

GENDIS INC. ANNOUNCES THIRD QUARTER RESULTS

Winnipeg, Manitoba (December 4, 2015) - Gendis Inc. (TSX:GDS) today announced its financial results for the 3rd quarter ended October 31, 2015.

Revenue for the 3rd quarter was \$1,269,000 compared to \$1,483,000 for last year. Revenue less expense for the 3rd quarter was \$544,000 compared to \$712,000 for last year. Net loss for the 3rd quarter was \$6,546,000 (\$0.50 per share) compared to a loss of \$1,327,000 (\$0.09 per share) for last year.

Revenue year-to-date was \$4,144,000 compared to \$4,321,000 year-to-date last year. Revenue less expense year-to-date was \$1,089,000 compared to \$2,015,000 year-to-date last year. Net loss year-to-date was \$10,391,000 (\$0.80 per share) compared to net earnings of \$5,942,000 (\$0.45 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 investment in securities, primarily the Company's investment in Veresen 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	
	Oct 31 2015	Oct 31 2014	Oct 31 2015	Oct 31 2014
Revenue				
Lease rental revenue	0.8	1.0	2.6	2.8
Dividends	0.5	0.5	1.5	1.5
Total revenue	1.3	1.5	4.1	4.3
Expense				
Property	0.3	0.4	1.9	1.2
Administration & finance	0.4	0.4	1.2	1.1
Total expense	0.7	0.8	3.1	2.3
Total revenue less total expense	0.6	0.7	1.0	2.0
Fair value change:				
Veresen	(6.8)	(1.7)	(9.4)	5.6
Osum	—	(0.4)	(0.6)	(1.2)
Other security investments	—	(0.3)	(0.4)	(0.6)
Investment properties	(0.3)	0.2	(1.7)	1.2
Total fair value change	(7.1)	(2.2)	(12.1)	5.0
Income tax (expense)recovery	—	0.2	0.7	(1.1)
Net earnings (loss)	(6.5)	(1.3)	(10.4)	5.9
Earnings (loss) per share	\$(0.50)	\$(0.09)	\$(0.80)	\$0.45

in millions of Canadian dollars	Oct 31 2015	Jan 31 2015	Oct 31 2014
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Fair value of investments:			
Veresen	22.7	32.1	35.3
Osum	5.6	6.2	10.3
Other security investments	3.8	4.1	4.1
Investment properties	29.2	30.5	32.0
Other assets	0.9	1.0	1.1
Debt & payables	7.0	5.7	5.4
Deferred tax payable	-	0.8	2.1
Shareholders' equity	55.2	67.3	75.3
	Quarter ended	Year to date ended	
	Oct 31	Oct 31	Oct 31
in millions of Canadian dollars	2015	2014	2015
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Cash flow from:

Operations

Cash receipts	1.7	1.7	4.6	5.2
Cash disbursements & finance expense	(0.9)	(0.8)	(3.4)	(2.5)
Income taxes recovered (paid)	-	-	(0.2)	(0.2)

Investing

Proceeds on sales of security investments	-	-	0.1	-
Purchase of security investments	-	(0.2)	(0.3)	(0.9)
Expenditures on investment properties and equipment	(0.1)	(0.3)	(0.4)	(0.5)

Financing

Increase (decrease) in debt	(0.2)	0.5	1.4	1.6
Purchase of share capital for cancellation	(0.2)	(0.5)	(0.8)	(1.5)
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 2015	Jan 31 2015	Oct 31 2014
ASSETS			
Current assets			
Cash	39	36	156
Receivables	692	818	845
Total current assets	731	854	1,001
Non-current assets			
Investment in securities (note 2)	32,130	42,358	49,661
Investment properties	29,247	30,577	31,975
Furnishings and equipment	182	159	164
Total non-current assets	61,559	73,094	81,800
Total assets	62,290	73,948	82,801
LIABILITIES			
Current liabilities			
Credit facilities (note 3)	4,998	3,597	3,197
Payables	1,050	1,099	1,252
Total current liabilities		4,696	4,449
Non-current liabilities			
Post employment benefit obligation	1,012	1,012	937
Deferred income tax payable		860	2,136
Total non-current liabilities	1,012	1,872	3,073
Total liabilities	7,060	6,568	7,522
SHAREHOLDERS' EQUITY	55,230	67,380	75,279
Total liabilities and shareholders' equity	62,290	73,948	82,801

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	
	2015	2014	2015	2014
Revenue				
Lease rentals	744	962	2,579	2,798
Dividends	525	521	1,565	1,523
Total revenue	1,269	1,483	4,144	4,321
Expense				
Property	362	399	1,855	1,175
Administration	332	342	1,103	1,061
Finance	31	30	97	70
Total expense	725	771	3,055	2,306
Total revenue less total expense	544	712	1,089	2,015
Fair value change				
Investment properties	(293)	157	(1,731)	1,203
Investment in securities	(6,793)	(2,381)	(10,434)	3,796
Total fair value change	(7,086)	(2,224)	(12,165)	4,999
Earnings (loss) before income tax	(6,542)	(1,512)	(11,076)	7,014
Income tax (expense) recovery	(4)	185	685	(1,072)
Net earnings (loss) from operations and comprehensive income (loss)	(6,546)	(1,327)	(10,391)	5,942
Net earnings (loss) from operations per share	\$(0.51)	\$(0.09)	\$(0.80)	\$0.45

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, 2015 ⁴	13,481	14,170	57,672	71,842
Comprehensive income			5,942	5,942
Purchase of share capital for cancellation	(396)	(415)	(1,090)	(1,505)
Dividends			(1,000)	(1,000)
Balance - October 31, 2014	13,085	13,755	61,524	75,279
For the remainder of the year:				
Comprehensive loss			(7,423)	(7,423)
Purchase of share capital for cancellation	(39)	(42)	(108)	(150)
Dividend			(326)	(326)
Balance - January 31, 2015	13,046	13,713	53,667	67,380
Comprehensive income			(10,391)	(10,391)
Purchase of share capital for cancellation	(220)	(230)	(558)	788
Dividends			(971)	(971)
Balance - October 31, 2015	12,826	13,483	41,747	55,230

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	
	2015	2014	2015	2014
Changes in cash position				
By operations				
Cash receipts	1673	1,749	4,586	5,233
Cash disbursements	(904)	(781)	(3,294)	(2,499)
Income taxes paid	-	-	(224)	(211)
Finance expense paid	(33)	(30)	(98)	(68)
Total by operations	736	938	970	2,455
By investing activities				
Proceeds from sale of security investments	-	-	125	-
Acquisition of security investments	-	(200)	(300)	(927)
Expenditures on investment properties	(103)	(253)	(401)	(387)
Proceeds from sale of equipment	-	-	85	-
Expenditures on furnishings and equipment	(3)	(14)	(118)	(125)
Total by investing activities	(106)	(467)	(609)	(1,439)
By financing activities				
Net advance (repayment) of credit facilities	(198)	500	1,401	1,598
Purchase of share capital for cancellation	(153)	(528)	(788)	(1,505)
Dividends paid	(322)	(330)	(971)	(1,000)
Total by financing activities	(673)	(358)	(358)	(907)
Increase (decrease) in cash	(43)	113	3	109
Cash - beginning of period	82	43	36	47
Cash - end of period	39	156	39	156

Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

January 31, 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. Investment in securities

	Oct 31 2015	Jan 31 2015
Veresen	22,740	32,120
Osum	5,553	6,187
Other security investments	3,837	4,051
	32,130	42,358

3. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Oct 31 2015	Jan 31 2015	Oct 31 2015	Jan 31 2015	Oct 31 2015	Jan 31 2015
Bank credit facility	4,988	3,597	5,000	6,400	21,075	29,742
Broker's margin account	-	-	842	1,189	1,701	2,457
	4,988	3,597	5,842	7,589	22,776	32,199

4. Subsequent Event

On December 4, 2015, the Company declared a regular dividend of 2.5¢ per share to shareholders of record December 18, 2015, payable January 8, 2016.

On December 4, 2015, the fair value of the Company's investment in securities declined by \$3.4 million, primarily from Veresen by \$2.5 million and Input Capital by \$0.9 million.

5. Operating segments

	Quarter Ended Oct 31	Realty	Corporate	Inter- segment	Total
Revenue	2015	761	733	(225)	1,269
	2014	979	747	(243)	1,483
Property & administration expense	2015	425	349	(80)	694
	2014	453	359	(71)	741
Finance expense	2015	145	31	(145)	31
	2014	172	30	(172)	30
Total revenue less total expense	2015	191	353	—	544
	2014	354	358	—	712
Fair value change	2015	(293)	(6,793)	—	(7,086)
	2014	157	(2,381)	—	(2,224)
Income tax recovery (expense)	2015	(11)	7	—	(4)
	2014	25	160	—	185
Comprehensive income (loss)	2015	(113)	(6,433)	—	(6,546)
	2014	536	(1,863)	—	(1,327)
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	YTD Ended Oct 31	Realty	Corporate	Inter- Segment	Total
Revenue	2015	2,631	2,190	(677)	4,144
	2014	2,850	2,205	(734)	4,321
Property & administration expense	2015	2,044	1,155	(241)	2,958
	2014	1,336	1,114	(214)	2,236
Finance expense	2015	436	97	(436)	97
	2014	520	70	(520)	70
Total revenue less total expense	2015	151	938		1,089
	2014	994	1,021		2,015
Fair value change	2015	(1,731)	(10,434)		(12,165)
	2014	1,203	3,796	—	4,999
Income tax recovery (expense)	2015	193	492		685
	2014	(430)	(642)	—	(1,072)
Comprehensive income (loss)	2015	(1,387)	(9,004)		(10,391)
	2014	1,767	4,175	—	5,942
Total assets	2015	29,802	54,755	(22,267)	62,290
	2014	32,743	75,514	(22,456)	82,801
Total liabilities	2015	23,050	6,277	(22,267)	7,060
	2014	24,678	5,300	(22,456)	7,522