

GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS

Winnipeg, Manitoba (December 5, 2014) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 31, 2014.

Revenue for the 3rd quarter was \$1,483,000 compared to \$1,500,000 for last year. Revenue less expense for the 3rd quarter was \$712,000 compared to \$756,000 for last year. Net loss for the 3rd quarter was \$1,327,000 (\$0.09 per share) compared to net earnings of \$1,347,000 (\$0.10 per share) for last year.

Revenue year-to-date was \$4,321,000 compared to \$4,560,000 year-to-date last year. Revenue less expense year-to-date was \$2,015,000 compared to \$2,038,000 year-to-date last year. Net earnings year-to-date were \$5,942,000 (\$0.45 per share) compared to a loss of \$548,000 (\$0.04 per share) year-to-date last year.

The volatility in net earnings quarter over quarter and year over year is primarily due to the change in fair value of investment in securities and investment properties with the attendant effect on deferred income taxes.

Condensed summarized information is as follows:

in millions of Canadian dollars except per share	Quarter ended		YTD ended	
	Oct 31 2014	Oct 31 2013	Oct 31 2014	Oct 31 2013
Revenue				
Lease rental revenue	1.0	1.0	2.8	3.1
Dividends	0.5	0.5	1.5	1.5
Total revenue	1.5	1.5	4.3	4.6
Expense				
Property	0.4	0.4	1.2	1.5
Administration & finance	0.4	0.3	1.1	1.1
Total expense	0.8	0.7	2.3	2.6
Total revenue less total expense	0.7	0.8	2.0	2.0
Fair value change:				
Veresen	(1.7)	1.7	5.6	0.1
Osum	(0.4)	(1.6)	(1.2)	(2.0)
Other security investments	(0.3)	-	(0.6)	0.3
Investment properties	0.2	0.7	1.2	(1.0)
Total fair value change	(2.2)	0.8	5.0	(2.6)
Income tax (expense)recovery	0.2	(0.3)	(1.1)	0.1
Net earnings (loss)	(1.3)	1.3	5.9	(0.5)
Earnings (loss) per share	\$(0.09)	\$0.10	\$0.45	\$(0.04)

in millions of Canadian dollars	Oct 31 2014	Jan 31 2014	Oct 31 2013
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Fair value of investments:			
Veresen	35.3	29.7	25.7
Osum	10.3	11.5	11.5
Other security investments	4.1	3.7	3.4
Investment properties	32.0	30.4	29.0
Other assets	1.1	1.0	0.8
Debt & payables	5.4	3.3	3.2
Deferred tax payable	2.1	1.2	0.4
Shareholders' equity	75.3	71.8	66.8
	Quarter ended	Year to date ended	
	Oct 31	Oct 31	Oct 31
in millions of Canadian dollars	2014	2013	2014
			Oct 31
			2013
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Cash flow from:

Operations

Cash receipts	1.7	1.6	5.2	4.8
Cash disbursements & finance expense	(0.8)	(0.8)	(2.5)	(2.8)
Income taxes recovered (paid)	-	-	(0.2)	(0.2)

Investing

Proceeds on sales of security investments	-	-	-	2.1
Purchase of security investments	(0.2)	-	(0.9)	-
Expenditures on investment properties and equipment	(0.3)	(0.2)	(0.5)	(0.2)

Financing

Increase (decrease) in debt	0.5	0.1	1.6	(1.9)
Purchase of share capital for cancellation	(0.5)	(0.4)	(1.5)	(0.8)
Dividends	(0.3)	(0.3)	(1.0)	(1.0)

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GENDIS INC.
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

(unaudited - thousands of Canadian dollars)	Oct 31 2014	Jan 31 2014	Oct 31 2013
ASSETS			
Current assets			
Cash	156	47	99
Receivables	845	995	627
Total current assets	1,001	1,042	726
Non-current assets			
Investment in securities (note 2)	49,661	44,927	40,610
Investment properties	31,975	30,385	28,965
Furnishings and equipment	164	61	59
Total non-current assets	81,800	75,373	69,634
Total assets	82,801	76,415	70,360
LIABILITIES			
Current liabilities			
Credit facilities (note 3)	3,197	1,599	1,599
Payables	1,252	806	566
Total current liabilities	4,449	2,405	2,165
Non-current liabilities			
Post employment benefit obligation	937	937	972
Deferred income tax payable	2,136	1,231	385
Total non-current liabilities	3,073	2,168	1,357
Total liabilities	7,522	4,573	3,522
SHAREHOLDERS' EQUITY	75,279	71,842	66,838
Total liabilities and shareholders' equity	82,801	76,415	70,360

GENDIS INC.
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED OCTOBER 31

(unaudited - thousands of Canadian dollars except for share data)	Quarter ended		Year-to-date ended	
	2014	2013	2014	2013
Revenue				
Lease rentals	962	987	2,798	3,046
Dividends	521	513	1,523	1,514
Total revenue	1,483	1,500	4,321	4,560
Expense				
Property	399	414	1,175	1,451
Administration	342	313	1,061	1,018
Finance	30	17	70	53
Total expense	771	744	2,306	2,522
Total revenue less total expense	712	756	2,015	2,038
Fair value change				
Investment properties	157	743	1,203	(1,037)
Investment in securities	(2,381)	103	3,796	(1,585)
Total fair value change	(2,224)	846	4,999	(2,622)
Earnings (loss) before income tax	(1,512)	1,602	7,014	(584)
Income tax (expense) recovery	185	(255)	(1,072)	36
Net earnings (loss) from operations and comprehensive income (loss)	(1,327)	1,347	5,942	(548)
Net earnings (loss) from operations per share	\$(0.09)	\$0.10	\$0.45	\$(0.04)

GENDIS INC.

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited - thousands - shares & Canadian dollars as applicable)	Share Capital		Retained	Total
	#	\$	earnings	\$
Balance - January 31, 2013	13,816	14,523	54,660	69,183
Comprehensive loss			(548)	(548)
Purchase of share capital for cancellation	(244)	(257)	(510)	(767)
Dividends			(1,030)	(1,030)
Balance - October 31, 2013	13,572	14,266	52,572	66,838
For the remainder of the year:				
Comprehensive income			5,640	5,640
Purchase of share capital for cancellation	(91)	(96)	(202)	(298)
Dividend			(338)	(338)
Balance - January 31, 2014	13,481	14,170	57,672	71,842
Comprehensive income			5,942	5,942
Purchase of share capital for cancellation	(396)	(415)	(1,090)	(1,505)
Dividends			(1,000)	(1,000)
Balance - October 31, 2014	13,085	13,755	61,524	75,279

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

(unaudited - thousands of Canadian dollars)	Quarter ended		Year to date ended	
	2014	2013	2014	2013
Changes in cash position				
By operations				
Cash receipts	1,749	1,639	5,233	4,834
Cash disbursements	(781)	(788)	(2,499)	(2,750)
Income taxes (paid) recovered	-	-	(211)	(203)
Finance expense paid	(30)	(17)	(68)	(54)
Total by operations	938	834	2,455	1,827
By investing activities				
Proceeds from sale of security investments	-	-	-	2,144
Acquisition of security investments	(200)	-	(927)	-
Expenditures on investment properties	(253)	(147)	(387)	(227)
Expenditures on furnishings and equipment	(14)	(10)	(125)	(25)
Total by investing activities	(467)	(157)	(1,439)	1,892
By financing activities				
Net advance (repayment) of credit facilities	500	100	1,598	(1,900)
Purchase of share capital for cancellation	(528)	(444)	(1,505)	(767)
Dividends paid	(330)	(342)	(1,000)	(1,030)
Total by financing activities	(358)	(686)	(907)	(3,697)
Increase (decrease) in cash	113	(9)	109	22
Cash - beginning of period	43	108	47	77
Cash - end of period	156	99	156	99

Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

January 31, 2014

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

1. General information

General information on Gendis Inc. is the same as disclosed in Note 1 to the complete audited annual financial statements for the year ended January 31, 2014, which have been prepared in accordance with International Financial Reporting Standards. These interim condensed financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The principal accounting policies applied in the preparation of these interim condensed financial statements are the same as set out in Note 2 to the complete audited annual financial statements for the year ended January 31, 2014. These policies have been consistently applied to all periods presented.

2. Investment in securities

	Oct 31 2014	Jan 31 2014
Veresen	35,360	29,740
Osum	10,312	11,502
Other security investments	3,989	3,685
	49,661	44,927

3. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Oct 31 2014	Jan 31 2014	Oct 31 2014	Jan 31 2014	Oct 31 2014	Jan 31 2014
Banker's acceptances	2,997	1,499				
Bank demand loan	200	100				
	3,197	1,599	6,800	8,400	32,760	27,538
Broker's margin account	-	-	1,309	1,101	2,736	2,547
	3,197	1,599	8,109	9,501	35,496	30,085

4. Subsequent Event

On December 4, 2014, the Company declared a regular dividend of 2.5¢ per share to shareholders of record December 19, 2014, payable January 9, 2015.

5. Operating segments

	Quarter	Realty	Corporate	Inter-	Total
	Ended Oct 31				
Revenue	2014	979	747	(243)	1,483
	2013	1,004	723	(227)	1,500
Property & administration expense	2014	453	359	(71)	741
	2013	468	330	(71)	727
Finance expense	2014	172	30	(172)	30
	2013	156	17	(156)	17
Total revenue less total expense	2014	354	358	—	712
	2013	380	376	—	756
Fair value change	2014	157	(2,381)	—	(2,224)
	2013	743	103	—	846
Income tax recovery (expense)	2014	25	160	—	185
	2013	(303)	48	—	(255)
Net earnings from operations & Comprehensive income	2014	536	(1,863)	—	(1,327)
	2013	820	527	—	1,347

	YTD	Realty	Corporate	Inter-	Total
	Ended Oct 31				
Revenue	2014	2,850	2,205	(734)	4,321
	2013	3,098	2,145	(683)	4,560
Property & administration expense	2014	1,336	1,114	(214)	2,236
	2013	1,613	1,070	(214)	2,469
Finance expense	2014	520	70	(520)	70
	2013	469	53	(469)	53
Total revenue less total expense	2014	994	1,021	—	2,015
	2013	1,016	1,022	—	2,038
Fair value change	2014	1,203	3,976	—	4,999
	2013	(1,037)	(1,585)	—	(2,622)
Income tax recovery (expense)	2014	(430)	(642)	—	(1,072)
	2013	6	30	—	36
Net earnings from operations & Comprehensive income	2014	1,767	4,175	—	5,942
	2013	(15)	(533)	—	(548)
Total assets	2014	32,743	75,515	(22,456)	82,801
	2013	29,443	62,060	(21,143)	70,360
Total liabilities	2014	24,678	5,300	(22,456)	7,522
	2013	21,368	3,297	(21,143)	3,522