

For immediate release

GENDIS INC. ANNOUNCES SECOND QUARTER RESULTS

Winnipeg, Manitoba (September 5, 2008) - Gendis Inc. (TSX:GDS) today announced its financial results for the 2<sup>nd</sup> quarter ended July 31, 2008 of the fiscal year ending January 31, 2009.

Revenue for the 2<sup>nd</sup> quarter was \$0.8-million compared to \$1.0-million last year. The 2<sup>nd</sup> quarter change in the market value of investments that were held for trading, net of gains on sale of investments, was a loss of \$1.6-million compared to a loss of \$0.7-million for the prior year comparative period. The net loss for the 2<sup>nd</sup> quarter was \$1.9-million (\$0.13 per share) compared to a net loss of \$0.7-million (\$0.05 per share) last year.

The decrease in revenue in the 2<sup>nd</sup> quarter is primarily attributable to decreased investment income from the Company's investment in Fort Chicago. The decline in earnings in the 2<sup>nd</sup> quarter is due to the decline in investment revenue and unfavourable market value changes in its investments, primarily FNX Mining, Yellow Pages, Opti Canada and Ember Resources.

Revenue year-to-date was \$1.7-million compared to \$1.4-million last year. The year-to-date change in the market value of investments that were held for trading, net of gains on sale of investments was a loss of \$0.3-million compared to a loss of \$0.7-million for the prior year comparative period. The net loss year-to-date was \$0.7-million (\$0.05 per share) compared to a net loss of \$1.5-million (\$0.10 per share) last year.

Gendis owns 2.0-million shares of OSUM, a private oil sands company. In August 2008, OSUM closed a substantial private equity financing at a price of \$10.50 per OSUM share which compares favourably to Gendis' \$2.42 per OSUM share average cost base. Based on this recent financing, Gendis would have an unrealized gain of \$16.6-million or \$1.17 per Gendis share, before income taxes. The recent \$10.50 per OSUM share financing price should only be used as a proxy for fair value at this point in time.

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Gendis Inc.  
Consolidated Balance Sheet

	Jul. 31	Jan. 31
(unaudited - in thousands of dollars)	2008	2008
<b>Assets</b>		
Cash	107	203
Receivables	351	259
Prepaid expenses	625	270
	<u>1,083</u>	<u>732</u>
Investments (note 2)		
at fair value	33,155	34,028
at carrying value	4,821	4,821
Property and equipment	12,108	10,658
Future tax asset	2,597	2,597
	<u>53,764</u>	<u>52,836</u>
<b>Commitments and Contingencies (note 5)</b>		
<b>Liabilities</b>		
Credit facilities	19,947	18,778
Payables and accrued liabilities	1,114	970
Taxes payable	5	67
	<u>21,066</u>	<u>19,815</u>
Shareholders' equity	<u>32,698</u>	<u>33,021</u>
	<u>53,764</u>	<u>52,836</u>

Gendis Inc.  
Consolidated Statement of Operations

(unaudited - in thousands of dollars, except per share)	quarter ended		year-to-date	
	Jul. 31 2008	Jul. 31 2007	Jul. 31 2008	Jul. 31 2007
<b>Revenue</b>				
Investment	380	596	974	591
Real estate lease rental	383	374	764	760
	<u>763</u>	<u>970</u>	<u>1,738</u>	<u>1,351</u>
<b>Expenses</b>				
Property and administrative expenses	634	686	1,428	1,443
Amortization of property and equipment	87	87	175	175
Interest and finance expenses	236	235	485	441
	<u>957</u>	<u>1,008</u>	<u>2,088</u>	<u>2,059</u>
Loss before the undernoted	(194)	(38)	(350)	(708)
Change in fair value of investments held-for-trading	(1,779)	(1,060)	(715)	(1,105)
Gain (loss) on sale of investments:				
Held-for-trading	185	361	422	641
Available-for-sale	-	45	-	(283)
Gain on sale of real estate properties	(3)	-	95	-
Loss before taxes	(1,791)	(692)	(548)	(1,455)
Provision for income taxes	78	30	161	48
<b>Net loss from operations for the period</b>	<u>(1,869)</u>	<u>(722)</u>	<u>(709)</u>	<u>(1,503)</u>
<b>Loss from operations per share</b>	<u>(0.13)</u>	<u>(0.05)</u>	<u>(0.05)</u>	<u>(0.10)</u>

Gendis Inc.

Consolidated Statement of Comprehensive Income (Loss)

(unaudited - in thousands of dollars)	quarter ended		year-to-date	
	Jul. 31 2008	Jul. 31 2007	Jul. 31 2008	Jul. 31 2007
Other comprehensive income				
Change in fair value of investments available-for-sale	(547)	(1,370)	639	(483)
Gain (loss) on sale of investments	-	45	-	(283)
(Gain) loss on sale of investments transferred to net earnings from operations	-	(45)	-	283
Other comprehensive income (loss)	(547)	(1,370)	639	(483)
Net loss from operations	(1,869)	(722)	(709)	(1,503)
<b>Comprehensive loss</b>	<b>(2,416)</b>	<b>(2,092)</b>	<b>(70)</b>	<b>(1,986)</b>

Consolidated Statement of Shareholders' Equity

For the Quarters Ended

(unaudited - in thousands of dollars)	Share		AOCI	Total
	Capital	Retained		
	(note 3)	Earnings		
Balance - February 1, 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 - quarter ended 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)
<b>Balance - quarter ended July 31, 2008</b>	<b>14,861</b>	<b>14,981</b>	<b>2,856</b>	<b>32,698</b>
Balance - February 1, 2007	15,736	21,740	3,008	40,484
Net earnings (loss) for the period	-	(781)	887	106
Shares purchased for cancellation	(180)	(172)	-	(352)
Balance - quarter ended April 30, 2007	15,556	20,787	3,895	40,238
Net loss for the period	-	(722)	(1,370)	(2,092)
Shares purchased for cancellation	(124)	(130)	-	(254)
<b>Balance - quarter ended July 31, 2007</b>	<b>15,432</b>	<b>19,935</b>	<b>2,525</b>	<b>37,892</b>

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 2008	Jul. 31 2007	Jul. 31 2008	Jul. 31 2007
<b>By operations:</b>				
Net loss from operations for the period	(1,869)	(722)	(709)	(1,503)
add (deduct) items not affecting cash:				
Amortization of property and equipment	87	87	175	175
Gain (loss) on sale of properties	3	—	(95)	—
Gain on sale of investments	(185)	(406)	(422)	(358)
Change in fair value of investments held-for-trading	1,779	1,060	715	1,105
Cash flow from earnings	(185)	19	(336)	(581)
Change in working capital	(470)	(227)	(287)	(2)
	(655)	(208)	(623)	(583)
<b>By investing activities:</b>				
Proceeds on sale of investments	3,325	3,115	4,652	4,877
Return of capital	242	124	264	884
Investments acquired	(1,807)	(3,675)	(3,697)	(4,382)
Proceeds from property sales	—	—	346	—
Additions to property and equipment	(1,392)	(10)	(1,876)	(31)
	368	(446)	(311)	1,348
<b>By financing activities:</b>				
Advance from (reduction in) credit facilities	(11)	917	1,169	114
Purchase and cancellation of share capital	(67)	(254)	(253)	(606)
Refundable dividend tax	—	—	(78)	(195)
	(78)	663	838	(687)
Increase (decrease) in cash	(365)	9	(96)	78
Cash - beginning of period	472	264	203	195
Cash - end of period	107	273	107	273
<b>Supplementary information:</b>				
Taxes paid	78	30	239	243
Interest paid	247	211	497	420

Gendis Inc.

Notes to Consolidated Interim Financial Statements - unaudited

July 31, 2008

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, 2008. 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, 2008. 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

	Number		Fair value	
	of shares/units		\$	
	Jul. 31	Jan. 31	Jul. 31	Jan. 31
(in thousands)	2008	2008	2008	2008
Exchange-traded investments:				
Available-for-sale:				
Flow-through entities:				
Fort Chicago	2,190	2,190	23,323	22,644
Yellow Pages	175	-	1,580	-
Held-for-trading:				
Flow-through entities:				
Fort Chicago	12	154	127	1,595
Other equity investments:				
Alberta Clipper	700	700	1,876	1,540
Ember Resources	655	673	904	941
FNX Mining	91	110	1,630	2,920
INV	500	500	360	435
Opti Canada	71	105	1,380	1,722
Royal Bank	19	15	874	760
Scotiabank	9	15	425	723
Starbucks	20	25	301	474
Other equity investments			375	274
			<b>33,155</b>	<b>34,028</b>

(in thousands)	Number of shares		Carrying value	
	Jul. 31	Jan. 31	Jul. 31	Jan. 31
	2008	2008	2008	2008
	#	#	\$	\$
<b>Private investments, available-for-sale:</b>				
<u>OSUM - shares</u>	<u>1,948</u>	<u>1,948</u>	<u>4,821</u>	<u>4,821</u>

### 3. Capital Stock

Number of shares (unaudited - in thousands)	quarter ended		year-to-date	
	Jul. 31	Jul. 31	Jul. 31	Jul. 31
	2008	2007	2008	2007
Balance - beginning of period	14,169	14,799	14,265	14,970
Shares purchased for cancellation	(31)	(118)	(127)	(289)
<u>Balance - end of period</u>	<u>14,138</u>	<u>14,681</u>	<u>14,138</u>	<u>14,681</u>

### 4. Segment Information

(in thousands of dollars)	quarter ended July 31	Realty	Corporate	Inter- segment	Total
Revenue	2008	399	529	(165)	763
	2007	390	637	(57)	970
Expenses	2008	290	390	(46)	634
	2007	314	418	(46)	686
Amortization	2008	83	4	-	87
	2007	85	2	-	87
Interest	2008	119	236	(119)	236
	2007	11	235	(11)	235
Investment - gain (loss) on sale, provision for loss and changes in fair value held-for-trading	2008	-	(1,594)	-	(1,594)
	2007	-	(654)	-	(654)
Loss on sale of property and equipment	2008	(3)	-	-	(3)
	2007	-	-	-	-
Provision for (recovery of) income taxes	2008	(33)	111	-	78
	2007	(7)	37	-	30
Net loss from operations	2008	(63)	(1,806)	-	(1,869)
	2007	(13)	(709)	-	(722)
Additions to property and equipment	2008	1,392	-	-	1,392
	2007	-	10	-	10

(in thousands of dollars)	Year-to-date ended July 31	Realty	Corporate	Inter- segment	Total
Revenue	2008	795	1,275	(332)	1,738
	2007	791	674	(114)	1,351
Expenses	2008	701	818	(91)	1,428
	2007	694	840	(91)	1,443
Amortization	2008	166	9	-	175
	2007	167	8	-	175
Interest	2008	241	485	(241)	485
	2007	23	441	(23)	441
Investment - gain (loss) on sale, provision for loss and changes in fair value	2008	-	(293)	-	(293)
held-for-trading	2007	-	(747)	-	(747)
Gain on sale of property and equipment	2008	95	-	-	95
	2007	-	-	-	-
Provision for (recovery of) income taxes	2008	(76)	237	-	161
	2007	(32)	80	-	48
Net loss from operations	2008	(142)	(567)	-	(709)
	2007	(61)	(1,442)	-	(1,503)
Additions to property and equipment	2008	1,860	16	-	1,876
	2007	21	10	-	31
Total Assets	2008	13,571	50,204	(10,011)	53,764
	2007	11,179	43,512	(806)	53,885

## 5. 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, 2008.

The Company was a participant in Saan's employee benefit program that includes participating in a group life insurance policy for retired employees of the Company and the Company's former subsidiaries who retired prior to December 10, 2004. On August 15, 2008, Saan was placed into bankruptcy and accordingly Saan's group employee benefit program ceased. There is uncertainty whether Gendis has an obligation to provide death benefit coverage in the absence of a group life insurance policy, the volume of which is estimated at \$1.5-million, \$5,000 per retired employee. The present value of this volume of benefit after applying mortality factors and a 5.4% discount interest rate could be \$0.8-million.

## 6. Subsequent Event

On August 15, 2008, Saan, a tenant in six of Gendis' real estate locations, was placed into bankruptcy. The Receiver for Saan has determined that the best method of realization of value for Saan's creditors is an asset sale that includes a sale of Saan's leases through an assignment to other retail entities. The Receiver for Saan intends to assign all of Gendis' six leases to other retail entities. The assignment includes a settlement of unpaid rent and recoverable costs to Gendis.