

For immediate release

GENDIS INC. ANNOUNCES FIRST QUARTER EARNINGS

Winnipeg, Manitoba (June 5, 2015) - Gendis Inc. (TSX:GDS) today announced its financial results for the 1<sup>st</sup> quarter ended April 30, 2015.

Net earnings for the 1<sup>st</sup> quarter were \$1,938,000 (\$0.15 per share) compared to net earnings of \$2,440,000 (\$0.18 per share) for the prior year 1<sup>st</sup> quarter. Revenue for the 1<sup>st</sup> quarter was \$1,496,000 compared to \$1,399,000 for the prior year 1<sup>st</sup> quarter. Revenue less expense for the 1<sup>st</sup> quarter was \$392,000 compared to \$643,000 for the prior year 1<sup>st</sup> quarter. The decline is primarily due to an allowance for non-collection of rent.

The volatility in net earnings quarter over quarter is primarily due to the change in fair value of security 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 2015	Apr 30 2014
Revenue		
Lease rental revenue	1.0	0.9
Dividends	0.5	0.5
Total revenue	1.5	1.4
Expense		
Property	0.7	0.4
Administration & finance	0.4	0.4
Total expense	1.1	0.8
Total revenue less Total expense	0.4	0.6
Fair value change:		
Veresen	4.0	2.7
Other security investments	0.1	(0.4)
Investment properties	(1.8)	-
Total fair value change	2.3	2.3
Income tax expense	0.7	0.5
Net earnings	1.9	2.4
Earnings per share	\$0.15	\$0.18

in millions of Canadian dollars	Apr 30 2015	Jan 31 2015	Apr 30 2014
Fair value of investments:			
Veresen	36.1	32.1	32.4
Osum	6.2	6.2	11.5
Other security investments	4.4	4.1	3.5
Investment properties	28.9	30.5	30.4
Other assets	0.8	1.0	1.0
Debt & payables	6.1	5.7	3.5
Deferred tax payable	1.5	0.8	1.7
Shareholders' equity	68.8	67.3	73.6

in millions of Canadian dollars	Quarter ended	
	Apr 30 2015	Apr 30 2014

Cash flow from:

Operations

Cash receipts	1.8	1.6
Cash disbursements & finance expense	(1.2)	(0.4)
Income taxes paid	(0.2)	(0.2)

Investing

Purchase of investments	(0.3)	(0.2)
Expenditures on investment properties	(0.1)	-
Net expenditures on equipment	-	(0.1)

Financing

Increase (decrease) in debt	0.4	-
Purchase of share capital for cancellation	(0.2)	(0.3)
Dividends	(0.3)	(0.3)

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GENDIS INC.  
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

(unaudited - thousands of Canadian dollars)	Apr 30 2015	Jan 31 2015	Apr 30 2014
<b>ASSETS</b>			
Current assets			
Cash	38	36	62
Receivables	622	818	822
<b>Total current assets</b>	<b>660</b>	<b>854</b>	<b>884</b>
Non-current assets			
Investments in securities (note 2)	46,756	42,358	47,430
Investment properties(note 3)	28,857	30,577	30,385
Furnishings and equipment	181	159	138
<b>Total non-current assets</b>	<b>75,794</b>	<b>73,094</b>	<b>77,953</b>
<b>Total assets</b>	<b>76,454</b>	<b>73,948</b>	<b>78,837</b>
<b>LIABILITIES</b>			
Current liabilities			
Credit facilities (note 4)	3,994	3,597	1,599
Payables	1,109	1,099	999
<b>Total current liabilities</b>	<b>5,103</b>	<b>4,696</b>	<b>2,598</b>
Non-current liabilities			
Post employment benefit obligation	1,012	1,012	937
Deferred income tax payable	1,534	860	1,656
<b>Total non-current liabilities</b>	<b>2,546</b>	<b>1,872</b>	<b>2,593</b>
<b>Total liabilities</b>	<b>7,649</b>	<b>6,568</b>	<b>5,191</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>68,805</b>	<b>67,380</b>	<b>73,646</b>
<b>Total liabilities and shareholders' equity</b>	<b>76,454</b>	<b>73,948</b>	<b>78,837</b>

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	
	2015	2014
Revenue		
Lease rentals	976	899
Dividends	520	500
<hr/> Total revenue	<hr/> 1,496	<hr/> 1,399
Expense		
Property	683	372
Administration	393	368
Finance	28	16
<hr/> Total expense	<hr/> 1,104	<hr/> 756
<hr/> Total revenue less Total expense	<hr/> 392	<hr/> 643
Fair value change		
Investments in securities	4,088	2,276
Investment properties	(1,809)	-
<hr/> Total fair value change	<hr/> 2,279	<hr/> 2,276
Earnings before income tax	2,671	2,919
Income tax expense	733	479
<hr/> Net earnings from operations and comprehensive income	<hr/> 1,938	<hr/> 2,440
 Net earnings from operations per share	 \$0.15	 \$0.18

## 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, 2014	13,481	14,170	57,672	71,842
Comprehensive income			2,440	2,440
Purchase of share capital for cancellation	(89)	(93)	(207)	(300)
Dividend			(336)	(336)
Balance - April 30, 2014	13,392	14,077	59,569	73,646
For the remainder of the year:				
Comprehensive loss			(3,921)	(3,921)
Purchase of share capital for cancellation	(346)	(364)	(991)	(1,355)
Dividends			(990)	(990)
Balance - January 31, 2015	13,046	13,713	53,667	67,380
Comprehensive income			1,938	1,938
Purchase of share capital for cancellation	(52)	(54)	(134)	(188)
Dividend			(325)	(325)
Balance - April 30, 2015	12,994	13,659	55,146	68,805

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

(unaudited - thousands of Canadian dollars)	Quarter ended	
	2015	2014
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Changes in cash position		
By operations		
Cash receipts	1,805	1,614
Cash disbursements	(1,037)	(425)
Income taxes paid	(224)	(211)
Finance expense paid	(28)	(17)
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Total by operations	516	961
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By investing activities		
Acquisition of security investments	(300)	(227)
Expenditures on investment properties	(89)	-
Proceeds from disposal of equipment	85	-
Expenditures on furnishings and equipment	(94)	(82)
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Total by investing activities	(398)	(309)
<hr/>		
By financing activities		
Net repayment of credit facilities	397	-
Purchase of share capital for cancellation	(188)	(300)
Dividend paid	(325)	(337)
<hr/>		
Total by financing activities	(116)	(637)
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Increase (decrease) in cash	2	15
Cash - beginning of period	36	47
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Cash - end of period	38	62
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Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

April 30, 2015

(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, 2015, 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, 2015. These policies have been consistently applied to all periods presented.

2. Investments in securities

	Apr 30 2015	Jan 31 2015
Veresen	36,140	32,120
Osum	6,187	6,187
Other security investments	4,429	4,051
	<u>46,756</u>	<u>42,358</u>

3. Investments property

	Apr 30 2015	Jan 31 2015
Industrial	22,625	24,045
Commercial	6,232	6,532
	<u>28,857</u>	<u>30,577</u>

4. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Apr 30 2015	Jan 31 2015	Apr 30 2015	Jan 31 2015	Apr 30 2015	Jan 31 2015
Banker's acceptances	3,994	3,497				
Bank demand loan	—	100				
	<u>3,994</u>	<u>3,597</u>	6,000	6,400	33,593	29,742
Broker's margin account	—	—	1,368	1,189	2,848	2,457
	<u>3,994</u>	<u>3,597</u>	<u>7,368</u>	<u>7,589</u>	<u>36,441</u>	<u>32,199</u>

5. Subsequent Event

On June 5, 2015, the Company declared a regular dividend of 2.5¢ per share to shareholders of record June 19, 2015, payable July 3, 2015.

6. Operating segments

	Quarter Ended Apr 30	Realty	Corporate	Inter- segment	Total
Revenue	2015	993	727	(224)	1,496
	2014	916	728	245	1,399
Property & administration expense	2015	746	410	(80)	1,076
	2014	426	385	(71)	740
Finance expense	2015	144	28	(144)	28
	2014	174	16	(174)	16
Total revenue less total expense	2015	103	289	—	392
	2014	316	327	—	643
Fair value change	2015	(1,809)	4,088	—	2,279
	2014	—	2,276	—	2,276
Income tax expense (recovery)	2015	(216)	949	—	733
	2014	86	393	—	479
Comprehensive income	2015	(1,490)	3,428	—	1,938
	2014	230	2,210	—	2,440
Total assets	2015	29,372	66,515	(19,433)	76,454
	2014	31,067	69,916	(22,146)	78,837
Total liabilities	2015	21,831	5,251	(19,433)	7,649
	2014	24,539	2,798	(22,146)	5,191