

For immediate release

GENDIS INC. ANNOUNCES SECOND QUARTER RESULTS FOR FISCAL 2007

Winnipeg, Manitoba (September 7, 2006) - Gendis Inc. (TSX:GDS) today announced its financial results for the 2nd quarter ended July 31, 2006 of the fiscal year ending January 31, 2007.

Revenue for the 2nd quarter was \$768,000 compared to \$2.2-million for the comparable quarter last year. The net loss for the 2nd quarter was \$263,000 (\$0.02 per share) compared to net earnings of \$4.3-million (\$0.28 per share) last year.

For the six months ended July 31, 2006, revenue was \$1.3-million, compared to \$3.2-million last year. The net loss for the period was \$482,000 (\$0.03 per share) compared to a net earnings of \$4.6-million (\$0.30 per share) last year.

There were two unusual events that occurred in the 2nd quarter last year that affect the comparability of revenue and earnings. The decline in revenue for the quarter and year-to-date is due to an unusual dilution gain recorded last year. Fort Chicago Energy Partners L.P.'s ('Fort Chicago') had significant capital transactions in the 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 for the quarter and 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 July 31, 2006, Gendis' publicly traded investments had a fair market value of approximately \$44.7-million, which is \$7.9-million in excess of carrying value. This represents an unrealized appreciation of approximately \$0.52 per share, before income taxes.

For more information, please contact:

James E. Cohen
Executive Vice-President

Telephone: (204) 474-5200
Fax: (204) 474-5201

E-mail: finance@gendis.ca
Web site: www.gendis.ca

Gendis Inc.
Consolidated Balance Sheet

(unaudited - in thousands of dollars)	July 31, 2006	Jan. 28, 2006
Assets		
Cash	121	95
Receivables	454	265
Note receivable - current portion	545	382
Prepaid expenses	415	203
	1,535	945
Investments	36,812	33,306
Note receivable	1,593	1,693
Deposit on income tax reassessment	28,361	28,361
Property and equipment	10,951	11,066
Future tax asset	2,647	2,847
	81,899	78,218
Liabilities and Shareholders' Equity		
Payables and accrued liabilities	910	1,039
Credit facilities	12,832	7,985
Income and capital taxes payable	10	333
	13,752	9,357
Shareholders' equity		
Capital stock	16,001	16,100
Retained earnings	52,146	52,761
	68,147	68,861
	81,899	78,218

Gendis Inc.

Consolidated Statement of Earnings (Loss) and Retained Earnings

(unaudited - in thousands of dollars)	quarter ended		year-to-date ended	
	July 31, 2006	July 30, 2005	July 31, 2006	July 30, 2005
Revenue				
Investment	557	1,971	933	2,550
Real estate rental	211	227	329	612
	768	2,198	1,262	3,162
Expenses				
Property and administrative expenses	777	865	1,484	1,378
Amortization of property and equipment	84	81	174	163
Interest and finance expenses	161	—	288	—
	1,022	946	1,946	1,541
Earnings (loss) before the undernoted	(254)	1,252	(684)	1,621
Gain on sale of investments	15	51	448	91
Earnings (loss) before taxes	(239)	1,303	(236)	1,712
Provision for (recovery of) income taxes:				
Current	24	44	46	79
Future	—	(3,000)	200	(3,000)
	24	(2,956)	246	(2,921)
Net earnings (loss)	(263)	4,259	(482)	4,633
Refundable dividend taxes	—	—	(2)	—
Purchase and cancellation of share capital	(94)	—	(131)	—
Retained earnings				
- beginning of period	52,503	48,765	52,761	48,391
Retained earnings				
- end of period	52,146	53,024	52,146	53,024
Earnings (loss) per share				
- basic and diluted	(0.02)	0.28	(0.03)	0.30

Gendis Inc.

Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarters ended		year-to-date ended	
	July 31, 2006	July 30, 2005	July 31, 2006	July 30, 2005
By operations:				
Earnings (loss)	(263)	4,259	(482)	4,633
add (deduct) items not affecting cash:				
Amortization of property and equipment	84	81	174	163
Gain on sale of investments	(15)	(51)	(448)	(91)
Future income tax	—	(3,000)	200	(3,000)
Cash flow from earnings	(194)	1,289	(556)	1,705
Change in working capital	(465)	2,231	(431)	2,308
	(659)	3,520	(987)	4,013
By investing activities:				
Proceeds on sale of investments	164	309	2,352	444
Difference between distributions and investment income	223	(1,362)	904	(1,372)
Investments acquired	(1,159)	(4,334)	(6,314)	(5,972)
Purchase of property and equipment	(59)	(24)	(59)	(50)
	(831)	(5,411)	(3,117)	(6,950)
By financing activities:				
Advance from credit facilities	1,552	—	4,698	—
Purchase and cancellation of share capital	(169)	—	(230)	—
Refundable dividend tax	—	—	(338)	—
	1,383	—	4,130	—
Increase (decrease) in cash	(107)	(1,891)	26	(2,937)
Cash - beginning of period	228	2,189	95	3,235
Cash - end of period	121	298	121	298
Supplementary information:				
Taxes paid	24	13	384	44
Interest paid	162	—	302	—

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.