

For immediate release

GENDIS INC. ANNOUNCES THIRD QUARTER PROFIT

Winnipeg, Manitoba (December 9, 2011) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 31, 2011 of the fiscal year ending January 31, 2012.

Gendis Inc. has applied International Financial Reporting Standards for the quarters ended October 31, 2011 and 2010, has retrospectively applied those standards to all prior year periods, and will apply those standards for its fiscal year ending January 31, 2012.

Applying those standards has resulted in an increase in volatility to reported earnings, primarily fair value changes to the Company's investments in equity securities and real estate. The Company reported net earnings of \$3.0-million (\$0.21 per share) in the current quarter compared to earnings of \$9.5-million (\$0.68 per share) in the prior year quarter.

Condensed summarized information is as follows:

in millions of Canadian dollars except per share	quarter ended		year-to-date	
	Oct 31 2011	Oct 31 2010	Oct 31 2011	Oct 31 2010
Lease rental revenue	0.9	0.8	3.0	2.6
Investment income	0.5	0.5	1.5	1.5
Fair value change:				
Veresen	0.9	3.7	2.8	4.3
OSUM	0.5	5.8	(8.5)	6.9
Other investments	(0.1)	—	(0.1)	(0.1)
Real estate	1.6	0.9	1.8	1.0
Expenses	(0.9)	(0.8)	(2.9)	(2.4)
Settlement of legal claims	—	—	—	(2.8)
Deferred tax recovery (expense)	(0.4)	(1.4)	1.7	(1.6)
Net earnings (loss)	3.0	9.5	(0.7)	9.4
Earnings (loss) per share	\$0.21	\$0.68	\$(0.05)	\$0.68
Fair value of investments:				
Veresen			28.8	25.2
OSUM			19.4	27.7
Other investments			0.1	0.2
Real estate			26.9	25.6
Other assets			0.7	0.6
Debt & payables			12.7	14.9
Deferred tax payable			2.0	3.4
Shareholders equity			61.2	61.0

in millions of Canadian dollars except per share	quarter ended		year-to-date	
	Oct 31	Oct 31	Oct 31	Oct 31
	2011	2010	2011	2010
Cash flow from:				
Operations				
Cash receipts	1.9	1.4	4.7	4.1
Cash disbursements	(1.1)	(0.8)	(3.4)	(2.1)
Settlement of legal claims	—	(1.5)	(1.3)	(1.5)
Investing				
Proceeds on sales of investments	—	0.3	—	0.4
Purchase of investments	—	(1.0)	—	(1.1)
Financing				
debt advance (reduction)	(0.6)	1.6	0.4	0.2
dividend	(0.3)	—	(0.3)	—

Subsequent to the quarter ended October 31, 2011, the Company reached a settlement with the Canada Revenue Agency of its tax case involving the sale of the Company's shares in Sony of Canada Ltd. in 1995. The Company will receive approximately \$11.2-million later this year or in early 2012. The settlement represents a refund of 25% of the tax and arrears interest paid in 2001 on re-assessment, plus interest from 2001 to the refund date.

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GENDIS INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(thousands of Canadian dollars)	note	Oct 31 2011	Oct 31 2010	Jan 31 2011	Feb 01 2010
ASSETS					
Cash		86	64	39	261
Receivables		574	485	454	305
Equity investments	2	48,280	53,082	54,150	41,366
Investment property		26,880	25,590	25,020	24,550
Furnishings and equipment		49	66	59	43
Total assets		75,869	79,287	79,722	66,525
LIABILITIES					
Credit facilities	3	11,395	11,595	10,995	11,398
Payables		400	2,479	1,791	790
Provisions		-	-	-	89
Current income tax payable		-	-	69	-
Post employment benefit obligation		855	842	890	872
Deferred income tax payable		1,980	3,367	3,719	1,811
		14,630	18,283	17,464	14,960
SHAREHOLDERS' EQUITY		61,239	61,004	62,258	51,565
Total liabilities and shareholders' equity		75,869	79,287	79,722	66,525

GENDIS INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED OCTOBER 31

(thousands of Canadian dollars except for share data)	quarter		year-to-date	
	2011	2010	2011	2010
Revenue				
Investment property				
Lease rentals	912	792	2,990	2,625
Fair value change	1,602	890	1,827	985
	<u>2,514</u>	<u>1,682</u>	<u>4,817</u>	<u>3,610</u>
Equity investments				
Dividends & distributions	507	505	1,527	1,485
Fair value change	1,233	9,484	(5,869)	11,094
	<u>1,740</u>	<u>9,989</u>	<u>(4,342)</u>	<u>12,579</u>
Total revenue	<u>4,254</u>	<u>11,671</u>	<u>475</u>	<u>16,189</u>
Expenses				
Property	396	321	1,456	1,075
Administration	348	372	1,140	1,132
Provision for settlement of legal claims	—	—	—	2,750
Finance expense	104	93	289	237
	<u>848</u>	<u>786</u>	<u>2,885</u>	<u>5,194</u>
Earnings (loss) before income tax	3,406	10,885	(2,410)	10,995
Deferred income tax (expense) recovery	(391)	(1,417)	1,739	(1,556)
Net earnings (loss) from operations and comprehensive earnings	<u>3,015</u>	<u>9,468</u>	<u>(671)</u>	<u>9,439</u>
Net earnings (loss) from operations per share	<u>\$0.21</u>	<u>\$0.68</u>	<u>\$(0.05)</u>	<u>\$0.68</u>

GENDIS INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF SHAREHOLDERS' EQUITY

(thousands - shares & Canadian dollars as applicable)	Share Capital		Retained Earnings	Total
	#	\$	\$	\$
Balance - January 31, 2010	13,937	14,650	36,915	51,565
Comprehensive income for the period			(29)	(29)
Balance - July 31, 2010	13,937	14,650	36,886	51,536
Comprehensive income for the period			9,468	9,468
Balance - October 31, 2010	13,937	14,650	46,354	61,004
Comprehensive income for the remainder of the year			1,328	1,328
Refundable dividend tax			(74)	(74)
Balance - January 31, 2011	13,937	14,650	47,608	62,258
Comprehensive loss for the period			(3,686)	(3,686)
Balance - July 31, 2011	13,937	14,650	43,922	58,572
Comprehensive income for the period			3,015	3,015
Dividend			(348)	(348)
<u>Balance - October 31, 2011</u>	<u>13,937</u>	<u>14,650</u>	<u>46,589</u>	<u>61,239</u>

GENDIS INC.
 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
 FOR THE PERIODS ENDED OCTOBER 31

(thousands of Canadian dollars)	quarter		year-to-date	
	2011	2010	2011	2010
Changes in cash position				
By operations				
Cash receipts	1,889	1,403	4,715	4,063
Cash disbursements	(1,042)	(687)	(3,067)	(2,008)
Payment on settlement of legal claims	—	(1,500)	(1,250)	(1,500)
Income taxes paid	—	—	(74)	—
Finance expense paid	(102)	(94)	(290)	(240)
	745	(878)	34	315
By investing activities				
Proceeds from sale of equity investments	—	290	—	345
Purchase of equity investments	—	(967)	—	(967)
Expenditures on investment property	(8)	(1)	(33)	(56)
Proceeds from sale of furnishings and equipment	3	—	3	—
Expenditures on furnishings and equipment	(9)	(13)	(9)	(31)
	(14)	(691)	(39)	(709)
By financing activities				
Net advance (repayment) of credit facilities	(587)	1,598	400	197
Dividend paid	(348)	—	(348)	—
	(935)	1,598	52	197
Increase (decrease) in cash	(204)	29	47	(197)
Cash - beginning of period	290	35	39	261
Cash - end of period	86	64	86	64

Gendis Inc.

Notes to the unaudited Condensed Consolidated Interim Financial Statements
October 31, 2011

(All tabular amounts in thousands of Canadian dollars unless otherwise stated)

1. Significant Accounting Policies and Basis of Presentation

These unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board using the accounting standards expected to be effective at January 31, 2012. Accounting policies will only be finalized when the first annual financial statements are prepared under IFRS for the year ending January 31, 2012 and consequently, these condensed interim financial statements may be subject to change. These condensed interim financial statements do not contain all the disclosures that would be required under generally accepted accounting principles for a comprehensive set of financial statements.

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

The condensed consolidated interim financial statements for the quarter ended October 31, 2011 have been reviewed and approved by the Company's Audit Committee on December 9, 2011. The condensed consolidated interim financial statements for the quarter ended October 31, 2011 have not been audited or reviewed by the Company's independent Auditors.

2. Investments

	Oct 31 2011	Jan 31 2011
Veresen	28,800	25,980
OSUM	19,350	27,869
Other equity investments	130	301
	<u>48,280</u>	<u>54,150</u>

3. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Oct 31 2011	Jan 31 2011	Oct 31 2011	Jan 31 2011	Oct 31 2011	Jan 31 2011
Banker's acceptances	10,995	10,995				
Bank demand loan	400	—				
	11,395	10,995	600	1,000	26,667	24,056
Broker's margin account	—	—	1,099	1,113	2,263	2,225
	<u>11,395</u>	<u>10,995</u>	<u>1,699</u>	<u>2,113</u>	<u>28,930</u>	<u>26,281</u>

4. Operating segments

The segment information provided to the CEO for the reportable segments is as follows:

	Quarter ended			Inter-segment	Total
	Oct 31	Realty	Corporate		
External revenue	2011	912	507	—	1,419
	2010	792	505	—	1,297
Fair values changes	2011	1,602	1,233	—	2,835
	2010	890	9,484	—	10,374
Intersegment revenue	2011	15	144	(159)	—
	2010	15	150	(165)	—
Operating expenses	2011	426	363	(45)	744
	2010	350	388	(45)	693
Finance expense	2011	114	104	(114)	104
	2010	120	93	(120)	93
Income tax expense	2011	76	315	—	391
	2010	128	1,289	—	1,417
Net earnings from operations & Comprehensive income	2011	1,913	1,102	—	3,015
	2010	1,099	8,369	—	9,468
	Year-to-date ended			Inter-segment	Total
	Oct 31	Realty	Corporate		
External revenue	2011	2,990	1,527	—	4,517
	2010	2,625	1,485	—	4,110
Fair values changes	2011	1,827	(5,869)	—	(4,042)
	2010	985	11,094	—	12,079
Intersegment revenue	2011	46	430	(476)	—
	2010	46	420	(466)	—
Operating expenses	2011	1,546	1,186	(136)	2,596
	2010	1,165	1,178	(136)	2,207
Finance expense	2011	340	289	(340)	289
	2010	330	237	(330)	237
Provision for lawsuit settlement	2011	—	—	—	—
	2010	—	2,750	—	2,750
Income tax (expense) recovery	2011	(343)	2,082	—	1,739
	2010	(308)	(1,248)	—	(1,556)
Net earnings (loss) from operations & Comprehensive income (loss)	2011	2,634	(3,305)	—	(671)
	2010	1,853	7,586	—	9,439
Assets	2011	27,283	61,378	(12,792)	75,869
	2010	26,070	67,543	(14,326)	79,287
Liabilities	2011	15,880	12,577	(13,827)	14,630
	2010	17,543	18,855	(18,115)	18,283

5. Subsequent event

Subsequent to the quarter ended October 31, 2011, the Company reached a settlement with the Canada Revenue Agency of its tax case involving the sale of the Company's shares in Sony of Canada Ltd in 1995. The Company expects to receive approximately \$11.2-million later this year or in early 2012. The settlement represents a refund of 25% of the tax and arrears interest paid in 2001 on re assessment, plus interest from 2001 to the refund date. The settlement has not been recorded as at October 31, 2011. The settlement will be recorded when a re-assessment has been received.