

For immediate release

GENDIS INC. ANNOUNCES FIRST QUARTER RESULTS

Winnipeg, Manitoba (June 10, 2011) - Gendis Inc. (TSX:GDS) today announced its financial results for the 1st quarter ended April 30, 2011.

Gendis Inc. has applied International Financial Reporting Standards for the quarters ended April 30, 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.

The result of applying those standards has resulted in an increase in volatility to reported earnings for the quarters, primarily negative fair value changes to OSUM and the real estate properties for the quarter ended April 30, 2011. Accordingly, the Company reported a loss of \$0.3-million (\$0.02 per share) in the quarter compared to earnings of \$2.8-million (\$0.20 per share) in the prior year quarter.

Lease rental revenue and recoverable property expenses have increased quarter over quarter. Investment income is even with the prior year quarter.

Condensed summarized information is as follows:

in millions of Canadian dollars except per share	Apr 30 2011	Apr 30 2010
Lease rental revenue	1.1	0.9
Investment income	0.5	0.5
Fair value change:		
Veresen	1.2	0.3
OSUM	(1.0)	4.6
Other investments	(0.1)	0.3
Real estate	(0.9)	(1.4)
Expenses	1.1	0.8
Deferred tax expense	—	1.6
Net earnings (loss)	(0.3)	2.8
Earnings (loss) per share	\$(0.02)	\$0.20
Fair value of investments:		
Veresen	27.2	20.3
OSUM	26.8	25.5
Other investments	0.3	0.6
Real estate	24.1	23.2
Other assets	0.5	0.6
Debt & payables	13.2	12.5
Deferred tax payable	3.7	3.4
Shareholders equity	62.0	54.3

<u>in millions of Canadian dollars except per share</u>	<u>Apr 30</u> <u>2011</u>	<u>Apr 30</u> <u>2010</u>
Cash flow from:		
Operations	0.5	0.8
Investing	—	—
Financing - debt reduction	(0.5)	(0.9)

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GENDIS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of Canadian dollars)	Apr 30 2011	Apr 30 2010	Jan 31 2011
ASSETS			
Cash	64	125	39
Receivables	364	412	454
Equity investments	54,299	46,376	54,150
Investment property	24,110	23,220	25,020
Furnishings and equipment	54	53	59
Total assets	78,891	70,186	79,722
LIABILITIES			
Credit facilities	10,495	10,498	10,995
Payables	1,799	1,014	1,791
Provisions	-	89	-
Current income tax payable	-	-	69
Post employment benefit obligation	885	872	890
Deferred income tax payable	3,715	3,372	3,719
	16,894	15,845	17,464
SHAREHOLDERS' EQUITY	61,997	54,341	62,258
Total liabilities and shareholders' equity	78,891	70,186	79,722

GENDIS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(thousands - shares & Canadian dollars as applicable)	Share	Capital	Retained	Total
	#	\$	Earnings \$	\$
Balance - January 31, 2010	13,937	14,650	36,915	51,565
Comprehensive income for the quarter	-	-	2,776	2,776
Balance - April 30, 2010	13,937	14,650	39,691	54,341
Comprehensive income - remainder of the year	-	-	7,991	7,991
Refundable dividend tax	-	-	(74)	(74)
Balance - January 31, 2011	13,937	14,650	47,608	62,258
Comprehensive income for the quarter	-	-	(261)	(261)
Balance - April 30, 2011	13,937	14,650	47,347	61,997

GENDIS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED APRIL 30

(thousands of Canadian dollars except for share data)	2011	2010
Revenue		
Investment property		
Lease rentals	1,128	914
Fair value change	(935)	(1,354)
	193	(440)
Equity investments		
Dividends & distributions	510	489
Fair value change	149	5,066
	659	5,555
Total revenue	852	5,115
Expenses		
Property	621	363
Administration	404	344
Finance expense	92	71
	1,117	778
Earnings before income tax	(265)	4,337
Deferred income tax expense (recovery)	(4)	1,561
Net earnings from operations and comprehensive income	(261)	2,776
Net earnings from operations per share	\$(0.02)	\$0.20

GENDIS INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED APRIL 30

(thousands of Canadian dollars)	2011	2010
Changes in cash position		
By operations		
Cash receipts	1,790	1,335
Cash disbursements	(1,070)	(514)
Finance expense paid	(96)	(71)
Income tax paid	(74)	—
	550	750
By investing activities		
Proceeds on sale of equity investments	—	55
Expenditures on investment property	(25)	(24)
Expenditures on furnishings and equipment	—	(17)
	(25)	14
By financing activities		
Net repayment of credit facilities	(500)	(900)
Increase (decrease) in cash	25	(136)
Cash - beginning of year	39	261
Cash - end of year	64	125

Gendis Inc.

Notes to the unaudited Condensed Consolidated Interim Financial Statements
April 30, 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.

2. Investments

	Apr 30 2011	Jan 31 2011
Veresen	27,160	25,980
OSUM	26,824	27,869
Other equity investments	315	301
	<u>54,299</u>	<u>54,150</u>

3. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Apr 30 2011	Jan 31 2011	Apr 30 2011	Jan 31 2011	Apr 30 2011	Jan 31 2011
Banker's acceptances	10,495	10,995				
Bank demand loan	—	—				
	10,495	10,995	1,500	1,000	25,149	24,056
Broker's margin account	—	—	1,163	1,113	2,326	2,226
	<u>10,495</u>	<u>10,995</u>	<u>2,663</u>	<u>2,113</u>	<u>27,475</u>	<u>26,282</u>

4. Operating segments

	Apr 30	Realty	Corporate	Inter- segment Elimination	Total
External revenue	2011	1,128	510	—	1,638
	2010	914	489	—	1,403
Fair values changes	2011	(935)	149	—	(786)
	2010	(1,354)	5,066	—	3,712
Intersegment revenue	2011	15	141	(156)	—
	2010	15	135	(150)	—
Operating expenses	2011	650	420	(45)	1,025
	2010	391	361	(45)	707
Finance expense	2011	111	92	(111)	92
	2010	105	71	(105)	71
Income tax expense (recovery)	2011	(150)	146	—	(4)
	2010	(525)	2,086	—	1,561
Net earnings from operations & Comprehensive income	2011	(403)	142	—	(261)
	2010	(396)	3,172	—	2,776
Assets	2011	24,337	67,762	(13,208)	78,891
	2010	22,377	61,623	(13,814)	70,186
Liabilities	2011	15,973	15,079	(14,158)	16,894
	2010	16,100	13,937	(14,192)	15,845