

For immediate release

GENDIS INC. ANNOUNCES FIRST QUARTER RESULTS FOR FISCAL 2007

Winnipeg, Manitoba (June 2, 2006) - Gendis Inc. (TSX:GDS) today announced its financial results for the 1<sup>st</sup> quarter ended April 30, 2006 of the fiscal year ending January 31, 2007.

Revenue for the 1<sup>st</sup> quarter was \$494,000 compared to \$964,000 last year. The net loss for the 1<sup>st</sup> quarter was \$219,000 (\$0.01 per share) compared to earnings of \$374,000 (\$0.02 per share) last year.

At April 30, 2006, the Company's investments had a fair market value of approximately \$44.2-million, which is \$8.2-million in excess of carrying value. This represents an unrealized appreciation of approximately \$0.53 per share, before income taxes.

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Gendis Inc.  
Consolidated Balance Sheet

	April 30,	Jan. 28,
(unaudited - in thousands of dollars)	2006	2006
<b>Assets</b>		
Cash and equivalents	228	95
Receivables	405	265
Note receivable - current portion	603	382
Prepaid expenses	201	203
	<u>1,437</u>	<u>945</u>
Investments	36,025	33,306
Note receivable	1,502	1,693
Deposit on income tax reassessment	28,361	28,361
Property and equipment	10,976	11,066
Future tax asset	2,647	2,847
	<u>80,948</u>	<u>78,218</u>
<b>Liabilities and Shareholders' Equity</b>		
Credit facilities	11,280	7,985
Payables and accrued liabilities	1,086	1,039
Income & capital taxes payable	3	333
	<u>12,369</u>	<u>9,357</u>
Shareholders' equity		
Capital stock	16,076	16,100
Retained earnings	52,503	52,761
	<u>68,579</u>	<u>68,861</u>
	<u>80,948</u>	<u>78,218</u>

Gendis Inc.  
Consolidated Statement of Earnings (Loss)

(unaudited - in thousands of dollars)	quarter ended	
	April 30 2006	April 30 2005
<b>Revenue</b>		
Investment	376	579
Real estate rental	118	385
	<u>494</u>	<u>964</u>
<b>Expenses</b>		
Property and administrative expenses	707	513
Amortization of property and equipment	90	82
Interest and finance expenses	127	—
	<u>924</u>	<u>595</u>
Earnings (loss) before the undernoted	(430)	369
Gain on sale of investments	433	40
Earnings (loss) before taxes	<u>3</u>	<u>409</u>
Provision for income taxes		
Current	22	35
Future	200	—
	<u>222</u>	<u>35</u>
<b>Net earnings (loss)</b>	<u>(219)</u>	<u>374</u>
Earnings (loss) per share - basic and diluted	(0.01)	0.02

Gendis Inc.  
Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarter ended	
	April 30, 2006	April 30, 2005
<b>By operations:</b>		
Earnings (loss) for the period	(219)	374
add (deduct) items not affecting cash:		
Gain on sale of investments	(433)	(40)
Amortization of property and equipment	90	82
Future income taxes	200	-
Cash flow from earnings	(362)	416
Change in working capital	34	77
	(328)	493
<b>By investing activities:</b>		
Proceeds from sale of investments	2,188	135
Difference between distributions and investment income	681	(10)
Investments acquired	(5,155)	(1,638)
Purchase of property and equipment	-	(26)
	(2,286)	(1,539)
<b>By financing activities:</b>		
Advance from credit facilities	3,146	-
Refundable dividend tax	(338)	-
Purchase and cancellation of share capital	(61)	-
	2,747	-
Increase (decrease in cash)	133	(1,046)
Cash - beginning of period	95	3,235
<u>Cash - end of period</u>	<u>228</u>	<u>2,189</u>

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 28, 2006. 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 28, 2006

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