

GENDIS INC. ANNOUNCES THIRD QUARTER PROFIT

Winnipeg, Manitoba (December 9, 2013) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 31, 2013.

Revenue for the 3rd quarter was \$1,500,000 compared to \$1,431,000 for last year's 3rd quarter. Revenue less expense for the 3rd quarter was \$756,000 compared to \$730,000 for last year's 3rd quarter. Net earnings for the 3rd quarter were \$1,347,000 (\$0.10 per share) compared to a loss of \$791,000 (\$0.06 per share) for last year's 3rd quarter.

Revenue year-to-date was \$4,560,000 compared to \$4,471,000 year-to-date last year. Revenue less expense year-to-date was \$2,038,000 compared to \$1,718,000 year-to-date last year. Net loss year-to-date was \$548,000 (\$0.04 per share) compared to a loss of \$8,300,000 (\$0.60 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 equity investments and investment properties with the attendant effect on deferred income taxes. Also, the 2nd quarter last year included the settlement with our insurer on legal claims in a prior year.

Condensed summarized information is as follows:

in millions of Canadian dollars except per share	Quarter ended		YTD ended	
	Oct 31 2013	Oct 31 2012	Oct 31 2013	Oct 31 2012
Revenue				
Lease rental revenue	1.0	0.9	3.1	3.0
Dividends	0.5	0.5	1.5	1.5
Total revenue	1.5	1.4	4.6	4.5
Expense				
Property	0.4	0.4	1.5	1.4
Administration & finance	0.3	0.3	1.1	1.4
Total expense	0.7	0.7	2.6	2.8
Revenue less expense	0.8	0.7	2.0	1.7
Fair value change:				
Veresen	1.7	0.1	0.1	(4.4)
Osum	(1.6)	(1.0)	(2.0)	(8.2)
Other equity investments	—	0.1	0.3	(0.9)
Investment properties	0.7	(0.8)	(1.0)	(0.1)
Total fair value change	0.8	(1.6)	(2.6)	(13.6)
Settlement of legal claims	—	—	—	1.5
Income tax (expense)recovery	(0.3)	0.1	0.1	2.1
Net earnings (loss)	1.3	(0.8)	(0.5)	(8.3)
Earnings (loss) per share	\$0.10	\$(0.06)	\$(0.04)	\$(0.60)

in millions of Canadian dollars	Oct 31 2013	Jan 31 2013	Oct 31 2012
Fair value of investments:			
Veresen	25.7	25.7	25.8
Osum	11.5	14.5	17.4
Other equity investments	3.4	3.0	1.8
Investment properties	29.0	29.8	27.9
Other assets	0.8	2.0	0.7
Debt & payables	3.2	5.2	5.5
Deferred tax payable	0.4	0.6	2.4
Shareholders' equity	66.8	69.3	65.7

in millions of Canadian dollars	Quarter ended		Year to date ended	
	Oct 31 2013	Oct 31 2012	Oct 31 2013	Oct 31 2012

Cash flow from:

Operations

Cash receipts	1.6	1.6	4.8	4.7
Cash disbursements & finance expense	(0.8)	(0.8)	(2.8)	(3.0)
Settlement of legal claims	-	-	-	1.5
Income taxes recovered (paid)	-	-	(0.2)	0.7

Investing

Proceeds on sales of investments	-	-	2.1	0.1
Purchase of investments	-	-	-	(2.7)
Expenditures on investment properties	(0.2)	(0.5)	(0.2)	(0.5)

Financing

Increase (decrease) in debt	0.1	0.1	(1.9)	0.3
Purchase of share capital for cancellation	(0.4)	(0.1)	(0.8)	(0.2)
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 2013	Jan 31 2013	Oct 31 2012
ASSETS			
Current assets			
Cash	99	77	10
Receivables	627	1,929	710
Total current assets	726	2,006	720
Non-current assets			
Equity investments (note 2)	40,610	43,167	44,930
Investment property	28,965	29,775	27,900
Furnishings and equipment	59	48	39
Total non-current assets	69,634	72,990	72,869
Total assets	70,360	74,996	73,589
LIABILITIES			
Current liabilities			
Credit facilities (note 3)	1,599	3,500	3,897
Payables	566	763	626
Total current liabilities	2,165	4,263	4,523
Non-current liabilities			
Post employment benefit obligation	972	972	951
Deferred income tax payable	385	578	2,438
Total non-current liabilities	1,357	1,550	3,389
Total liabilities	3,522	5,813	7,912
SHAREHOLDERS' EQUITY			
Total liabilities and shareholders' equity	70,360	74,996	73,589

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	
	2013	2012	2013	2012
Revenue				
Lease rentals	987	931	3,046	2,959
Dividends	513	500	1,514	1,512
Total revenue	1,500	1,431	4,560	4,471
Expense				
Property	414	370	1,451	1,413
Administration	313	301	1,018	1,206
Finance	17	30	53	134
Total expense	744	701	2,522	2,753
Revenue less expense	756	730	2,038	1,718
Fair value change				
Investment properties	743	(851)	(1,037)	(131)
Equity investments	103	(807)	(1,585)	(13,503)
Total fair value change	846	(1,658)	(2,622)	(13,634)
Settlement of legal claims	-	-	-	1,483
Earnings (loss) before income tax	1,602	(928)	(584)	(10,433)
Income tax (expense) recovery	(255)	137	36	2,133
Net earnings (loss) from operations and comprehensive income (loss)	1,347	(791)	(548)	(8,300)
Net earnings (loss) from operations per share	\$0.10	\$(0.06)	\$(0.04)	\$(0.60)

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 loss			(8,300)	(8,300)
Purchase of share capital for cancellation	(46)	(48)	(95)	(143)
Dividends paid			(1,045)	(1,045)
Balance - October 31, 2013	13,891	14,602	51,075	65,677
For the remainder of the year:				
Comprehensive income			4,082	4,082
Purchase of share capital for cancellation	(75)	(79)	(151)	(230)
Dividend paid			(346)	(346)
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 paid			(1,030)	(1,030)
Balance - October 31, 2013	13,572	14,266	52,572	66,838

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	
	2013	2012	2013	2012
Changes in cash position				
By operations				
Cash receipts	1,639	1,580	4,834	4,665
Cash disbursements	(788)	(760)	(2,750)	(2,868)
Settlement of legal claims	-	-	-	1,483
Income taxes (paid) recovered	-	-	(203)	706
Finance expense paid	(17)	(28)	(54)	(135)
Total by operations	834	792	1,827	3,851
By investing activities				
Proceeds from sale of equity investments	-	-	2,144	118
Acquisition of equity investments	-	-	-	(2,739)
Expenditures on investment property	(147)	(471)	(227)	(471)
Expenditures on furnishings and equipment	(10)	-	(25)	-
Total by investing activities	(157)	(471)	1,892	(3,092)
By financing activities				
Net advance (repayment) of credit facilities	100	103	(1,900)	297
Purchase of share capital for cancellation	(444)	(124)	(767)	(143)
Dividends paid	(342)	(348)	(1,030)	(1,045)
Total by financing activities	(686)	(369)	(3,697)	(891)
Increase (decrease) in cash	(9)	(48)	22	(132)
Cash - beginning of period	108	58	77	142
Cash - end of period	99	10	99	10

Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

January 31, 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. Investments

	Oct 31 2013	Jan 31 2013
Veresen	25,740	25,660
Osum	11,502	14,487
Other equity investments	3,368	3,020
	40,610	43,167

3. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Oct 31 2013	Jan 31 2013	Oct 31 2013	Jan 31 2013	Oct 31 2013	Jan 31 2013
Banker's acceptances	999	3,000				
Bank demand loan	600	500				
	1,599	3,500	8,400	6,500	23,890	23,760
Broker's margin account	—	—	953	1,205	2,494	2,920
	1,599	3,500	9,353	7,705	26,384	26,680

4. Subsequent Event

On December 9, 2013, the Company declared a regular dividend of 2.5¢ per share to shareholders of record December 20, 2013, payable January 3, 2014.

5. Operating segments

	Quarter	Realty	Corporate	Inter-	Total
	Ended Oct 31				
Revenue	2013	1,004	723	(227)	1,500
	2012	948	717	(234)	1,431
Property & administration expense	2013	468	330	(71)	727
	2012	424	318	(71)	671
Finance expense	2013	156	17	(156)	17
	2012	163	30	(163)	30
Fair value change	2013	743	103	—	846
	2012	(851)	(807)	—	(1,658)
Income tax recovery (expense)	2013	(303)	48	—	(255)
	2012	132	5	—	137
Net earnings from operations & Comprehensive income	2013	820	527	—	1,347
	2012	(358)	(433)	—	(791)
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	YTD	Realty	Corporate	Inter-	Total
	Ended Oct 31				
Revenue	2013	3,098	2,145	(683)	4,560
	2012	3,011	2,161	(701)	4,471
Property & administration Expense	2013	1,613	1,070	(214)	2,469
	2012	1,575	1,258	(214)	2,619
Finance expense	2013	469	53	(469)	53
	2012	487	134	(487)	134
Fair value change	2013	(1,037)	(1,585)	—	(2,622)
	2012	(131)	(13,503)	—	(13,634)
Settlement of legal claims	2013	—	—	—	—
	2012	—	1,483	—	1,483
Income tax recovery (expense)	2013	6	30	—	36
	2012	(221)	2,354	—	2,133
Net earnings from operations & Comprehensive income	2013	(15)	(533)	—	(548)
	2012	597	(8,897)	—	(8,300)
Total assets	2013	29,443	62,060	(21,143)	70,360
	2012	28,419	63,921	(18,751)	73,589
Total liabilities	2013	21,368	3,297	(21,143)	3,522
	2012	22,286	4,377	(18,751)	7,912