

For immediate release

GENDIS INC. ANNOUNCES SECOND QUARTER RESULTS

Winnipeg, Manitoba (September 4, 2009) - Gendis Inc. (TSX:GDS) today announced its financial results for the 2nd quarter ended July 31, 2009 of the fiscal year ending January 31, 2010.

Revenue for the 2nd quarter was \$1,206,000 compared to \$763,000 last year. The increase in revenue quarter over quarter is primarily attributable to an increase in rent revenue from a new tenancy in the Sony Place Facility that occurred in the 2nd quarter last year.

Net earnings from operations for the 2nd quarter was \$389,000 (\$0.03 per share) compared to a loss of \$1,869,000 (\$0.13 per share) last year. The increase in net earnings from operations quarter over quarter is primarily attributable to the substantial decline in the market value of investments held-for-trading that occurred in the 2nd quarter last year compared to a recovery of market values in the 2nd quarter this year, along with an increase in profitability from the increase in rent revenue.

Other comprehensive income was \$2,661,000 compared to a loss of \$547,000 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 is primarily attributable to the substantial decline in the market value of investments available-for-sale that occurred in the 2nd quarter last year compared to a recovery of market values in the 2nd quarter this year.

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Gendis Inc.

Notice - Review of Interim Financial Statements

The unaudited interim financial statements for the quarter ended July 31, 2009 have been reviewed and approved by the Audit Committee of Gendis Inc. The unaudited interim financial statements for the quarter ended July 31, 2009 have not been reviewed by the Auditors of Gendis Inc.

Gendis Inc.

Consolidated Balance Sheet

	Jul. 31	Jan. 31
(unaudited - in thousands of dollars)	2009	2009
Assets		
Cash	76	199
Receivables	279	291
Prepaid expenses	170	71
	525	561
Investments (note 2)		
at fair value	16,901	15,979
at carrying value	4,946	4,946
Property and equipment (note 3)	12,366	12,881
Future tax asset	2,732	2,732
	37,470	37,099
Commitments and Contingencies (note 7)		
Liabilities		
Credit facilities (note 4)	12,243	14,491
Payables and accrued liabilities	1,018	1,119
Taxes payable	26	20
	13,287	15,630
Post employment benefit obligations	696	706
Shareholders' equity	23,487	20,763
	37,470	37,099

Gendis Inc.
Consolidated Statement of Operations

(unaudited - in thousands of dollars, except per share)	quarter ended		year-to-date	
	Jul. 31 2009	Jul. 31 2008	Jul. 31 2009	Jul. 31 2008
Revenue				
Investment	334	380	515	974
Real estate lease rental	872	383	1,636	764
	<u>1,206</u>	<u>763</u>	<u>2,151</u>	<u>1,738</u>
Expenses				
Property and administrative expenses	754	634	1,484	1,428
Amortization of property and equipment	130	87	261	175
Interest and finance expenses	49	236	114	485
	<u>933</u>	<u>957</u>	<u>1,859</u>	<u>2,088</u>
Earnings (loss) before the undernoted	273	(194)	292	(350)
Change in fair value of investments held-for-trading	105	(1,779)	158	(715)
Gain (loss) on sale of investments:				
Held-for-trading	—	185	—	422
Available-for-sale	25	—	—	—
Gain on sale of real estate properties	—	(3)	79	95
Earnings (loss) before taxes	403	(1,791)	529	(548)
Provision for income taxes	14	78	32	161
Net earnings (loss) from operations	<u>389</u>	<u>(1,869)</u>	<u>497</u>	<u>(709)</u>
Net earnings (loss) from operations per share	<u>0.03</u>	<u>(0.13)</u>	<u>0.04</u>	<u>(0.05)</u>

Gendis Inc.

Consolidated Statement of Comprehensive Income (Loss)

(unaudited - in thousands of dollars)	quarter ended		year-to-date	
	Jul. 31 2009	Jul. 31 2008	Jul. 31 2009	Jul. 31 2008
Other comprehensive income				
Investments available-for-sale:				
Change in fair value	2,661	(547)	2,291	639
Gain on sale	25	-	-	-
Transfer gain on sale to the Statement of Operations	(25)	-	-	-
Other comprehensive income (loss)	2,661	(547)	2,291	639
Net earnings (loss) from operations	389	(1,869)	497	(709)
<u>Comprehensive earnings (loss)</u>	<u>3,050</u>	<u>(2,416)</u>	<u>2,788</u>	<u>(70)</u>

Consolidated Statement of Shareholders' Equity

For the Quarters Ended

(unaudited - in thousands of dollars)	Share		AOCI	Total
	Capital	Retained		
	(note 3)	Earnings		
Balance - January 31, 2009	14,796	8,414	(2,447)	20,763
Net earnings (loss) for the period	-	108	(369)	(261)
Shares purchased for cancellation	(28)	8	-	(20)
Balance - April 30, 2009	14,768	8,530	(2,816)	20,482
Net earnings for the period	-	389	2,661	3,050
Shares purchased for cancellation	(55)	10	-	(45)
<u>Balance - July 31, 2009</u>	<u>14,713</u>	<u>8,929</u>	<u>(155)</u>	<u>23,487</u>
Balance - January 31, 2008	14,995	15,809	2,217	33,021
Net earnings for the period	-	1,160	1,186	2,346
Shares purchased for cancellation	(100)	(86)	-	(186)
Balance - April 30, 2008	14,895	16,883	3,403	35,181
Net loss for the period	-	(1,869)	(547)	(2,416)
Shares purchased for cancellation	(34)	(33)	-	(67)
<u>Balance - July 31, 2008</u>	<u>14,861</u>	<u>14,981</u>	<u>2,856</u>	<u>32,698</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	
	Jul. 31	Jul. 31	Jul. 31	Jul. 31
	2009	2008	2009	2008
By operations:				
Net earnings (loss)	389	(1,869)	497	(709)
add (deduct) items not affecting cash:				
Amortization of property and equipment	130	87	261	175
(Gain) loss on sale of properties	-	3	(79)	(95)
(Gain) loss on sale of investments	(25)	(185)	-	(422)
Change in fair value of investments held-for-trading	(105)	1,779	(158)	715
Cash flow from earnings	389	(185)	521	(336)
Change in working capital	(384)	(470)	(163)	(287)
	5	(655)	358	(623)
By investing activities:				
Proceeds on sale of investments	482	3,325	1,041	4,652
Reduction to the cost of investments from a return of capital	167	242	487	264
Investments acquired	-	(1,807)	-	(3,697)
Proceeds from property sales	-	-	339	346
Expenditures for property and equipment	-	(1,392)	(5)	(1,876)
	649	368	1,862	(311)
By financing activities:				
Advance from (reduction in) credit facilities	(648)	(11)	(2,248)	1,169
Purchase and cancellation of share capital	(45)	(67)	(65)	(253)
Post retirement benefit obligation	(10)	-	(10)	-
Refundable dividend tax	-	-	(20)	(78)
	(703)	(78)	(2,343)	838
Decrease in cash	(49)	(365)	(123)	(96)
Cash - beginning of period	125	472	199	203
Cash - end of period	76	107	76	107
Supplementary information:				
Taxes paid	14	78	52	239
Interest paid	48	247	108	497

Gendis Inc.

Notes to Consolidated Interim Financial Statements - unaudited

July 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	
	#		\$	
	Jul. 31 2009	Jan. 31 2009	Jul. 31 2009	Jan. 31 2009
Exchange-traded investments:				
Available-for-sale:				
Flow-through entities:				
Fort Chicago	1,922	2,057	16,452	15,674
Yellow Pages	10	10	50	64
Held-for-trading:				
Equity investments			399	241
			16,901	15,979

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

3. Property & Equipment

	Cost		Accumulated amortization		Net carrying value	
	Jul. 31 2009	Jan. 31 2009	Jul. 31 2009	Jan. 31 2009	Jul. 31 2009	Jan. 31 2009
(in thousands of dollars)						
Land	2,034	2,265	-	-	2,034	2,265
Buildings & other property	19,268	19,487	9,005	8,960	10,263	10,527
Equipment	139	139	87	75	52	64
Property & equipment held for operating lease rental	21,441	21,891	9,092	9,035	12,349	12,856
Furnishings & other equipment	408	408	391	383	17	25
	<u>21,849</u>	<u>22,299</u>	<u>9,483</u>	<u>9,418</u>	<u>12,366</u>	<u>12,881</u>

4. Credit Facilities

	Borrowing balance		Remaining borrowing availability		Carrying value of collateral	
	Jul. 31 2009	Jan. 31 2009	Jul. 31 2009	Jan. 31 2009	Jul. 31 2009	Jan. 31 2009
(in thousands of dollars)						
Banker's acceptances	10,499	12,291				
Bank demand loan	200	100				
Total for bank borrowing	10,699	12,391	1,301	1,627	15,852	15,025
Broker's margin account	44	-	366	369	1,050	954
Brosco Fund Limited	1,500	2,100	600	-	-	-
	<u>12,243</u>	<u>14,491</u>	<u>2,267</u>	<u>1,996</u>	<u>16,902</u>	<u>15,979</u>

5. Capital Stock

(in thousands)	Number of shares	
	2009	2008
Balance - January 31	14,075	14,265
Shares purchased for cancellation	27	96
Balance - April 30	14,048	14,169
Shares purchased for cancellation	52	31
Balance - July 31	<u>13,996</u>	<u>14,138</u>

6. Segment Information

(in thousands of dollars)	quarter ended July 31	Realty	Corporate	Inter- segment	Total
Revenue	2009	888	426	(108)	1,206
	2008	399	529	(165)	763
Expenses	2009	435	365	(46)	754
	2008	290	390	(46)	634
Amortization	2009	126	4	-	130
	2008	83	4	-	87
Interest	2009	62	49	(62)	49
	2008	119	236	(119)	236
Gain (loss) and fair value change	2009	-	130	-	130
	2008	(3)	(1,594)	-	(1,597)
Provision for (recovery of) income taxes	2009	93	(79)	-	14
	2008	(33)	111	-	78
Net earnings (loss) from operations	2009	172	217	-	389
	2008	(63)	(1,806)	-	(1,869)
Expenditure for property and equipment	2009	-	-	-	-
	2008	1,392	-	-	1,392

(in thousands of dollars)	Year-to-date ended July 31	Realty	Corporate	Inter- segment	Total
Revenue	2009	1,667	709	(225)	2,151
	2008	795	1,275	(332)	1,738
Expenses	2009	795	780	(91)	1,484
	2008	701	818	(91)	1,428
Amortization	2009	253	8	-	261
	2008	166	9	-	175
Interest	2009	134	114	(134)	114
	2008	241	485	(241)	485
Gain (loss) and fair value change	2009	79	158	-	237
	2008	95	(293)	-	(198)
Provision for (recovery of) income taxes	2009	198	(166)	-	32
	2008	(76)	237	-	161
Net earnings (loss) from operations	2009	366	131	-	497
	2008	(142)	(567)	-	(709)

(in thousands of dollars)	Year-to-date ended July 31	Realty	Corporate	Inter- segment	Total
Expenditure for property and equipment	2009	5	-	-	5
	2008	1,860	16	-	1,876
Total Assets	2009	13,214	33,349	(9,093)	37,470
	2008	13,571	50,204	(10,011)	53,764

"Gain (loss) and 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 gain on sale of properties 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.