a discontinued operation due to its expected sale, and accordingly, recorded the operation at fair value with a resulting write-down of \$38.0-million. The net loss on operations of the discontinued retail segment was \$3.2-million (\$0.16 per share). Also in the 3rd quarter last year, the Company completed the sale of a parcel of real estate properties, recording a gain of \$8.2-million.

For the nine months ended October 29, 2005, revenue from continuing operations was \$3.6-million, compared to \$1.6-million last year. The net earnings for the period from continuing operations were \$4.7-million (\$0.31 per share) compared to a net loss of \$0.3-million (\$0.02 per share) last year. The net loss on operations of the discontinued retail segment was \$15.7-million (\$1.02 per share).

At December 8, 2005, the Company's publicly traded investments had a fair market value of approximately \$41.5-million, which is \$12.2-million in excess of carrying value. This represents an unrealized appreciation of approximately \$0.80 per share, before income taxes.

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Gendis Inc.
Consolidated Balance Sheet

(unaudited - in thousands of dollars)	Oct. 29, 2005	Jan. 29, 2005
Assets		
Cash and equivalents	321	3,235
Receivables	378	530
Advance held in escrow	—	2,000
Prepaid expenses	226	109
	925	5,874
Investments	31,412	18,844
Deposit on income tax reassessment	28,361	28,361
Property and equipment	11,237	11,431
Future tax asset	4,200	1,200
	76,135	65,710
Liabilities and Shareholders' Equity		
Credit facilities	5,947	—
Payables and accrued liabilities	837	1,113
Income and capital taxes payable	181	106
	6,965	1,219
Shareholders' equity		
Capital stock	16,100	16,100
Retained earnings	53,070	48,391
	69,170	64,491
	76,135	65,710

Gendis Inc.

Consolidated Statement of Earnings

(unaudited - in thousands of dollars)	13 weeks ended		39 weeks ended	
	Oct. 29, 2005	Oct. 30, 2004	Oct. 29, 2005	Oct. 30, 2004
Revenue				
Investment	334	492	2,884	1,459
Real estate	130	33	742	103
	464	525	3,626	1,562
Expenses				
Property and administrative expenses	652	405	2,030	1,402
Amortization of property and equipment	83	89	246	267
Interest and finance expense	51	99	51	190
	786	593	2,327	1,859
Earnings (loss)				
before the undernoted	(322)	(68)	1,299	(297)
Gain on sale of investments	407	—	498	—
Earnings (loss) before taxes	85	(68)	1,797	(297)
Provision for (recovery of) income taxes				
Current	39	14	118	37
Future	—	—	(3,000)	—
	39	14	(2,882)	37
Earnings (loss) from:				
Continuing operations	46	(82)	4,679	(334)
Discontinued operations:				
Real estate held for sale	—	82	—	144
Gain on sale of real estate	—	8,164	—	8,164
Retail segment	—	(3,185)	—	(15,675)
Provision for impairment of the assets of the retail segment	—	(38,049)	—	(38,049)
Net earnings (loss)	46	(33,070)	4,679	(45,750)
Earnings (loss) per share				
- basic and diluted				
Continuing operations	0.01	(0.01)	0.31	(0.02)
Discontinued operations:				
Real estate	—	0.54	—	0.54
Retail segment	—	(2.69)	—	(3.51)
	0.01	(2.16)	0.31	(2.99)

Gendis Inc.

Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	13 weeks ended		39 weeks ended	
	Oct. 29, 2005	Oct. 30, 2004	Oct. 29, 2005	Oct. 30, 2004
By operations:				
Earnings (loss) from continuing operations	46	(82)	4,679	(334)
add (deduct) items not affecting cash:				
Amortization of property and equipment	83	89	246	267
Gain on sale of investments	(407)	-	(498)	-
Future tax	-	-	(3,000)	-
Cash flow from earnings	(278)	7	1,427	(67)
Changes in non-cash working capital	(475)	676	1,833	1,321
Operating activities from:				
Continuing operations	(753)	683	3,260	1,254
Discontinued operations:				
Real estate	-	(8,637)	-	(18,274)
Retail	-	(14,504)	-	(14,403)
	(753)	(22,458)	3,260	(31,423)
By investing activities:				
Purchase of property and equipment	(2)	-	(52)	-
Proceeds on sale of investments	1,328	-	1,772	-
Difference between distributions and investment income	362	-	(1,010)	-
Investments acquired	(6,859)	-	(12,831)	(2,798)
Investing activities from:				
Continuing operations	(5,171)	-	(12,121)	(2,798)
Discontinued operations				
Real estate	-	14,150	-	14,150
retail	-	(271)	-	(2,613)
	(5,171)	13,879	(12,171)	8,739
By financing activities:				
Advance from credit facilities	5,947	-	5,947	8,500
Financing activities from:				
Continuing operations	5,947	-	5,947	8,500
Discontinued operations - retail	-	11,205	-	12,710
	5,947	11,205	5,947	21,210
Increase (decrease) in cash	23	2,626	(2,914)	(1,474)
Cash - beginning of period	298	871	3,235	4,971
Cash - end of period	321	3,497	321	3,497
Cash is represented by:				
Continuing operations			321	1,587
Discontinued operations - retail			-	1,910
			321	3,497

Gendis Inc.

Basis of Presentation of unaudited interim financial statements

These unaudited interim financial statements are prepared in accordance with accounting principles generally accepted in Canada and follow the same accounting policies and methods of application as the audited annual financial statements at January 29, 2005. These interim financial statements should be read in conjunction with the annual consolidated financial statements and notes thereto as presented in the Company's Annual Report for the fiscal year ended January 29, 2005

Certain comparative figures have been restated to conform to the presentation adopted for the current period.