

GENDIS INC. ANNOUNCES SECOND QUARTER RESULTS

Winnipeg, Manitoba (September 3, 2015) - Gendis Inc. (TSX:GDS) today announced its financial results for the 2nd quarter ended July 31, 2015.

Revenue for the 2nd quarter was \$1,379,000 compared to \$1,439,000 for the 2nd quarter last year. Revenue less expense for the 2nd quarter was \$153,000 compared to \$660,000 for the 2nd quarter last year. Net loss for the 2nd quarter was \$5,783,000 (\$0.45 per share) compared to net income \$4,829,000 (\$0.36 per share) for the 2nd quarter last year.

Revenue year-to-date was \$2,875,000 compared to \$2,838,000 year-to-date last year. Revenue less expense year-to-date was \$545,000 compared to \$1,303,000 year-to-date last year. Net loss year-to-date was \$3,845,000 (\$0.30 per share) compared to net income of \$7,269,000 (\$0.54 per share) year-to-date last year.

The volatility in net income quarter over quarter and year over year 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		YTD ended	
	Jul 31 2015	Jul 31 2014	Jul 31 2015	Jul 31 2014
Revenue				
Lease rental revenue	0.9	0.9	1.8	1.8
Dividends	0.5	0.5	1.1	1.0
Total revenue	1.4	1.4	2.9	2.8
Expense				
Property	0.8	0.4	1.5	0.8
Administration & finance	0.4	0.3	0.8	0.7
Total expense	1.2	0.7	2.3	1.5
Total revenue less total expense	0.2	0.7	0.5	1.3
Fair value change:				
Veresen	(6.6)	4.6	(2.5)	7.3
Osum	(0.6)	(0.8)	(0.6)	(0.8)
Other investments in securities	(0.6)	0.1	(0.6)	(0.3)
Investment properties	0.4	1.0	(1.4)	1.0
Total fair value change	7.4	4.9	(5.1)	7.2
Income tax (expense) recovery	1.4	(0.8)	0.7	(1.2)
Net income (loss)	(5.8)	4.8	(3.8)	7.3
Net income(loss) per share	\$(0.45)	\$0.36	\$(0.30)	\$0.54

in millions of Canadian dollars	Jul 31 2015	Jan 31 2015	Jul 31 2014
Fair value of investments:			
Veresen	29.6	32.1	37.0
Osum	5.6	6.2	10.7
Other investment in securities	3.7	4.1	4.1
Investment properties	29.4	30.5	31.6
Other assets	1.4	1.0	1.1
Debt & payables	7.3	5.7	4.6
Deferred tax payable	0.1	0.8	2.4
Shareholders' equity	62.3	67.3	77.5

in millions of Canadian dollars	Quarter ended		Year to date ended	
	Jul 31 2015	Jul 31 2014	Jul 31 2015	Jul 31 2014
Cash flow from:				
Operations				
Cash receipts	1.1	1.9	2.9	3.5
Cash disbursements & finance expense	(1.4)	(1.3)	(3.0)	(1.8)
Income taxes paid	-	-	(0.2)	(0.2)
Investing				
Proceeds on sale of investment in securities	0.1	-	0.1	-
Acquisition of investments	-	(0.5)	-	(0.7)
Expenditures on investment properties	(0.2)	(0.1)	(0.3)	(0.1)
Financing				
Increase (decrease) in debt	1.2	1.1	1.6	1.1
Purchase of share capital for cancellation	(0.4)	(0.7)	(0.6)	(1.0)
Dividends paid	(0.3)	(0.3)	(0.6)	(0.7)

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GENDIS INC.
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

(unaudited - thousands of Canadian dollars)	Jul 31 2015	Jan 31 2015	Jul 31 2014
ASSETS			
Current assets			
Cash	82	36	43
Receivables	989	818	935
Total current assets	1,071	854	978
Non-current assets			
Investment in securities (note 2)	38,912	42,358	51,830
Investment properties	29,437	30,577	31,565
Furnishings and equipment	190	159	158
Total non-current assets	68,539	73,094	83,553
Total assets	69,610	73,948	84,531
LIABILITIES			
Current liabilities			
Credit facilities (note 3)	5,196	3,597	2,697
Payables	1,100	1,099	1,056
Total current liabilities	6,296	4,696	3,753
Non-current liabilities			
Post employment benefit obligation	1,012	1,012	937
Deferred income tax payable	50	860	2,378
Total non-current liabilities	1,062	1,872	3,315
Total liabilities	7,358	6,568	7,068
SHAREHOLDERS' EQUITY	62,252	67,380	77,463
Total liabilities and shareholders' equity	69,610	73,948	84,531

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	
	2015	2014	2015	2014
Revenue				
Lease rentals	859	937	1,835	1,836
Dividends and other income	520	502	1,040	1,002
Total revenue	1,379	1,439	2,875	2,838
Expense				
Property	810	403	1,493	775
Administration	378	352	771	720
Finance	38	24	66	40
Total expense	1,226	779	2,330	1,535
Total revenue less total expense	153	660	545	1,303
Fair value change				
Investment properties	371	1,046	(1,438)	1,046
Investment in securities	(7,729)	3,901	(3,641)	6,177
Total fair value change	(7,358)	4,947	(5,079)	7,223
Income (loss) before income tax	(7,205)	5,607	(4,534)	8,526
Income tax (expense) recovery	1,422	(778)	689	(1,257)
Net income (loss) from operations and comprehensive income(loss)	(5,783)	4,829	(3,845)	7,269
Net income (loss) from operations per share	\$(0.45)	\$0.36	\$(0.30)	\$0.54

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			7,269	7,269
Dividends			(670)	(670)
Purchase of share capital for cancellation	(265)	(278)	(700)	(978)
Balance - July 31, 2014	13,216	13,892	63,571	77,463
For the remainder of the year:				
Dividends			(656)	(656)
Comprehensive loss			(8,750)	(8,750)
Purchase of share capital for cancellation	(170)	(179)	(498)	(677)
Balance - January 31, 2015	13,046	13,713	53,667	67,380
Comprehensive loss			(3,845)	(3,845)
Dividends			(649)	(649)
Purchase of share capital for cancellation	(175)	(183)	(451)	(634)
Balance - July 31, 2015	12,781	13,530	48,722	62,252

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	
	2015	2014	2015	2014
Changes in cash position				
By operations				
Cash receipts	1,108	1,871	2,913	3,485
Cash disbursements	(1,354)	(1,293)	(2,390)	(1,719)
Income taxes paid	—	—	(224)	(211)
Finance expense paid	(37)	(21)	(65)	(38)
Total by operations	(283)	557	234	1,517
By investing activities				
Acquisition of investment in securities	—	(500)	(300)	(726)
Proceeds from sale of investment in securities	125	—	125	—
Expenditures on investment properties	(209)	(134)	(298)	(134)
Proceeds from sale furnishings and equipment	—	2	85	2
Expenditures on furnishings and equipment	(21)	(31)	(115)	(113)
Total by investing activities	(105)	(663)	(503)	(971)
By financing activities				
Net advance (repayment) of credit facilities	1,202	1,098	1,599	1,098
Purchase of share capital for cancellation	(447)	(678)	(635)	(978)
Dividends paid	(323)	(333)	(649)	(670)
Total by financing activities	432	87	315	(550)
Increase (decrease) in cash	44	(19)	46	(4)
Cash - beginning of period	38	62	36	47
Cash - end of period	82	43	82	43

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
	2015	2015
Veresen	29,580	32,120
Osum	5,552	6,187
Other security investments	3,780	4,051
	38,912	42,358

3. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Jul 31	Jan 31	Jul 31	Jan 31	Jul 31	Jan 31
	2015	2015	2015	2015	2015	2015
Banker's acceptances	4,996	3,497				
Bank demand loan	200	100				
	5,196	3,597	4,800	6,400	27,408	29,742
Broker's margin account	–	–	1,096	1,189	2,212	2,457
	5,196	3,597	5,896	7,589	29,620	32,199

4. Subsequent Event

On September 3, 2015, the Company declared a regular dividend of 2.5¢ per share to shareholders of record September 18, 2015, payable October 2, 2015.

5. Operating segments

	Quarter	Realty	Corporate	Inter-	Total
	Ended Jul 31				
Revenue	2015	877	7,30	(228)	1,379
	2014	955	729	(245)	1,439
Property & administration expense	2015	873	396	(81)	1,188
	2014	458	368	(71)	755
Finance expense	2015	147	38	(147)	38
	2014	174	24	(174)	24
Total revenue less total expense	2015	(143)	296	—	153
	2014	323	337	—	660
Fair value change	2015	371	(7,729)	—	(7,358)
	2014	1,046	3,901	—	4,947
Income tax recovery (expense)	2015	(12)	1,434	—	1,422
	2014	(369)	(409)	—	(778)
Comprehensive income (loss)	2015	216	(5,999)	—	(5,783)
	2014	1,000	3,829	—	4,829

	YTD	Realty	Corporate	Inter-	Total
	Ended Jul 31				
Revenue	2015	1,870	1,457	(452)	2,875
	2014	1,871	1,458	(491)	2,838
Property & administration expense	2015	1,619	806	(161)	2,264
	2014	884	754	(143)	1,495
Finance expense	2015	291	66	(291)	66
	2014	348	40	(348)	40
Total revenue less total expense	2015	(40)	585	—	545
	2014	639	664	—	1,303
Fair value change	2015	(1,438)	(3,641)	—	(5,079)
	2014	1,046	6,177	—	7,223
Income tax recovery (expense)	2015	204	485	—	689
	2014	(455)	(802)	—	(1,257)
Comprehensive income (loss)	2015	(1,274)	(2,571)	—	(3,845)
	2014	1,230	6,039	—	7,269
Total assets	2015	30,257	60,917	(21,564)	69,610
	2014	32,291	73,862	(21,622)	84,531
Total liabilities	2015	22,498	6,424	(21,564)	7,358
	2014	24,762	3,928	(21,622)	7,068