

For immediate release

GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS

Winnipeg, Manitoba (December 10, 2010) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 31, 2010 of the fiscal year ending January 31, 2011.

Revenue for the 3rd quarter was \$1,262,000 compared to \$1,309,000 last year. Net earnings from operations for the 3rd quarter was \$372,000 (\$0.03 per share) compared to net earnings of \$555,000 (\$0.04 per share) last year. The decline in net earnings from operations quarter over quarter is primarily attributable to the decline in the market value of investments held-for-trading.

Other comprehensive income was \$3,766,000 compared to income of \$383,000 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. In the 3rd quarter, there was a substantial recovery in the market value of Fort Chicago.

Revenue year-to-date was \$3,530,000 compared to \$3,460,000 last year. Net loss from operations was \$2,133,000 (\$0.15 loss per share) compared to net earnings of \$1,052,000 (\$0.08 per share) last year. The year-to-date decline in earnings is attributable to a provision for settlement of lawsuits recorded in the 2nd quarter this year. Other comprehensive income was \$4,889,000 compared to income of \$2,675,000 last year.

Subsequent to the quarter end, a significant event occurred to the Company's investment in a private oil sands company. In November 2010, OSUM Oilsands Corp. closed a substantial private equity financing at a price of \$13.00 per OSUM share, which compares favourably to Gendis' average cost base of \$2.42 per OSUM share. Gendis owns 2.0-million shares of OSUM. The \$13.00 per OSUM share financing price should only be used as a proxy for fair value of Gendis' investment in OSUM at that point in time. There is no exchange-traded market for OSUM shares to validate fair value at any future reporting period subsequent to November 2010.

For more information, please contact:

James E. Cohen
Co-President & Co-Chief Executive Officer

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

E-mail:
Web site:

finance@gendis.ca
www.gendis.ca

Gendis Inc.
 Notice - Review of Interim Financial Statements

The unaudited interim financial statements for the quarter and year-to-date ended October 31, 2010 have been reviewed and approved by the Audit Committee of Gendis Inc. The unaudited interim financial statements for the quarter and year-to-date ended October 31, 2010 have not been reviewed by the auditors of Gendis Inc.

Gendis Inc.
 Consolidated Balance Sheet

| (unaudited - in thousands of dollars) | Oct. 31 2010 | Jan. 31 2010 | Oct. 31 2009 |
|---------------------------------------|-----------------|-----------------|-----------------|
| Assets | | | |
| Cash | 64 | 261 | 167 |
| Receivables | 365 | 263 | 245 |
| Taxes recoverable | 2 | 2 | - |
| Prepaid expenses | 115 | 40 | 79 |
| | 546 | 566 | 491 |
| Investments (note 2) | | | |
| at fair value | 25,378 | 20,542 | 17,524 |
| at carrying value | 4,946 | 4,946 | 4,946 |
| Property and equipment | 11,830 | 12,125 | 12,250 |
| Future tax asset | 3,172 | 3,172 | 2,732 |
| | <u>45,872</u> | <u>41,351</u> | <u>37,943</u> |
| Liabilities | | | |
| Credit facilities (note 3) | 11,595 | 11,398 | 11,598 |
| Payables and accrued liabilities | 2,477 | 879 | 1,223 |
| Taxes payable | - | - | 42 |
| | 14,072 | 12,277 | 12,863 |
| Post employment benefit obligations | 842 | 872 | 681 |
| Shareholders' equity | <u>30,958</u> | <u>28,202</u> | <u>24,399</u> |
| | <u>45,872</u> | <u>41,351</u> | <u>37,943</u> |

Commitments and Contingencies (note 6)

Gendis Inc.
Consolidated Statement of Operations
For the periods ended October 31

| (unaudited - in thousands of dollars, except per share) | quarter | | year-to-date | |
|--|--------------|--------------|----------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| Revenue | | | | |
| Real estate lease rental | 792 | 840 | 2,625 | 2,476 |
| Investment | 470 | 469 | 905 | 984 |
| | <u>1,262</u> | <u>1,309</u> | <u>3,530</u> | <u>3,460</u> |
| Expenses | | | | |
| Property and administrative expenses | 697 | 844 | 2,198 | 2,328 |
| Amortization of property and equipment | 128 | 130 | 391 | 391 |
| Interest and finance expenses | 93 | 76 | 237 | 190 |
| | <u>918</u> | <u>1,050</u> | <u>2,826</u> | <u>2,909</u> |
| Earnings before the undernoted | 344 | 259 | 704 | 551 |
| Provision for settlement of legal claims (note 4) | — | — | (2,750) | — |
| Change in fair value of investments held-for-trading | 27 | 298 | (88) | 456 |
| Gain (loss) on sale of investments available-for-sale | (8) | 9 | (8) | 9 |
| Gain on sale of property and equipment | 9 | 3 | 9 | 82 |
| Earnings (loss) before taxes | 372 | 569 | (2,133) | 1,098 |
| Provision for income taxes | — | 14 | — | 46 |
| Net earnings (loss) from operations | <u>372</u> | <u>555</u> | <u>(2,133)</u> | <u>1,052</u> |
| Earnings (loss) from operations per share | <u>0.03</u> | <u>0.04</u> | <u>(0.15)</u> | <u>0.08</u> |

Gendis Inc.
Consolidated Statement of Comprehensive Income
For the periods ended October 31

| (unaudited - in thousands of dollars) | quarter | | year-to-date | |
|---|--------------|------------|----------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| Other comprehensive income | | | | |
| Investments available-for-sale: | | | | |
| Change in fair value | 3,766 | 383 | 4,889 | 2,675 |
| Gain (loss) on sale | (8) | 9 | (8) | 9 |
| (Gain) loss on sale transferred to the Statement of Operations | 8 | (9) | 8 | (9) |
| Other comprehensive income | <u>3,766</u> | <u>383</u> | <u>4,889</u> | <u>2,675</u> |
| Net earnings (loss) from operations | <u>372</u> | <u>555</u> | <u>(2,133)</u> | <u>1,052</u> |
| Comprehensive income | <u>4,138</u> | <u>938</u> | <u>2,756</u> | <u>3,727</u> |

Gendis Inc.
Consolidated Statement of Shareholders' Equity
For the periods ended October 31

| (unaudited - in thousands of dollars) | Share Retained Capital | Earnings | AOCI | Total |
|--|---------------------------|--------------|--------------|---------------|
| Balance - January 31, 2010 | 14,650 | 9,296 | 4,256 | 28,202 |
| Earnings (loss) for the period to July 31, 2010 | - | (2,505) | 1,123 | (1,382) |
| Balance - July 31, 2010 | 14,650 | 6,791 | 5,379 | 26,820 |
| Earnings for the quarter | - | 372 | 3,766 | 4,138 |
| <u>Balance - October 31, 2010</u> | <u>14,650</u> | <u>7,163</u> | <u>9,145</u> | <u>30,958</u> |
| 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 - October 31, 2009</u> | <u>14,688</u> | <u>9,483</u> | <u>228</u> | <u>24,399</u> |

"AOCI" refers to Accumulated Other Comprehensive Income

Gendis Inc.
Consolidated Statement of Cash Flows
For the periods ended October 31

| (unaudited - in thousands of dollars) | quarter | | year-to-date | |
|---|---------|-------|--------------|---------|
| | 2010 | 2009 | 2010 | 2009 |
| By operations: | | | | |
| Net earnings (loss) from operations | 372 | 555 | (2,133) | 1,052 |
| add (deduct) items not affecting cash: | | | | |
| Amortization of property and equipment | 128 | 130 | 391 | 391 |
| Gain on sale of property and equipment | (9) | (3) | (9) | (82) |
| Provision for settlement of legal claims (note 4) | — | — | 2,750 | — |
| Loss (gain) on sale of investments available-for-sale | 8 | (9) | 8 | (9) |
| Change in fair value of investments held-for-trading | (27) | (298) | 88 | (456) |
| Cash flow from earnings | 472 | 375 | 1,095 | 896 |
| Change in working capital | 134 | 346 | 170 | 183 |
| | 606 | 721 | 1,265 | 1,079 |
| By investing activities: | | | | |
| Proceeds on sale of investments | 290 | 46 | 345 | 1,087 |
| Reduction to the cost of investments from a return of capital | 35 | 21 | 580 | 508 |
| Investments acquired | (967) | — | (967) | — |
| Proceeds from sale of property and equipment | 6 | 5 | 6 | 344 |
| Expenditure for property and equipment | (19) | (16) | (93) | (21) |
| | (655) | 56 | (129) | 1,918 |
| By financing activities: | | | | |
| Increase (reduction) to borrowings under credit facilities | 1,598 | (645) | 197 | (2,893) |
| Post retirement benefit obligations paid | (20) | (15) | (30) | (25) |
| Legal claims paid (note 4) | (1,500) | — | (1,500) | — |
| Purchase and cancellation of share capital | — | (26) | — | (91) |
| Refundable dividend tax paid | — | — | — | (20) |
| | 78 | (686) | (1,333) | (3,029) |
| Increase (decrease) in cash | 29 | 91 | (197) | (32) |
| Cash - beginning of period | 35 | 76 | 261 | 199 |
| Cash - end of period | 64 | 167 | 64 | 167 |
| Supplementary information: | | | | |
| Taxes paid | — | 14 | — | 66 |
| Interest paid | 95 | 78 | 240 | 184 |

Gendis Inc.

Notes to Consolidated Interim Financial Statements

October 31, 2010

(unaudited - tabular amounts in thousands of dollars unless otherwise stated)

1. Significant Accounting Policies and Basis of Presentation

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, 2010. 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, 2010. The following notes to the interim financial statements are supplemental to the notes to the annual consolidated financial statements.

2. Investments

| (# of units in thousands) | Fair value | |
|---|-----------------|-----------------|
| | Oct. 31 2010 | Jan. 31 2010 |
| Exchange-traded investments: | | |
| Available-for-sale: | | |
| Flow-through entities: | | |
| Fort Chicago - 2,000 units (Jan 31 - 1,915 units) | 25,180 | 19,915 |
| Other investments | - | 53 |
| Held-for-trading: | | |
| Other equity investments | 198 | 574 |
| | <u>25,378</u> | <u>20,542</u> |

| (# of shares in thousands) | Cost | |
|--|-----------------|-----------------|
| | Oct. 31 2010 | Jan. 31 2010 |
| Private investments, available-for-sale: | | |
| OSUM - 2,047 shares | <u>4,946</u> | <u>4,946</u> |

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

3. CREDIT FACILITIES

| | Borrowing balance | | Remaining borrowing availability | | Carrying value of collateral | |
|--------------------------|-------------------|-----------------|----------------------------------|-----------------|------------------------------|-----------------|
| | Oct. 31 2010 | Jan. 31 2010 | Oct. 31 2010 | Jan. 31 2010 | Oct. 31 2010 | Jan. 31 2010 |
| Banker's acceptances | 10,995 | 10,998 | | | | |
| Bank demand loan | 600 | 400 | | | | |
| Total for bank borrowing | 11,595 | 11,398 | 400 | 600 | 23,315 | 19,260 |
| Broker's margin account | - | - | 1,031 | 465 | 2,063 | 1,282 |
| | 11,595 | 11,398 | 1,431 | 1,065 | 25,378 | 20,542 |

The available borrowing capacity for bank borrowings is determined by 70% of the market value of marketable securities, namely Fort Chicago, lodged as collateral.

4. Settlement of legal claims

In July 2010, the Company agreed to a release of claims against the Company and some of its directors by two suppliers and a buying agent and importer to a former subsidiary of the Company, without admission of any liability for such claims. These claims are the claims that are disclosed in the Company's annual financial statement for the year ended January 31, 2010. The Company paid the claimants \$1.5-million in August 2010 and has agreed to pay the claimants \$1.25-million in July 2011. Recovery amounts from the Company's insurers have yet to be determined and will be recognized in a future period once amounts can be determined.

5. Segment Information

| | quarter ended Oct. 31 | Realty | Corporate | Inter- segment | Total |
|---|--------------------------|--------|-----------|-------------------|-------|
| Revenue | 2010 | 807 | 564 | (109) | 1,262 |
| | 2009 | 855 | 559 | (105) | 1,309 |
| Expenses | 2010 | 353 | 389 | (45) | 697 |
| | 2009 | 556 | 333 | (45) | 844 |
| Amortization | 2010 | 126 | 2 | - | 128 |
| | 2009 | 126 | 4 | - | 130 |
| Interest | 2010 | 64 | 93 | (64) | 93 |
| | 2009 | 60 | 76 | (60) | 76 |
| Gain (loss) & fair value change | 2010 | 6 | 22 | - | 28 |
| | 2009 | 3 | 307 | - | 310 |
| Provision for (recovery of) income taxes | 2010 | 94 | (94) | - | - |
| | 2009 | 40 | (26) | - | 14 |
| Net earnings from operations | 2010 | 176 | 196 | - | 372 |
| | 2009 | 76 | 479 | - | 555 |
| Expenditure for property and equipment | 2010 | 17 | 2 | - | 19 |
| | 2009 | 15 | 1 | - | 16 |

| | Year-to-date ended Oct. 31 | RealtyCorporate | | Inter- segment | Total |
|---|-------------------------------|-----------------|---------|-------------------|---------|
| Revenue | 2010 | 2,671 | 1,172 | (313) | 3,530 |
| | 2009 | 2,522 | 1,268 | (330) | 3,460 |
| Expenses | 2010 | 1,164 | 1,170 | (136) | 2,198 |
| | 2009 | 1,351 | 1,113 | (136) | 2,328 |
| Amortization | 2010 | 381 | 10 | — | 391 |
| | 2009 | 379 | 12 | — | 391 |
| Interest | 2010 | 177 | 237 | (177) | 237 |
| | 2009 | 194 | 190 | (194) | 190 |
| Gain (loss) & fair value change | 2010 | 6 | (93) | — | (87) |
| | 2009 | 82 | 465 | — | 547 |
| Provision for settlement of legal claims | 2010 | — | 2,750 | — | 2,750 |
| | 2009 | — | — | — | — |
| Provision for (recovery of) income taxes | 2010 | 334 | (334) | — | — |
| | 2009 | 238 | (192) | — | 46 |
| Net earnings (loss) from operations | 2010 | 621 | (2,754) | — | (2,133) |
| | 2009 | 442 | 610 | — | 1,052 |
| Expenditure for property and equipment | 2010 | 82 | 11 | — | 93 |
| | 2009 | 20 | 1 | — | 21 |
| Total Assets | 2010 | 12,640 | 40,668 | (7,436) | 45,872 |
| | 2009 | 13,116 | 33,493 | (8,666) | 37,943 |

"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.

6. Commitments & Contingencies

Except for the release of claims against the Company and some of its directors by two suppliers and a buying agent and importer to a former subsidiary of the Company as described in note 4 above and the subsequent event as described in note 7, there have not been any material changes to commitments and contingencies as disclosed in the annual financial statements at January 31, 2010.

7. Subsequent event

The Company settled a claim by a landlord against a subsidiary of the Company. The Company paid the claimant \$150,000 in November 2010.