

For immediate release

GENDIS INC. ANNOUNCES SECOND QUARTER RESULTS

Winnipeg, Manitoba (September 10, 2010) - Gendis Inc. (TSX:GDS) today announced its financial results for the 2<sup>nd</sup> quarter ended July 31, 2010 of the fiscal year ending January 31, 2011.

Revenue for the 2<sup>nd</sup> quarter was \$1,185,000 compared to \$1,206,000 last year. Net loss from operations for the 2<sup>nd</sup> quarter was \$2,740,000 (\$0.20 per share) compared to net earnings of \$389,000 (\$0.03 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, the provision for settlement of claims against the Company and a decline in investment income from Fort Chicago.

Other comprehensive income was \$442,000 compared to income of \$2,661,000 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 2<sup>nd</sup> quarter last year, there was a substantial recovery in the market value of Fort Chicago compared to the market meltdown for most exchange-traded securities that occurred in the 2<sup>nd</sup> quarter of the prior year.

Revenue year-to-date was \$2,268,000 compared to \$2,151,000 last year. Net loss from operations was \$2,505,000 (\$0.18 per share) compared to net earnings of \$497,000 (\$0.04 per share) last year. Other comprehensive income was \$1,123,000 compared to income of \$2,292,000 last year.

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Gendis Inc.

Notice - Review of Interim Financial Statements

The unaudited interim financial statements for the quarter and year-to-date ended July 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 July 31, 2010 have not been reviewed by the Auditors of Gendis Inc.

Gendis Inc.

Consolidated Balance Sheet

(unaudited - in thousands of dollars)	Jul. 31 2010	Jan. 31 2010	Jul. 31 2009
<b>Assets</b>			
Cash	35	261	76
Receivables	321	263	279
Income and capital taxes recoverable	1	2	-
Prepaid expenses	223	40	170
	580	566	525
Investments (note 2)			
at fair value	20,950	20,542	16,901
at carrying value	4,946	4,946	4,946
Property and equipment	11,936	12,125	12,366
Future tax asset	3,172	3,172	2,732
	41,584	41,351	37,470
<b>Liabilities</b>			
Credit facilities (note 3)	9,997	11,398	12,243
Payables and accrued liabilities	3,905	879	1,018
Income and capital taxes payable	-	-	26
	13,902	12,277	13,287
Post employment benefit obligations	862	872	696
Shareholders' equity	26,820	28,202	23,487
	41,584	41,351	37,470

Commitments and Contingencies (note 6)

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

(unaudited - in thousands of dollars, except per share)	quarter		year-to-date	
	2010	2009	2010	2009
<b>Revenue</b>				
Real estate lease rental	919	872	1,833	1,636
Investment	266	334	435	515
	<u>1,185</u>	<u>1,206</u>	<u>2,268</u>	<u>2,151</u>
<b>Expenses</b>				
Property and administrative expenses	802	754	1,501	1,484
Amortization of property and equipment	128	130	263	261
Interest and finance expenses	73	49	144	114
	<u>1,003</u>	<u>933</u>	<u>1,908</u>	<u>1,859</u>
Earnings before the undernoted	182	273	360	292
Provision for settlement of legal claims (note 5)	(2,750)	—	(2,750)	—
Change in fair value of investments held-for-trading	(172)	105	(106)	158
Gain (loss) on sale of investments:				
Held-for-trading	—	—	(9)	—
Available-for-sale	—	25	—	—
Gain on sale of real estate properties	—	—	—	79
Earnings (loss) before taxes	(2,740)	403	(2,505)	529
Provision for income taxes	—	14	—	32
<b>Net earnings (loss) from operations</b>	<b>(2,740)</b>	<b>389</b>	<b>(2,505)</b>	<b>497</b>
Net earnings (loss) from operations per share	(0.20)	0.03	(0.18)	0.04

Consolidated Statement of Comprehensive Income (Loss)  
For the periods ended July 31

(unaudited - in thousands of dollars)	quarter		year-to-date	
	2010	2009	2010	2009
<b>Other comprehensive income</b>				
Investments available-for-sale:				
Change in fair value	442	2,661	1,123	2,292
Loss on sale	—	25	—	—
Transfer loss on sale to the Statement of Operations	—	(25)	—	—
Other comprehensive income	442	2,661	1,123	2,292
Net earnings (loss) from operations	(2,740)	389	(2,505)	497
<b>Comprehensive earnings (loss)</b>	<b>(2,298)</b>	<b>3,050</b>	<b>(1,382)</b>	<b>2,789</b>

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

(unaudited - in thousands of dollars)	Share Retained			
	Capital	Earnings	AOCI	Total
Balance - January 31, 2010	14,650	9,296	4,256	28,202
Net earnings for the quarter	-	235	681	916
Balance - April 30, 2010	14,650	9,531	4,937	29,118
Net earnings (loss) for the quarter	-	(2,740)	442	(2,298)
<u>Balance - July 31, 2010</u>	<u>14,650</u>	<u>6,791</u>	<u>5,379</u>	<u>26,820</u>
Balance - January 31, 2009	14,796	8,414	(2,447)	20,763
Net earnings (loss) for the quarter	-	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 quarter	-	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>

"AOCI" refers to Accumulated Other Comprehensive Income

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

(unaudited -in thousands of dollars)	quarter		year-to-date	
	2010	2009	2010	2009
<b>By operations:</b>				
Net earnings (loss) from operations	(2,740)	389	(2,505)	497
add (deduct) items not affecting cash:				
Provision for settlement of legal claims	2,750	—	2,750	—
Amortization of property and equipment	128	130	263	261
(Gain) loss on sale of properties	—	—	—	(79)
(Gain) loss on sale of investments	—	(25)	9	—
Change in fair value of investments held-for-trading	172	(105)	106	(158)
Cash flow from earnings	310	389	623	521
Change in working capital	(81)	(384)	36	(163)
	229	5	659	358
<b>By investing activities:</b>				
Proceeds on sale of investments	—	482	55	1,041
Reduction to the cost of investments from a return of capital	224	167	545	487
Proceeds from property sales	—	—	—	339
Expenditures for property and equipment	(33)	—	(74)	(5)
	191	649	526	1,862
<b>By financing activities:</b>				
Reduction to credit facilities	(501)	(648)	(1,401)	(2,248)
Purchase and cancellation of share capital	—	(45)	—	(65)
Payments for post retirement benefit obligations	(10)	(10)	(10)	(10)
Refundable dividend tax	—	—	—	(20)
	(511)	(703)	(1,411)	(2,343)
Decrease in cash	(91)	(49)	(226)	(123)
Cash - beginning of period	126	125	261	199
Cash - end of period	35	76	35	76
<b>Supplementary information:</b>				
Taxes paid	—	14	—	52
Interest paid	74	48	145	108

Gendis Inc.

Notes to Consolidated Interim Financial Statements

July 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 shares in thousands)	Fair value	
	Jul. 31 2010	Jan. 31 2010
Exchange-traded investments:		
Available-for-sale:		
Flow-through entities:		
Fort Chicago - 1,915 shares	20,489	19,915
Other investments	56	53
Held-for-trading:		
Other equity investments	405	574
	<u>20,950</u>	<u>20,542</u>

(# of shares in thousands)	Cost	
	Jul. 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	
	Jul. 31 2010	Jan. 31 2010	Jul. 31 2010	Jan. 31 2010	Jul. 31 2010	Jan. 31 2010
Banker's acceptances	9,997	10,998				
Bank demand loan	—	400				
	9,997	11,398	2,000	600	19,815	19,260
Broker margin account	—	—	409	465	1,135	1,282
	9,997	11,398	2,409	1,065	20,950	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. Segment Information

	quarter ended	Realty	Corporate	Inter-segment	Total
	July 31				
Revenue	2010	935	352	(102)	1,185
	2009	888	426	(108)	1,206
Expenses	2010	422	426	(46)	802
	2009	435	365	(46)	754
Amortization	2010	125	3	—	128
	2009	126	4	—	130
Interest	2010	56	73	(56)	73
	2009	62	49	(62)	49
Gain (loss) & fair value change	2010	—	(172)	—	(172)
	2009	—	130	—	130
Provision for settlement of legal claims	2010	—	(2,750)	—	(2,750)
	2009	—	—	—	—
Provision for (recovery of) income taxes	2010	116	(116)	—	—
	2009	93	(79)	—	14
Net earnings (loss) from operations	2010	216	(2,956)	—	(2,740)
	2009	172	217	—	389
Expenditure for property and equipment	2010	32	1	—	33
	2009	—	—	—	—

	Year-to-date ended July 31	Realty	Corporate	Inter- segment	Total
Revenue	2010	1,864	608	(204)	2,268
	2009	1,667	709	(225)	2,151
Expenses	2010	811	781	(91)	1,501
	2009	795	780	(91)	1,484
Amortization	2010	255	8	—	263
	2009	253	8	—	261
Interest	2010	113	144	(113)	144
	2009	134	114	(134)	114
Gain (loss) & fair value change	2010	—	(115)	—	(115)
	2009	79	158	—	237
Provision for settlements of legal claim	2010	—	(2,750)	—	(2,750)
	2009	—	—	—	—
Provision for (recovery of) income taxes	2010	240	(240)	—	—
	2009	198	(166)	—	32
Net earnings (loss) from operations	2010	445	(2,950)	—	(2,505)
	2009	366	131	—	497
Expenditure for property and equipment	2010	65	9	—	74
	2009	5	—	—	5
Total Assets	2010	12,804	36,908	(8,128)	41,584
	2009	13,214	33,349	(9,093)	37,470

"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 gain on sale of properties for the Realty segment.

#### 5. 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. In consideration for the release, the Company has agreed to pay the claimants \$1.5-million in August 2010 and \$1.25-million in July 2011. Recovery amounts from the Company's insurer have yet to be determined and will be recognized in a future period once amounts can be determined.

#### 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, there have not been any material changes to commitments and contingencies as disclosed in the annual financial statements at January 31, 2010.