

For immediate release

GENDIS INC. ANNOUNCES THIRD QUARTER and YEAR-TO-DATE PROFIT

Winnipeg, Manitoba (December 11, 2009) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter and year-to-date ended October 31, 2009 of the fiscal year ending January 31, 2010.

Revenue for the 3rd quarter was \$1.3-million compared to \$1.2-million last year. Revenue year-to-date was \$3.5-million compared to \$2.9-million last year. The increase in revenue is primarily attributable to an increase in rent revenue from a new tenancy in the Sony Place Facility that occurred part way through last year, partially offset by a decline in investment income from Fort Chicago.

Net earnings from operations for the 3rd quarter was \$0.6-million (\$0.04 per share) compared to a loss of \$5.9-million (\$0.41 per share) last year. Net earnings from operations year-to-date was \$1.1-million (\$0.08 per share) compared to a loss of \$6.6-million (\$0.46 per share) last year. The increase in net earnings from operations is primarily attributable to the substantial decline in the market value of investments held-for-trading that occurred in the 2nd and 3rd quarters last year compared to a recovery of market values this year, along with an increase in rent revenue and the decline in investment income from Fort Chicago.

Other comprehensive income for the 3rd quarter was \$0.4-million compared to a loss of \$4.6-million last year. Other comprehensive income year-to-date was \$2.7-million compared to a loss of \$3.9-million last year. Other comprehensive income is the change in market value of the Company's investments that are available-for-sale, primarily its flow-through entity investment in Fort Chicago. The increase in other comprehensive income is primarily attributable to the substantial decline in the market value of investments available-for-sale that occurred in the 2nd and 3rd quarters last year compared to a partial recovery of market values this year.

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Gendis Inc.
Consolidated Balance Sheet

	Oct. 31	Jan. 31
(unaudited - in thousands of dollars)	2009	2009
Assets		
Cash	167	199
Receivables	245	291
Prepaid expenses	79	71
	491	561
Investments (note 2)		
at fair value	17,524	15,979
at carrying value	4,946	4,946
Property and equipment (note 3)	12,250	12,881
Future tax asset	2,732	2,732
	37,943	37,099
Liabilities		
Credit facilities (note 4)	11,598	14,491
Payables and accrued liabilities	1,223	1,119
Taxes payable	42	20
	12,863	15,630
Post employment benefit obligations	681	706
Shareholders' equity	24,399	20,763
	37,943	37,099
Commitments and Contingencies (note 7)		

Gendis Inc.
Consolidated Statement of Operations

(unaudited - in thousands of dollars, except per share)	quarter ended		year-to-date	
	Oct. 31 2009	Oct. 31 2008	Oct. 31 2009	Oct. 31 2008
Revenue				
Real estate lease rental	840	633	2,476	1,397
Investment	469	531	984	1,505
	<u>1,309</u>	<u>1,164</u>	<u>3,460</u>	<u>2,902</u>
Expenses				
Property and administrative expenses	844	729	2,328	2,157
Amortization of property and equipment	130	151	391	326
Interest and finance expenses	76	227	190	712
	<u>1,050</u>	<u>1,107</u>	<u>2,909</u>	<u>3,195</u>
Earning before the undernoted	259	57	551	(293)
Change in fair value of investments held-for-trading	298	1,041	456	326
Gain (loss) on sale of investments:				
Held-for-trading	—	(5,837)	—	(5,415)
Available-for-sale	9	(363)	9	(363)
Provision for post retirement benefit obligation	—	(740)	—	(740)
Gain on sale of property and equipment	3	—	82	95
Earnings (loss) before taxes	569	(5,842)	1,098	(6,390)
Provision for income taxes	14	19	46	180
<u>Net earnings (loss) from operations</u>	<u>555</u>	<u>(5,861)</u>	<u>1,052</u>	<u>(6,570)</u>
<u>Earnings (loss) from operations per share</u>	<u>0.04</u>	<u>(0.41)</u>	<u>0.08</u>	<u>(0.46)</u>

Gendis Inc.
Consolidated Statement of Comprehensive Income (Loss)

(unaudited - in thousands of dollars)	quarter ended		year-to-date	
	Oct. 31 2009	Oct. 31 2008	Oct. 31 2009	Oct. 31 2008
Other comprehensive income (loss)				
Investments available-for-sale:				
Change in fair value	383	(4,554)	2,675	(3,915)
Gain (loss) on sale	9	(363)	9	(363)
(Gain) loss on sale transferred to the Statement of Operations	(9)	363	(9)	363
Other comprehensive income (loss)	383	(4,554)	2,675	(3,915)
<u>Net earnings (loss) from operations</u>	<u>555</u>	<u>(5,861)</u>	<u>1,052</u>	<u>(6,570)</u>
<u>Comprehensive income (loss)</u>	<u>938</u>	<u>(10,415)</u>	<u>3,727</u>	<u>(10,485)</u>

Gendis Inc.
Consolidated Statement of Shareholders' Equity
For the Periods Ended

(unaudited - in thousands of dollars)	Share Capital Retained (note 5)	Earnings	AOCI	Total
Balance - January 31, 2009	14,796	8,414	(2,447)	20,763
Earnings for the period to July 31, 2009	-	497	2,292	2,789
Shares purchased for cancellation	(83)	18	-	(65)
Balance - July 31, 2009	14,713	8,929	(155)	23,487
Earnings for the quarter	-	555	383	938
Shares purchased for cancellation	(25)	(1)	-	(26)
<u>Balance - quarter ended October 31, 2009</u>	<u>14,688</u>	<u>9,483</u>	<u>228</u>	<u>24,399</u>
Balance - January 31, 2008	14,995	15,809	2,217	33,021
Earnings (loss) for the period to July 31, 2009	-	(709)	639	(70)
Shares purchased for cancellation	(134)	(119)	-	(253)
Balance - July 31, 2008	14,861	14,981	2,856	32,698
Loss for the quarter	-	(5,861)	(4,554)	(10,415)
Shares purchased for cancellation	(43)	(32)	-	(75)
<u>Balance - quarter ended October 31, 2008</u>	<u>14,818</u>	<u>9,088</u>	<u>(1,698)</u>	<u>22,208</u>

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 2009	Oct. 31 2008	Oct. 31 2009	Oct. 31 2008
By operations:				
Net earnings (loss)	555	(5,861)	1,052	(6,570)
add (deduct) items not affecting cash:				
Amortization of property and equipment	130	151	391	326
Gain on sale of property and equipment	(3)	—	(82)	(95)
Provision for post retirement benefit obligation	—	740	—	740
Loss (gain) on sale of investments	(9)	6,200	(9)	5,778
Change in fair value of investments held-for-trading	(298)	(1,041)	(456)	(326)
Cash flow from earnings	375	189	896	(147)
Change in working capital	346	657	183	370
	721	846	1,079	223
By investing activities:				
Proceeds on sale of investments	46	4,195	1,087	8,847
Return of capital	21	65	508	329
Investments acquired	—	(125)	—	(3,822)
Proceeds from sale of property and equipment	5	—	344	346
Expenditure for property and equipment	(16)	(1,027)	(21)	(2,903)
	56	3,108	1,918	2,797
By financing activities:				
Reduction to credit facilities	(645)	(3,665)	(2,893)	(2,496)
Post retirement benefit obligations paid	(15)	—	(25)	—
Purchase and cancellation of share capital	(26)	(75)	(91)	(328)
Refundable dividend tax	—	—	(20)	(78)
	(686)	(3,740)	(3,029)	(2,902)
Increase (decrease) in cash	91	214	(32)	118
Cash - beginning of period	76	107	199	203
Cash - end of period	167	321	167	321
Supplementary information:				
Taxes paid	14	19	66	312
Interest paid	78	225	184	701

Gendis Inc.

Notes to Consolidated Interim Financial Statements - (unaudited)
October 31, 2009

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, 2009. 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, 2009. 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

(in thousands)	Number of shares/units		Fair value	
	#		\$	
	Oct. 31 2009	Jan. 31 2009	Oct. 31 2009	Jan. 31 2009
Exchange-traded equity investments:				
Available-for-sale:				
Flow-through entities:				
Fort Chicago	1,917	2,057	16,774	15,674
Other investments			53	64
Held-for-trading:				
Other investments			697	241
			17,524	15,979

(in thousands)	Number of shares		Carrying value	
	#		\$	
	Oct. 31 2009	Jan. 31 2009	Oct. 31 2009	Jan. 31 2009
Private equity investments, available-for-sale:				
OSUM	2,047	2,047	4,946	4,946

Investments are referenced as follows - "Fort Chicago" refers to Fort Chicago Energy Partners LP; "OSUM" refers to OSUM Oil Sands Corp.

3. Property & Equipment

	Cost		Accumulated amortization		Net carrying value	
	Oct. 31 (in thousands of dollars) 2009	Jan. 31 2009	Oct. 31 2009	Jan. 31 2009	Oct. 31 2009	Jan. 31 2009
Land	2,034	2,265	-	-	2,034	2,265
Buildings & other property	19,267	19,487	9,126	8,960	10,141	10,527
Equipment	149	139	88	75	61	64
Property & equipment held for operating lease rental	21,450	21,891	9,214	9,035	12,236	12,856
Furnishings & other equipment	409	408	395	383	14	25
	<u>21,859</u>	<u>22,299</u>	<u>9,609</u>	<u>9,418</u>	<u>12,250</u>	<u>12,881</u>

4. Credit Facilities

	Borrowing balance		Remaining borrowing availability		Fair value of collateral	
	Oct. 31 (in thousands of dollars) 2009	Jan. 31 2009	Oct. 31 2009	Jan. 31 2009	Oct. 31 2009	Jan. 31 2009
Banker's acceptances	10,498	12,291				
Bank demand loan	-	100				
Bank borrowing	10,498	12,391	1,500	1,627	16,204	15,025
Broker's account	-	-	427	369	1,320	954
Brosco Fund Limited	1,100	2,100	1,000	-	-	-
	<u>11,598</u>	<u>14,491</u>	<u>2,927</u>	<u>1,996</u>	<u>17,524</u>	<u>15,979</u>

5. Capital Stock

Number of shares (in thousands)	quarter ended		year-to-date	
	Oct. 31 2009	Oct. 31 2008	Oct. 31 2009	Oct. 31 2008
Balance - beginning of period	13,996	14,138	14,075	14,265
less shares purchased for cancellation	24	42	103	169
Balance - end of period	<u>13,972</u>	<u>14,096</u>	<u>13,972</u>	<u>14,096</u>

6. Segment Information (in thousands of dollars)

	quarter ended Oct. 31	Realty	Corporate	Inter- segment	Total
Revenue	2009	855	559	(105)	1,309
	2008	648	692	(176)	1,164
Expenses	2009	556	333	(45)	844
	2008	375	399	(45)	729
Amortization	2009	126	4	—	130
	2008	145	6	—	151
Interest	2009	60	76	(60)	76
	2008	131	227	(131)	227
Gain (loss) & fair value change	2009	3	307	—	310
	2008	—	(5,159)	—	(5,159)
Post retirement benefit obligation	2009	—	—	—	—
	2008	—	(740)	—	(740)
Provision for (recovery of) income taxes	2009	40	(26)	—	14
	2008	(1)	20	—	19
Net earnings (loss) from operations	2009	76	479	—	555
	2008	(2)	(5,859)	—	(5,861)
Expenditure for property & equipment	2009	15	1	—	16
	2008	1,027	—	—	1,027
	Year-to-date ended Oct. 31	Realty	Corporate	Inter- segment	Total
Revenue	2009	2,522	1,268	(330)	3,460
	2008	1,443	1,967	(508)	2,902
Expenses	2009	1,351	1,113	(136)	2,328
	2008	1,075	1,218	(136)	2,157
Amortization	2009	379	12	—	391
	2008	312	14	—	326
Interest	2009	194	190	(194)	190
	2008	372	712	(372)	712
Gain (loss) & fair value change	2009	82	465	—	547
	2008	95	(5,452)	—	(5,357)
Post retirement benefit obligation	2009	—	—	—	—
	2008	—	(740)	—	(740)
Provision for (recovery of) income taxes	2009	238	(192)	—	46
	2008	(77)	257	—	180
Net earnings (loss) from operations	2009	442	610	—	1,052
	2008	(144)	(6,426)	—	(6,570)
Expenditure for property & equipment	2009	20	1	—	21
	2008	2,887	16	—	2,903
Total Assets	2009	13,116	33,493	(8,666)	37,943
	2008	14,167	36,625	(10,343)	40,449

"Gain (loss) & fair value change" includes a gain (loss) on sale of investments, provision for loss on investments, changes in fair value of investments held-for-trading for the Corporate segment and a gain on sale of property and equipment for the Realty segment.

7. 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, 2009.