

For immediate release

GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS FOR FISCAL 2007

Winnipeg, Manitoba (December 8, 2006) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 31, 2006 of the fiscal year ending January 31, 2007.

Revenue for the 3rd quarter was \$1.1-million compared to \$0.4-million for the comparable quarter last year. The net earnings for the 3rd quarter were \$192,000 (\$0.01 per share) compared to net earnings of \$46,000 (\$0.01 per share) last year. The increase in revenue is primarily attributable to Gendis' share of increased earnings of Fort Chicago Energy Partners L.P. ('Fort Chicago').

For the nine months ended October 31, 2006, revenue was \$2.4-million, compared to \$3.6-million last year. The net loss for the period was \$290,000 (\$0.02 per share) compared to a net earnings of \$4.7-million (\$0.31 per share) last year.

There were two unusual events that occurred in the 2nd quarter last year that affect the comparability of year-to-date revenue and earnings. The decline in revenue year-to-date is due to an unusual dilution gain recorded last year. Fort Chicago had significant capital transactions in the 2nd quarter last year at an average unit value substantially in excess of the unit carrying value of Gendis' investment in Fort Chicago. As Gendis did not participate in these capital transactions, the variance in unit values provided a dilution gain of \$1.4-million as additional investment revenue and income to Gendis. The decline in earnings year-to-date is primarily attributable to the unusual dilution gain as well as the recording of a reduction to Future Tax Expense. On May 31, 2005, Mr. Albert D. Cohen obtained control of Gendis Inc. A change in control requires a re-valuation of the tax basis of Gendis' carryforward tax losses and capital property. Accordingly, Gendis recognized an overall net increase in tax basis resulting in an increase to its Future Tax Asset and a corresponding reduction in Future Tax Expense of \$3.0-million.

At October 31, 2006, Gendis' investments had a fair market value of approximately \$44.6-million, which is \$6.2-million in excess of carrying value. This represents an unrealized appreciation of approximately \$0.41 per share, before income taxes.

At December 7, 2006, Gendis' publicly traded investments had a fair market value of approximately \$41.0-million, which is \$3.4-million in excess of carrying value. This represents an unrealized appreciation of approximately \$0.23 per share, before income taxes.

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Gendis Inc.
Consolidated Balance Sheet

(unaudited - in thousands of dollars)	Oct. 31, 2006	Jan. 28, 2006
Assets		
Cash	135	95
Receivables	380	265
Note receivable - current portion	444	382
Prepaid expenses	335	203
	<u>1,294</u>	<u>945</u>
Investments (note 2)	38,367	33,306
Note receivable	1,725	1,693
Deposit on income tax reassessment	28,361	28,361
Property and equipment	10,895	11,066
Future tax asset	2,647	2,847
	<u>83,289</u>	<u>78,218</u>
Liabilities and Shareholders' Equity		
Payables and accrued liabilities	824	1,039
Credit facilities	14,314	7,985
Income and capital taxes payable	28	333
	<u>15,166</u>	<u>9,357</u>
Shareholders' equity		
Capital stock	15,904	16,100
Retained earnings	52,219	52,761
	<u>68,123</u>	<u>68,861</u>
	<u>83,289</u>	<u>78,218</u>

Gendis Inc.

Consolidated Statement of Earnings (Loss) and Retained Earnings

(unaudited - in thousands of dollars)	quarter ended		year-to-date ended	
	Oct. 31, 2006	Oct. 29, 2005	Oct. 31, 2006	Oct. 29, 2005
Revenue				
Investment (note 2)	852	334	1,785	2,884
Real estate rental	258	130	587	742
	<u>1,110</u>	<u>464</u>	<u>2,372</u>	<u>3,626</u>
Expenses				
Property and administrative expenses	577	652	2,061	2,030
Amortization of property and equipment	93	83	267	246
Interest and finance expenses	220	51	508	51
	<u>890</u>	<u>786</u>	<u>2,836</u>	<u>2,327</u>
Earnings (loss) before the undernoted	220	(322)	(464)	1,299
Gain on sale of investments	29	407	477	498
Earnings (loss) before taxes	<u>249</u>	<u>85</u>	<u>13</u>	<u>1,797</u>
Provision for (recovery of) income taxes:				
Current	57	39	303	118
Future	—	—	—	(3,000)
	<u>57</u>	<u>39</u>	<u>303</u>	<u>(2,882)</u>
Net earnings (loss)	192	46	(290)	4,679
Refundable dividend taxes	—	—	(2)	—
Purchase and cancellation of share capital	(119)	—	(250)	—
Retained earnings - beginning of period	<u>52,146</u>	<u>53,024</u>	<u>52,761</u>	<u>48,391</u>
Retained earnings - end of period	<u>52,219</u>	<u>53,070</u>	<u>52,219</u>	<u>53,070</u>
Earnings (loss) per share - basic and diluted	0.01	0.01	(0.02)	0.31

Gendis Inc.
Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarters ended		year-to-date ended	
	Oct. 31, 2006	Oct. 29, 2005	Oct. 31, 2006	Oct. 29, 2005
By operations:				
Earnings (loss)	192	46	(290)	4,679
add (deduct) items not affecting cash:				
Amortization of property and equipment	93	83	267	246
Gain on sale of investments	(29)	(407)	(477)	(498)
Future income tax	-	-	200	(3,000)
Cash flow from earnings	256	(278)	(300)	1,427
Change in working capital	(94)	(475)	(525)	1,833
	162	(753)	(825)	3,260
By investing activities:				
Proceeds on sale of investments	494	1,328	2,846	1,772
Difference between distributions and investment income	(33)	362	871	(1,010)
Investments acquired	(1,987)	(6,859)	(8,301)	(12,831)
Purchase of property and equipment	(37)	(2)	(96)	(52)
	(1,563)	(5,171)	(4,680)	(12,121)
By financing activities:				
Advance from credit facilities	1,631	5,947	6,329	5,947
Purchase and cancellation of share capital	(216)	-	(446)	-
Refundable dividend tax	-	-	(338)	-
	1,415	5,947	5,545	5,947
Increase (decrease) in cash	14	23	40	(2,914)
Cash - beginning of period	121	298	95	3,235
Cash - end of period	135	321	135	321
Supplementary information:				
Taxes paid (recovered)	57	(5)	441	76
Interest paid	194	52	496	52

Gendis Inc.

Basis of Presentation of unaudited interim consolidated financial statements

These unaudited interim consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada. However, these unaudited interim consolidated financial statements do not contain all the disclosures that would be required under generally accepted accounting principles for annual financial statements. These unaudited interim consolidated financial statements follow the same accounting policies and methods of application as the audited annual consolidated financial statements at January 28, 2006. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes thereto as presented in the Company's Annual Report for the fiscal year ended January 28, 2006.