

For immediate release

**GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS**

Winnipeg, Manitoba (December 9, 2008) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3<sup>rd</sup> quarter ended October 31, 2008 of the fiscal year ending January 31, 2009.

Revenue for the 3<sup>rd</sup> quarter was \$1.2-million compared to \$0.9-million last year. The increase in revenue in the 3<sup>rd</sup> quarter is primarily attributable to increased real estate rent from a new tenancy that commenced in the 2<sup>nd</sup> quarter. The net loss for the 3<sup>rd</sup> quarter was \$5.9-million (\$0.41 per share) compared to a net loss of \$3.3-million (\$0.23 per share) last year. The decline in earnings in the 3<sup>rd</sup> quarter is primarily due to the change in the market value of investments that were held for trading net of realized losses on sale of investments, of \$5.2-million compared to a loss of \$0.9-million for the prior year comparative period. In the 3<sup>rd</sup> quarter last year, the Company recorded a provision for loss on a note receivable of \$2.3-million.

Revenue year-to-date was \$2.9-million compared to \$2.2-million last year. The net loss year-to-date was \$6.6-million (\$0.46 per share) compared to a net loss of \$4.8-million (\$0.33 per share) last year. The year-to-date change in the market value of investments that were held for trading net of realized losses on sale of investments was a loss of \$5.5-million compared to a loss of \$1.6-million for the prior year comparative period.

Gendis owns 2.0-million shares of OSUM, a private oil sands company. In August 2008, OSUM closed a substantial private equity financing at a price of \$10.50 per OSUM share which compares favourably to Gendis' \$2.42 per OSUM share average cost base. Based on this recent financing, Gendis would have an unrealized gain of \$16.6-million or \$1.17 per Gendis share, before income taxes. The \$10.50 per OSUM share financing price should only be used as a proxy for fair value of Gendis' investment in OSUM in August 2008, as there is no exchange-traded market for OSUM shares to validate fair value at any future reporting period subsequent to August 2008.

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Gendis Inc.  
Consolidated Balance Sheet

	Oct. 31	Jan. 31
(unaudited - in thousands of dollars)	2008	2008
<b>Assets</b>		
Cash	321	203
Receivables	312	259
Prepaid expenses	107	270
	740	732
Investments (note 2)		
at fair value	19,182	34,028
at carrying value	4,946	4,821
Property and equipment	12,984	10,658
Future tax asset	2,597	2,597
	40,449	52,836
<b>Commitments and Contingencies (note 5)</b>		
<b>Liabilities</b>		
Credit facilities (note 3)	16,282	18,778
Payables and accrued liabilities	1,215	970
Taxes payable	4	67
	17,501	19,815
Post retirement benefit obligation (note 4)	740	—
Shareholders' equity	22,208	33,021
	40,449	52,836

Gendis Inc.  
Consolidated Statement of Operations

(unaudited - in thousands of dollars, except per share)	quarter ended		year-to-date	
	Oct. 31 2008	Oct. 31 2007	Oct. 31 2008	Oct. 31 2007
<b>Revenue</b>				
Investment	531	493	1,505	1,084
Real estate lease rental	633	380	1,397	1,140
	<u>1,164</u>	<u>873</u>	<u>2,902</u>	<u>2,224</u>
<b>Expenses</b>				
Property and administrative expenses	729	583	2,157	2,026
Amortization of property and equipment	151	88	326	263
Interest and finance expenses	227	239	712	680
	<u>1,107</u>	<u>910</u>	<u>3,195</u>	<u>2,969</u>
Earning (loss) before the undernoted	57	(37)	(293)	(745)
Change in fair value of investments held-for-trading	1,041	(940)	326	(2,045)
Gain (loss) on sale of investments:				
Held-for-trading	(5,837)	63	(5,415)	704
Available-for-sale	(363)	—	(363)	(283)
Provision for loss on notes receivable	—	(2,301)	—	(2,301)
Post retirement benefit obligation	(740)	—	(740)	—
Gain on sale of real estate properties	—	(9)	95	(9)
Loss before taxes	(5,842)	(3,224)	(6,390)	(4,679)
Provision for income taxes	19	70	180	118
<b>Net loss from operations for the period</b>	<u>(5,861)</u>	<u>(3,294)</u>	<u>(6,570)</u>	<u>(4,797)</u>
<b>Loss from operations per share</b>	<u>(0.41)</u>	<u>(0.23)</u>	<u>(0.46)</u>	<u>(0.33)</u>

Gendis Inc.

Consolidated Statement of Comprehensive Loss

(unaudited - in thousands of dollars)	quarter ended		year-to-date	
	Oct. 31 2008	Oct. 31 2007	Oct. 31 2008	Oct. 31 2007
Other comprehensive income				
Change in fair value of investments available-for-sale	(4,554)	(511)	(3,915)	(994)
Gain (loss) on sale of investments	(363)	45	(363)	(283)
(Gain) loss on sale of investments transferred to net earnings from operations	363	(45)	363	283
Other comprehensive loss	(4,554)	(511)	(3,915)	(994)
Net loss from operations	(5,861)	(3,294)	(6,570)	(4,797)
Comprehensive loss	(10,415)	(3,805)	(10,485)	(5,791)

Gendis Inc.

Consolidated Statement of Shareholders' Equity

For the Periods Ended

(unaudited - in thousands of dollars)	Share Capital Retained		AOCI	Total
	(note 3)	Earnings		
Balance - February 1, 2008	14,995	15,809	2,217	33,021
Net gain (loss) for the period	-	(709)	639	(70)
Shares purchased for cancellation	(134)	(119)	-	(253)
Balance - July 31, 2008	14,861	14,981	2,856	32,698
Net loss for the quarter	-	(5,861)	(4,554)	(10,415)
Shares purchased for cancellation	(43)	(32)	-	(75)
Balance - quarter ended October 31, 2008	14,818	9,088	(1,698)	22,208
Balance - February 1, 2007	15,736	21,740	3,008	40,484
Net loss for the period	-	(1,503)	(483)	(1,986)
Shares purchased for cancellation	(304)	(302)	-	(606)
Balance - July 31, 2007	15,432	19,935	2,525	37,892
Net loss for the quarter	-	(3,294)	(511)	(3,805)
Shares purchased for cancellation	(195)	(216)	-	(411)
Balance - quarter ended October 31, 2007	15,237	16,425	2,014	33,676

AOCI refers to Accumulated Other Comprehensive Income

Gendis Inc.  
Consolidated Statement of Cash Flows

(unaudited - in thousands of dollars)	quarter ended		year-to-date	
	Oct. 31 2008	Oct. 31 2007	Oct. 31 2008	Oct. 31 2007
<b>By operations:</b>				
Net loss from operations for the period	(5,861)	(3,294)	(6,570)	(4,797)
add (deduct) items not affecting cash:				
Amortization of property and equipment	151	88	326	263
Gain (loss) on sale of properties	-	9	(95)	9
Provision for loss on notes receivable	-	2,301	-	2,301
Post retirement benefit obligation	740	-	740	-
Loss (gain) on sale of investments	6,200	(63)	5,778	(421)
Change in fair value of investments held-for-trading	(1,041)	940	(326)	2,045
Cash flow from earnings	189	(19)	(147)	(600)
Change in working capital	657	40	370	38
	846	21	223	(562)
<b>By investing activities:</b>				
Proceeds on sale of investments	4,195	685	8,847	5,562
Return of capital	65	88	329	972
Investments acquired	(125)	(1,429)	(3,822)	(5,811)
Proceeds from property sales	-	-	346	-
Additions to property and equipment	(1,027)	(5)	(2,903)	(36)
	3,108	(661)	2,797	687
<b>By financing activities:</b>				
Advance from (reduction in) credit facilities	(3,665)	877	(2,496)	991
Purchase and cancellation of share capital	(75)	(411)	(328)	(1,017)
Refundable dividend tax	-	-	(78)	(195)
	(3,740)	466	(2,902)	(221)
Increase (decrease) in cash	214	(174)	118	(96)
Cash - beginning of period	107	273	203	195
Cash - end of period	321	99	321	99
<b>Supplementary information:</b>				
Taxes paid	19	69	258	312
Interest paid	225	281	722	701

Gendis Inc.

Notes to Consolidated Interim Financial Statements - (unaudited)  
October 31, 2008

1. Significant Accounting Policies and Basis of Presentation

- (a) These unaudited consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in Canada. However, these interim financial statements do not contain all the disclosures that would be required under generally accepted accounting principles for annual financial statements. These interim financial statements follow the same accounting policies and methods of application as the audited annual consolidated financial statements at January 31, 2008. Certain disclosures required for annual financial statements have been condensed or omitted in these interim financial statements. Accordingly, 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 31, 2008. The following notes to the interim financial statements are supplemental to the notes to the annual consolidated financial statements.
- b) The Accounting Standards Board of Canada plans to converge Canadian Generally Accepted Accounting Principles for publicly accountable enterprises with International Financial Reporting Standards effective for fiscal periods commencing on or after January 1, 2011. The Company is currently assessing the impact of these new standards on its future consolidated financial statements.

2. Investments

	Number of shares/units		Fair value	
	Oct. 31 2008	Jan. 31 2008	Oct. 31 2008	Jan. 31 2008
(in thousands)	#	#	\$	\$
Exchange-traded investments:				
Available-for-sale:				
Flow-through entities:				
Fort Chicago	2,202	2,190	18,606	22,644
Yellow Pages	35	-	303	-
Held-for-trading:				
Flow-through entities:				
Fort Chicago	-	154	-	1,595
Other equity investments:				
Alberta Clipper	-	700	-	1,540
Ember Resources	157	673	112	941
FNX Mining	-	110	-	2,920
INV	350	500	49	435
IMRIS	39	40	112	228
Opti Canada	-	105	-	1,722
Royal Bank	-	15	-	760
Scotiabank	-	15	-	723
Starbucks	-	25	-	474
Other equity investments				46
			19,182	34,028

(in thousands)	Number of shares		Carrying value	
	Oct. 31	Jan. 31	Oct. 31	Jan. 31
	2008	2008	2008	2008
	#	#	\$	\$
Private investments, available-for-sale:				
<u>OSUM - shares</u>	<u>2,048</u>	<u>1,948</u>	<u>4,946</u>	<u>4,821</u>

### 3. Credit Facilities

(in thousands of dollars)	Borrowing		Remaining		Carrying value	
	balance		borrowing		of collateral	
	Oct. 31	Jan. 31	Oct. 31	Jan. 31	Oct. 31	Jan. 31
	2008	2008	2008	2008	2008	2008
Banker's acceptances	11,182	14,569				
Bank demand loan	2,700	400				
Total bank borrowing	13,882	14,969	1,100	-	18,606	22,644
Broker's margin account	-	2,809	328	2,137	576	11,384
Brosco Fund Limited	2,400	1,000	-	-	-	-
	<u>16,282</u>	<u>18,778</u>	<u>1,428</u>	<u>2,137</u>	<u>19,182</u>	<u>34,028</u>

### 4. Post Retirement Benefit Obligation

The Company was a participant in a former subsidiary's employee benefit program that includes participating in a group life insurance policy for eligible retired employees of the Company and the Company's former subsidiaries who retired prior to December 10, 2004. To be eligible, the retired employee had to continue with an employee paid declining insurance coverage for 5 years after retirement. In August 2008, the subsidiary was declared bankrupt and the insurance coverage ceased. The Gendis considers it has an obligation to provide death benefit coverage in the absence of a group life insurance policy, the volume of which is estimated at \$1.5-million, \$5,000 per eligible retired employee. The Company has recorded \$740,000, which is the present value of this volume of benefit after applying mortality factors and a 7.1% discount interest rate. A decrease of 1% in the interest rate would result in an increase in the obligation and a decrease in earnings by \$64,000.

### 5. Capital Stock

(in thousands)	quarter ended		year-to-date	
	Oct. 31	Oct. 31	Oct. 31	Oct. 31
	2008	2007	2008	2007
Balance - beginning of period	14,138	14,799	14,265	14,970
Shares purchased for cancellation	(42)	(118)	(169)	(289)
<u>Balance - end of period</u>	<u>14,096</u>	<u>14,681</u>	<u>14,096</u>	<u>14,681</u>

## 6. Related Party Transactions

At October 31, 2008, a company the Chief Executive Officer controls has provided a \$2.5 million guarantee to the Company's banker. Subsequent to October 31, 2008, the guarantee was increased to \$3.0-million. At October 31, 2008, the Company borrowed an additional \$1.4-million from another related party to the Company's Chief Executive Officer. The additional borrowing is on a revolving unsecured basis, payable on demand, with interest at prime rate as established by the Corporation's banker from time to time. At October 31, 2008, the balance of the related party debt was \$2.4-million.

## 7. Segment Information

(in thousands of dollars)	quarter ended Oct. 31	Realty	Corporate	Inter- segment	Total
Revenue	2008	648	692	(176)	1,164
	2007	395	535	(57)	873
Expenses	2008	375	399	(45)	729
	2007	271	357	(45)	583
Amortization	2008	145	6	-	151
	2007	82	6	-	88
Interest	2008	131	227	(131)	227
	2007	12	239	(12)	239
Investment - gain (loss) on sale, provision for loss and changes in fair value	2008	-	(5,159)	-	(5,159)
	2007	-	(886)	-	(886)
Post retirement benefit obligation	2008	-	(740)	-	(740)
	2007	-	-	-	-
Provision for loss on notes receivable	2008	-	-	-	-
	2007	-	(2,301)	-	(2,301)
Provision for (recovery of) income taxes	2008	(1)	20	-	19
	2007	10	60	-	70
Net loss from operations	2008	(2)	(5,859)	-	(5,861)
	2007	20	(3,314)	-	(3,294)
Additions to property and equipment	2008	1,027	-	-	1,027
	2007	-	5	-	5

(in thousands of dollars)	Year-to-date ended Oct. 31	Realty	Corporate	Inter- segment	Total
Revenue	2008	1,443	1,967	(508)	2,902
	2007	1,186	1,209	(171)	2,224
Expenses	2008	1,075	1,218	(136)	2,157
	2007	965	1,197	(136)	2,026
Amortization	2008	312	14	-	326
	2007	249	14	-	263
Interest	2008	372	712	(372)	712
	2007	35	680	(35)	680
Investment - gain(loss) on sale, provision for loss and changes in fair value	2008	-	(5,452)	-	(5,452)
	2007	-	(1,633)	-	(1,633)
Post retirement benefit obligation	2008	-	(740)	-	(740)
	2007	-	-	-	-
Provision for loss on notes receivable	2008	-	-	-	-
	2007	-	(2,301)	-	(2,301)
Gain on sale of property	2008	95	-	-	95
	2007	-	-	-	-
Provision for (recovery of) income taxes	2008	(77)	257	-	180
	2007	(22)	140	-	118
Net loss from operations	2008	(144)	(6,426)	-	(6,570)
	2007	(41)	(4,756)	-	(4,797)
Additions to property and equipment	2008	2,887	16	-	2,903
	2007	26	10	-	36
Total Assets	2008	14,167	36,625	(10,343)	40,449
	2007	12,204	38,889	(540)	50,553

#### 8. Commitments & Contingencies

There have been no material developments in the lawsuits that were disclosed in the annual financial statements for the year ended January 31, 2008.