

For immediate release

GENDIS INC. ANNOUNCES FIRST QUARTER EARNINGS

Winnipeg, Manitoba (June 6, 2014) - Gendis Inc. (TSX:GDS) today announced its financial results for the 1<sup>st</sup> quarter ended April 30, 2014.

Net earnings for the 1<sup>st</sup> quarter were \$2,440,000 (\$0.18 per share) compared to net earnings of \$1,845,000 (\$0.13 per share) for the prior year 1<sup>st</sup> quarter. Revenue for the 1<sup>st</sup> quarter was \$1,399,000 compared to \$1,420,000 for the prior year 1<sup>st</sup> quarter. Revenue less expense for the 1<sup>st</sup> quarter was \$643,000 compared to \$655,000 for the prior year 1<sup>st</sup> 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<br>except per share | Quarter ended  |                |
|---|----------------|----------------|
|   | Apr 30<br>2014 | Apr 30<br>2013 |
| Revenue   |                |                |
| Lease rental revenue                                | 0.9            | 0.9            |
| Dividends   | 0.5            | 0.5            |
| Total revenue                                       | 1.4            | 1.4            |
| Expense   |                |                |
| Property  | 0.4            | 0.4            |
| Administration & finance                            | 0.4            | 0.4            |
| Total expense                                       | 0.8            | 0.8            |
| Total revenue less Total expense                    | 0.6            | 0.6            |
| Fair value change:                                  |                |                |
| Veresen   | 2.7            | 1.1            |
| Osum  | -              | (0.4)          |
| Other equity investments                            | (0.4)          | (0.3)          |
| Investment properties                               | -              | 1.1            |
| Total fair value change                             | 2.3            | 1.5            |
| Income tax expense                                  | 0.5            | 0.3            |
| Net earnings  | 2.4            | 1.8            |
| Earnings per share                                  | \$0.18         | \$0.13         |

| in millions of Canadian dollars | Apr 30<br>2014 | Jan 31<br>2014 | Apr 30<br>2013 |
|---------------------------------|----------------|----------------|----------------|
| Fair value of investments:      |                |                |                |
| Veresen                         | 32.4           | 29.7           | 26.8           |
| Osum                            | 11.5           | 11.5           | 13.2           |
| Other equity investments        | 3.5            | 3.7            | 2.7            |
| Investment properties           | 30.4           | 30.4           | 31.0           |
| Other assets                    | 1.0            | 1.0            | 0.7            |
| Debt & payables                 | 3.5            | 3.3            | 3.0            |
| Deferred tax payable            | 1.7            | 1.2            | 0.9            |
| Shareholders' equity            | 73.6           | 71.8           | 70.5           |

| in millions of Canadian dollars            | Quarter ended  |                |
|--|----------------|----------------|
|  | Apr 30<br>2014 | Apr 30<br>2013 |
| Cash flow from:                            |                |                |
| Operations                                 |                |                |
| Cash receipts                              | 1.6            | 1.6            |
| Cash disbursements & finance expense       | (0.4)          | (0.7)          |
| Income taxes paid                          | (0.2)          | (0.2)          |
| Investing                                  |                |                |
| Proceeds on sales of investments           | –              | 2.0            |
| Purchase of investments                    | (0.2)          | –              |
| Expenditures on investment properties      | –              | (0.1)          |
| Expenditures on equipment                  | (0.1)          | –              |
| Financing                                  |                |                |
| Increase (decrease) in debt                | –              | (2.2)          |
| Purchase of share capital for cancellation | (0.3)          | (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<br>2014 | Jan 31<br>2014 | Apr 30<br>2013 |
|---|----------------|----------------|----------------|
| <b>ASSETS</b>                                     |                |                |                |
| Current assets                                    |                |                |                |
| Cash  | 62             | 47             | 28             |
| Receivables                                       | 822            | 995            | 638            |
| <b>Total current assets</b>                       | <b>884</b>     | <b>1,042</b>   | <b>666</b>     |
| Non-current assets                                |                |                |                |
| Equity investments (note 2)                       | 47,430         | 44,927         | 42,672         |
| Investment property                               | 30,385         | 30,385         | 30,985         |
| Furnishings and equipment                         | 138            | 61             | 49             |
| <b>Total non-current assets</b>                   | <b>77,953</b>  | <b>75,373</b>  | <b>73,706</b>  |
| <b>Total assets</b>                               | <b>78,837</b>  | <b>76,415</b>  | <b>74,372</b>  |
| <b>LIABILITIES</b>                                |                |                |                |
| Current liabilities                               |                |                |                |
| Credit facilities (note 3)                        | 1,599          | 1,599          | 1,299          |
| Payables  | 999            | 806            | 719            |
| <b>Total current liabilities</b>                  | <b>2,598</b>   | <b>2,405</b>   | <b>2,018</b>   |
| Non-current liabilities                           |                |                |                |
| Post employment benefit obligation                | 937            | 937            | 972            |
| Deferred income tax payable                       | 1,656          | 1,231          | 851            |
| <b>Total non-current liabilities</b>              | <b>2,593</b>   | <b>2,168</b>   | <b>1,823</b>   |
| <b>Total liabilities</b>                          | <b>5,191</b>   | <b>4,573</b>   | <b>3,841</b>   |
| <b>SHAREHOLDERS' EQUITY</b>                       | <b>73,646</b>  | <b>71,842</b>  | <b>70,531</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>78,837</b>  | <b>76,415</b>  | <b>74,372</b>  |

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

| (unaudited - thousands of Canadian<br>dollars except for share data) | quarter ended |             |
|--|---------------|-------------|
|  | 2014          | 2013        |
| Revenue  |               |             |
| Lease rentals  | 899           | 919         |
| Dividends  | 500           | 501         |
| <hr/> Total revenue  | <hr/> 1,399   | <hr/> 1,420 |
| Expense  |               |             |
| Property   | 372           | 378         |
| Administration   | 368           | 368         |
| Finance  | 16            | 19          |
| <hr/> Total expense  | <hr/> 756     | <hr/> 765   |
| <hr/> Total revenue less Total expense                               | <hr/> 643     | <hr/> 655   |
| Fair value change  |               |             |
| Investment property  | -             | 1,144       |
| Equity investments   | 2,276         | 371         |
| <hr/> Total fair value change  | <hr/> 2,276   | <hr/> 1,515 |
| Earnings before income tax   | 2,919         | 2,170       |
| Income tax expense   | 479           | 325         |
| <hr/> Net earnings from operations and<br>comprehensive income       | <hr/> 2,440   | <hr/> 1,845 |
| <br>Net earnings from operations per<br>share                        | <br>\$0.18    | <br>\$0.13  |

## GENDIS INC.

## INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| (unaudited - thousands - shares &<br>Canadian dollars as applicable) | Share Capital |        | Retained | Total   |
|--|---------------|--------|----------|---------|
|  | #             | \$     | earnings | \$      |
| Balance - January 31, 2013   | 13,816        | 14,523 | 54,660   | 69,183  |
| Comprehensive income   |               |        | 1,845    | 1,845   |
| Purchase of share capital for<br>cancellation                        | (48)          | (51)   | (101)    | (152)   |
| Dividend paid  |               |        | (345)    | (345)   |
| Balance - April 30, 2013   | 13,768        | 14,472 | 56,059   | 70,531  |
| For the remainder of the year:                                       |               |        |          |         |
| Comprehensive loss   |               |        | 3,247    | 3,247   |
| Purchase of share capital for<br>cancellation                        | (287)         | (302)  | (611)    | (913)   |
| Dividends paid   |               |        | (1,023)  | (1,023) |
| Balance - January 31, 2014   | 13,481        | 14,170 | 57,672   | 71,842  |
| Comprehensive income   |               |        | 2,440    | 2,440   |
| Purchase of share capital for<br>cancellation                        |               | (93)   | (207)    | (300)   |
| Dividend paid  |               |        | (336)    | (336)   |
| Balance - April 30, 2014   |               | 14,077 | 59,569   | 73,646  |

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

| (unaudited - thousands of Canadian dollars) | Quarter ended |         |
|---|---------------|---------|
|   | 2014          | 2013    |
| <hr/>                                       |               |         |
| Changes in cash position                    |               |         |
| By operations                               |               |         |
| Cash receipts                               | 1,614         | 1,583   |
| Cash disbursements                          | (425)         | (678)   |
| Income taxes paid                           | (211)         | (203)   |
| Finance expense paid                        | (17)          | (20)    |
| <hr/>                                       |               |         |
| Total by operations                         | 961           | 682     |
| <hr/>                                       |               |         |
| By investing activities                     |               |         |
| Proceeds from sale of equity investments    | -             | 2,037   |
| Acquisition of equity investments           | (227)         | -       |
| Expenditures on investment property         | -             | (66)    |
| Expenditures on furnishings and equipment   | (82)          | (6)     |
| <hr/>                                       |               |         |
| Total by investing activities               | (309)         | 1,965   |
| <hr/>                                       |               |         |
| By financing activities                     |               |         |
| Net repayment of credit facilities          | -             | (2,199) |
| Purchase of share capital for cancellation  | (300)         | (152)   |
| Dividend paid                               | (337)         | (345)   |
| <hr/>                                       |               |         |
| Total by financing activities               | (637)         | (2,696) |
| <hr/>                                       |               |         |
| Increase (decrease) in cash                 | 15            | (49)    |
| Cash - beginning of period                  | 47            | 77      |
| <hr/>                                       |               |         |
| Cash - end of period                        | 62            | 28      |
| <hr/> <hr/>                                 |               |         |

Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

April 30, 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. Equity investments

|                          | Apr 30<br>2014 | Jan 31<br>2014 |
|--------------------------|----------------|----------------|
| Veresen                  | 32,420         | 29,740         |
| Osum                     | 11,502         | 11,502         |
| Other equity investments | 3,508          | 3,685          |
|                          | 47,430         | 44,927         |

3. Credit facilities

|                         | Borrowing<br>Balance |                | Remaining<br>borrowing<br>availability |                | Carrying value<br>of collateral |                |
|-------------------------|----------------------|----------------|--|----------------|---------------------------------|----------------|
|                         | Apr 30<br>2014       | Jan 31<br>2014 | Apr 30<br>2014                         | Jan 31<br>2014 | Apr 30<br>2014                  | Jan 31<br>2014 |
| Banker's acceptances    | 999                  | 1,499          |  |                |                                 |                |
| Bank demand loan        | 600                  | 100            |  |                |                                 |                |
|                         | 1,599                | 1,599          | 8,400                                  | 8,400          | 30,019                          | 27,538         |
| Broker's margin account | -                    | -              | 1,200                                  | 1,101          | 2,759                           | 2,547          |
|                         | 1,599                | 1,599          | 9,600                                  | 9,501          | 32,778                          | 30,085         |

4. Subsequent Event

On June 6, 2014, the Company declared a regular dividend of 2.5¢ per share to shareholders of record June 20, 2014, payable July 4, 2014.

## 5. Operating segments

|  | Quarter<br>Ended<br>Apr 30 | Realty | Corporate | Inter-<br>segment | Total  |
|--|----------------------------|--------|-----------|-------------------|--------|
| Revenue  | 2014                       | 916    | 728       | 245               | 1,399  |
|  | 2013                       | 936    | 711       | (227)             | 1,420  |
| Property & administration<br>expense                   | 2014                       | 426    | 385       | (71)              | 740    |
|  | 2013                       | 432    | 385       | (71)              | 746    |
| Finance expense  | 2014                       | 174    | 16        | (174)             | 16     |
|  | 2013                       | 156    | 19        | (156)             | 19     |
| Total revenue less total expense                       | 2014                       | 316    | 327       | —                 | 643    |
|  | 2013                       | 348    | 307       | —                 | 655    |
| Fair value change                                      | 2014                       | —      | 2,276     | —                 | 2,276  |
|  | 2013                       | 1,144  | 371       | —                 | 1,515  |
| Income tax expense (recovery)                          | 2014                       | 86     | 393       | —                 | 479    |
|  | 2013                       | 403    | (78)      | —                 | 325    |
| Net earnings from operations<br>& Comprehensive income | 2014                       | 230    | 2,210     | —                 | 2,440  |
|  | 2013                       | 1,089  | 756       | —                 | 1,845  |
| Total assets   | 2014                       | 31,067 | 69,916    | (22,146)          | 78,837 |
|  | 2013                       | 31,444 | 63,874    | (20,946)          | 74,372 |
| Total liabilities                                      | 2014                       | 24,539 | 2,798     | (22,146)          | 5,191  |
|  | 2013                       | 22,264 | 2,523     | (20,946)          | 3,841  |