

GENDIS INC. ANNOUNCES SECOND QUARTER RESULTS

Winnipeg, Manitoba (September 5, 2014) - Gendis Inc. (TSX:GDS) today announced its financial results for the 2nd quarter ended July 31, 2014.

Revenue for the 2nd quarter was \$1,439,000 compared to \$1,639,000 for the 2nd quarter last year. Revenue less expense for the 2nd quarter was \$660,000 compared to \$627,000 for the 2nd quarter last year. Net income for the 2nd quarter was \$4,829,000 (\$0.36 per share) compared to a loss of \$3,740,000 (\$0.27 per share) for the 2nd quarter last year.

Revenue year-to-date was \$2,838,000 compared to \$3,059,000 year-to-date last year. Revenue less expense year-to-date was \$1,303,000 compared to \$1,282,000 year-to-date last year. Net income year-to-date was \$7,269,000 (\$0.54 per share) compared to a loss of \$1,895,000 (\$0.14 per share) year-to-date last year.

In the 2nd quarter of the year, the Company invested \$0.5-million in a convertible debenture of Vive Crop Protection Inc., a private Canadian company that designs, develops and markets active ingredient delivery systems. Subsequent to the 2nd quarter end, the Company invested \$0.2-million for 1-million shares in San Angelo Oil Limited, a start-up private Canadian conventional oil exploration and development company that will operate in north central Texas.

The volatility in net income 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.

Condensed summarized information is as follows:

in millions of Canadian dollars except per share	Quarter ended		YTD ended	
	Jul 31 2014	Jul 31 2013	Jul 31 2014	Jul 31 2013
Revenue				
Lease rental revenue	0.9	1.2	1.8	2.1
Dividends	0.5	0.5	1.0	1.0
Total revenue	1.4	1.7	2.8	3.1
Expense				
Property	0.4	0.7	0.8	1.0
Administration & finance	0.3	0.3	0.7	0.8
Total expense	0.7	1.0	1.5	1.8
Total revenue less total expense	0.7	0.7	1.3	1.3
Fair value change:				
Veresen	4.6	(2.8)	7.3	(1.7)
Osum	(0.8)	—	(0.8)	(0.4)
Other investments in securities	0.1	0.7	(0.3)	0.4
Investment properties	1.0	(2.9)	1.0	(1.8)
Total fair value change	4.9	(5.0)	7.2	(3.5)
Income tax (expense) recovery	(0.8)	0.6	(1.2)	0.3
Net income (loss)	4.8	(3.7)	7.3	(1.9)

Net income(loss) per share	\$0.36	\$(0.27)	\$0.54	\$(0.14)
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		Jul 31	Jan 31	Jul 31
in millions of Canadian dollars		2014	2014	2013

Fair value of investments:

Veresen	37.0	29.7	24.0
Osum	10.7	11.5	13.1
Other investment in securities	4.1	3.7	3.4
Investment properties	31.6	30.4	28.1
Other assets	1.1	1.0	0.9
Debt & payables	4.6	3.3	3.0
Deferred tax payable	2.4	1.2	0.2
Shareholders' equity	77.5	71.8	66.3

	Quarter ended		Year to date ended	
	Jul 31	Jul 31	Jul 31	Jul 31
in millions of Canadian dollars	2014	2013	2014	2013

Cash flow from:

Operations

Cash receipts	1.4	1.6	3.5	3.2
Cash disbursements & finance expense	(0.8)	(1.3)	(1.8)	(2.0)
Income taxes paid	-	-	(0.2)	(0.2)

Investing

Proceeds on sale of investment in securities	-	0.1	-	2.1
Acquisition of investments	(0.5)	-	(0.7)	-
Expenditures on investment properties	(0.1)	-	(0.1)	(0.1)

Financing

Increase (decrease) in debt	1.1	0.2	1.1	(2.0)
Purchase of share capital for cancellation	(0.7)	(0.2)	(1.0)	(0.3)
Dividends paid	(0.3)	(0.3)	(0.7)	(0.7)

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GENDIS INC.
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

(unaudited - thousands of Canadian dollars)	Jul 31 2014	Jan 31 2014	Jul 31 2013
ASSETS			
Current assets			
Cash	43	47	108
Receivables	935	995	719
Total current assets	978	1,042	827
Non-current assets			
Investment in securities (note 2)	51,830	44,927	40,506
Investment properties	31,565	30,385	28,075
Furnishings and equipment	158	61	54
Total non-current assets	83,553	75,373	68,635
Total assets	84,531	76,415	69,462
LIABILITIES			
Current liabilities			
Credit facilities (note 3)	2,697	1,599	1,499
Payables	1,056	806	528
Total current liabilities	3,753	2,405	2,027
Non-current liabilities			
Post employment benefit obligation	937	937	972
Deferred income tax payable	2,378	1,231	186
Total non-current liabilities	3,315	2,168	1,158
Total liabilities	7,068	4,573	3,185
SHAREHOLDERS' EQUITY	77,463	71,842	66,277
Total liabilities and shareholders' equity	84,531	76,415	69,462

GENDIS INC.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JULY 31

(unaudited - thousands of Canadian dollars except for share data)	Quarter ended		Year-to-date ended	
	2014	2013	2014	2013
Revenue				
Lease rentals	937	1,139	1,836	2,058
Dividends and other income	502	500	1,002	1,001
Total revenue	1,439	1,639	2,838	3,059
Expense				
Property	403	658	775	1,036
Administration	352	337	720	705
Finance	24	17	40	36
Total expense	779	1,012	1,535	1,777
Total revenue less total expense	660	627	1,303	1,282
Fair value change				
Investment properties	1,046	(2,924)	1,046	(1,780)
Investment in securities	3,901	(2,059)	6,177	(1,688)
Total fair value change	4,947	(4,983)	7,223	(3,468)
Income (loss) before income tax	5,607	(4,356)	8,526	(2,186)
Income tax (expense) recovery	(778)	616	(1,257)	291
Net income (loss) from operations and comprehensive income(loss)	4,829	(3,740)	7,259	(1,895)
Net income (loss) from operations per share	\$0.36	\$(0.27)	\$0.54	\$(0.14)

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			(1,895)	(1,895)
Purchase of share capital for cancellation	(104)	(109)	(214)	(323)
Dividends paid			(688)	(688)
Balance - July 31, 2013	13,712	14,414	51,863	66,277
For the remainder of the year:				
Comprehensive income			6,987	6,987
Purchase of share capital for cancellation	(231)	(244)	(498)	(742)
Dividends paid			(680)	(680)
Balance - January 31, 2014	13,481	14,170	57,672	71,842
Comprehensive income			7,269	7,269
Purchase of share capital for cancellation	(265)	(278)	(700)	(978)
Dividends paid			(670)	(670)
Balance - July 31, 2014	13,216	13,892	63,751	77,463

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

(unaudited - thousands of Canadian dollars)	Quarter ended		Year-to-date ended	
	2014	2013	2014	2013
Changes in cash position				
By operations				
Cash receipts	1,871	1,613	3,485	3,241
Cash disbursements	(1,293)	(1,285)	(1,719)	(2,011)
Income taxes paid	—	—	(211)	(203)
Finance expense paid	(21)	(16)	(38)	(36)
Total by operations	557	311	1,517	991
By investing activities				
Acquisition of investment in securities	(500)	—	(726)	—
Proceeds from sale of investment in securities	—	107	—	2,144
Expenditures on investment property	(134)	(14)	(134)	(80)
Proceeds from sale furnishings and equipment	2	—	2	—
Expenditures on furnishings and equipment	(31)	(9)	(113)	(15)
Total by investing activities	(663)	84	(971)	2,049
By financing activities				
Net advance (repayment) of credit facilities	1,098	198	1,098	(1,998)
Purchase of share capital for cancellation	(678)	(171)	(978)	(323)
Dividends paid	(333)	(343)	(670)	(688)
Total by financing activities	87	(316)	(550)	(3,009)
Increase (decrease) in cash	(19)	80	(4)	31
Cash - beginning of period	62	28	47	77
Cash - end of period	43	108	43	108

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

	Jul 31	Jan 31
	2014	2014
Veresen	37,020	29,740
Osum	10,709	11,502
Other equity investments	4,101	3,685
	51,830	44,927

3. Credit facilities

	Borrowing		Remaining		Carrying value	
	Balance		borrowing		of collateral	
	Jul 31	Jan 31	Jul 31	Jan 31	Jul 31	Jan 31
	2014	2014	2014	2014	2014	2014
Banker's acceptances	2,497	1,499				
Bank demand loan	200	100				
	2,697	1,599	7,300	8,400	34,316	27,538
Broker's margin account	-	-	1,371	1,101	2,993	2,547
	2,697	1,599	8,671	9,501	37,309	30,085

4. Subsequent Event

On September 5, 2014, the Company declared a regular dividend of 2.5¢ per share to shareholders of record September 19, 2014, payable October 3, 2014.

5. Operating segments

	Quarter	Realty	Corporate	Inter-	Total
	Ended Jul 31				
Revenue	2014	955	729	(245)	1,439
	2013	1,157	710	(228)	1,639
Property & administration expense	2014	458	368	(71)	755
	2013	713	353	(71)	995
Finance expense	2014	174	24	(174)	24
	2013	157	17	(157)	17
Total revenue less total expense	2014	323	337	—	660
	2013	287	340	—	627
Fair value change	2014	1,046	3,901	—	4,947
	2013	(2,924)	(2,059)	—	(4,983)
Income tax recovery (expense)	2014	(369)	(409)	—	(778)
	2013	712	(96)	—	616
Net income (loss) from operations & Comprehensive income (loss)	2014	1,000	3,829	—	4,829
	2013	(1,925)	(1,815)	—	(3,740)

	YTD	Realty	Corporate	Inter-	Total
	Ended Jul 31				
Revenue	2014	1,871	1,458	(491)	2,838
	2013	2,093	1,421	(455)	3,059
Property & administration expense	2014	884	754	(143)	1,495
	2013	1,145	738	(142)	1,741
Finance expense	2014	348	40	(348)	40
	2013	313	36	(313)	36
Total revenue less total expense	2014	639	664	—	1,303
	2013	635	647	—	1,282
Fair value change	2014	1,046	6,177	—	7,223
	2013	(1,780)	(1,688)	—	(3,468)
Income tax recovery (expense)	2014	(455)	(802)	—	(1,257)
	2013	309	(18)	—	291
Net income (loss) from operations & Comprehensive income (loss)	2014	1,230	6,039	—	7,269
	2013	(836)	(1,059)	—	(1,895)
Total assets	2014	32,291	73,862	(21,622)	84,531
	2013	28,610	62,260	(21,408)	69,462
Total liabilities	2014	24,762	3,928	(21,622)	7,068
	2013	21,355	3,238	(21,408)	3,185