

GENDIS INC.

NEWS RELEASE

For immediate release

GENDIS INC. ANNOUNCES FIRST QUARTER EARNINGS of MORE THAN \$1.8-MILLION

Winnipeg, Manitoba (June 7, 2013) - Gendis Inc. (TSX:GDS) today announced its financial results for the 1st quarter ended April 30, 2013.

Revenue for the 1st quarter was \$1,420,000 compared to \$1,513,000 for the prior year 1st quarter. Revenue less expense for the 1st quarter was \$655,000 compared to \$629,000 the prior year 1st quarter. Net earnings for the 1st quarter were \$1,845,000 (\$0.13 per share) compared to net earnings of \$227,000 (\$0.02 per share) for the prior year 1st quarter.

The volatility in net earnings quarter over quarter is primarily due to the change in fair value of equity investments 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	
	Apr 30 2013	Apr 30 2012
Revenue		
Lease rental revenue	0.9	1.0
Dividends	0.5	0.5
Total revenue	1.4	1.5
Expense		
Property	0.4	0.5
Administration & finance	0.4	0.4
Total expense	0.8	0.9
Revenue less expense	0.6	0.6
Fair value change:		
Veresen	1.1	-
OSUM	(0.4)	-
Other equity investments	(0.3)	-
Investment properties	1.1	(0.5)
Total fair value change	1.5	(0.5)
Income tax recovery	0.3	0.1
Net earnings	1.8	0.2
Earnings per share	\$0.13	\$0.02

in millions of Canadian dollars	Apr 30 2013	Jan 31 2013	Apr 30 2012
Fair value of investments:			
Veresen	26.8	25.7	30.2
OSUM	13.2	14.5	25.6
Other equity investments	2.7	3.0	2.7
Investment properties	31.0	29.8	27.0
Other assets	0.7	2.0	1.4
Debt & payables	3.0	5.2	7.3
Deferred tax payable	0.9	0.6	4.6
Shareholders' equity	70.5	69.3	75.0

in millions of Canadian dollars	Quarter ended	
	Apr 30 2013	Apr 30 2012
Cash flow from:		
Operations		
Cash receipts	1.6	1.8
Cash disbursements & finance expense	(0.7)	(0.8)
Income taxes paid	(0.2)	-
Investing		
Proceeds on sales of investments	2.0	0.2
Purchase of investments	-	(2.8)
Expenditures on investment properties	(0.1)	-
Financing		
Increase (decrease) in debt	(2.2)	1.9
Purchase of share capital for cancellation	(0.2)	-
Dividends	(0.3)	(0.3)

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GENDIS INC.
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

(unaudited - thousands of Canadian dollars)	Apr 30 2013	Jan 31 2013	Apr 30 2012
ASSETS			
Current assets			
Cash	28	77	51
Receivables	638	1,929	1,266
Total current assets	666	2,006	1,317
Non-current assets			
Equity investments (note 2)	42,672	43,167	58,472
Investment property	30,985	29,775	27,050
Furnishings and equipment	49	48	48
Total non-current assets	73,706	72,990	85,570
Total assets	74,372	74,996	86,887
LIABILITIES			
Current liabilities			
Credit facilities (note 3)	1,299	3,500	5,500
Payables	719	763	783
Total current liabilities	2,018	4,263	6,283
Non-current liabilities			
Post employment benefit obligation	972	972	956
Deferred income tax payable	851	578	4,604
Total non-current liabilities	1,823	1,550	5,560
Total liabilities	3,841	5,813	11,843
SHAREHOLDERS' EQUITY	70,531	69,183	75,044
Total liabilities and shareholders' equity	74,372	74,996	86,887

GENDIS INC.
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED APRIL 30

(unaudited - thousands of Canadian dollars except for share data)	quarter ended	
	2013	2012
Revenue		
Lease rentals	919	1,002
Dividends	501	511
Total revenue	1,420	1,513
Expense		
Property	378	471
Administration	368	363
Finance	19	50
Total expense	765	884
Revenue less expense	655	629
Fair value change		
Equity investments	371	39
Investment property	1,144	(510)
Total fair value change	1,515	(471)
Earnings before income tax	2,170	158
Income tax (expense) recovery	(325)	69
Net earnings from operations and comprehensive income	1,845	227
Net earnings from operations per share	\$0.13	\$0.02

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, 2012	13,937	14,650	60,515	75,165
Comprehensive income			227	227
Dividend paid			(348)	(348)
Balance - April 30, 2012	13,937	14,650	60,394	75,044
For the remainder of the year:				
Comprehensive loss			(4,445)	(4,445)
Purchase of share capital for cancellation	(121)	(127)	(246)	(373)
Dividends paid			(1,043)	(1,043)
Balance - January 31, 2013	13,816	14,523	54,660	69,183
Comprehensive income			1,845	1,845
Purchase of share capital for cancellation	(48)	(51)	(101)	(152)
Dividend paid			(345)	(345)
Balance - April 30, 2013	13,768	14,472	56,059	70,531

GENDIS INC.
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED APRIL 30

(unaudited - thousands of Canadian dollars)	Quarter ended	
	2013	2012
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Changes in cash position		
By operations		
Cash receipts	1,583	1,771
Cash disbursements	(678)	(737)
Income taxes paid	(203)	-
Finance expense paid	(20)	(52)
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Total by operations	682	982
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By investing activities		
Proceeds from sale of equity investments	2,037	118
Acquisition of equity investments	-	(2,739)
Expenditures on investment property	(66)	-
Expenditures on furnishings and equipment	(6)	-
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Total by investing activities		(2,621)
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By financing activities		
Net advance (repayment) of credit facilities	(2,199)	1,896
Purchase of share capital for cancellation	(152)	-
Dividends paid	(345)	(348)
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Total by financing activities	(2,696)	1,548
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Decrease in cash	(49)	(91)
Cash - beginning of period	77	142
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Cash - end of period	28	51
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Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

April 30, 2013

(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, 2013, 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, 2013. These policies have been consistently applied to all periods presented.

2. Equity investments

	Apr 30 2013	Jan 31 2013
Veresen	26,820	25,660
Osum	13,195	14,487
Other equity investments	2,657	3,020
	42,672	43,167

3. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Apr 30 2013	Jan 31 2013	Apr 30 2013	Jan 31 2013	Apr 30 2013	Jan 31 2013
Banker's acceptances	1,000	3,000				
Bank demand loan	299	500				
	1,299	3,500	8,701	6,500	21,520	23,760
Broker's margin account	-	-	993	1,205	2,643	2,920
	1,299	3,500	9,694	7,705	24,163	26,680

4. Subsequent Event

On June 7, 2013, the Company declared a regular dividend of 2.5¢ per share to shareholders of record June 21, 2013, payable July 5, 2013.

5. Operating segments

	Quarter	Realty	Corporate	Inter- segment	Total
	Ended Apr 30				
Revenue	2013	936	711	(227)	1,420
	2012	1,020	726	(233)	1,513
Property & administration expense	2013	432	385	(71)	746
	2012	525	380	(71)	834
Finance expense	2013	156	19	(156)	19
	2012	162	50	(162)	50
Fair value change	2013	1,144	371	—	1,515
	2012	(510)	39	—	(471)
Income tax recovery (expense)	2013	(403)	78	—	(325)
	2012	48	21	—	69
Net earnings from operations & Comprehensive income	2013	1,089	756	—	1,845
	2012	(129)	356	—	227
Total assets	2013	31,444	63,874	(20,946)	74,372
	2012	27,447	77,880	(18,440)	86,887
Total liabilities	2013	22,264	2,523	(20,946)	3,841
	2012	22,040	8,243	(18,440)	11,843