

For immediate release

GENDIS INC. ANNOUNCES FIRST QUARTER EARNINGS

Winnipeg, Manitoba (June 3, 2016) - Gendis Inc. (TSX:GDS) today announced its financial results for the 1st quarter ended April 30, 2016.

Net earnings for the 1st quarter were \$1,136,000 (\$0.09 per share) compared to net earnings of \$1,938,000 (\$0.15 per share) for the prior year 1st quarter. Revenue for the 1st quarter was \$1,227,000 compared to \$1,496,000 for the prior year 1st quarter. Revenue less expense for the 1st quarter was \$255,000 compared to \$392,000 for the prior year 1st quarter. The decline is primarily due to vacancy in the Company's Sony place Facility.

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 2016	Apr 30 2015
Revenue		
Lease rental revenue	0.7	1.0
Dividends	0.5	0.5
Total revenue	1.2	1.5
Expense		
Property	0.6	0.7
Administration & finance	0.4	0.4
Total expense	1.0	1.1
Total revenue less Total expense	0.2	0.4
Fair value change:		
Veresen	2.1	4.0
Other security investments	(0.1)	0.1
Investment properties	(1.1)	(1.8)
Total fair value change	0.9	2.3
Income tax expense	0.1	0.7
Net earnings	1.1	1.9
Earnings per share	\$0.09	\$0.15

in millions of Canadian dollars	Apr 30 2016	Jan 31 2016	Apr 30 2015
Fair value of investments:			
Veresen	18.1	16.0	36.1
Osum	4.8	4.8	6.2
Other security investments	2.7	2.7	4.4
Investment properties	29.0	30.1	28.9
Other assets	0.9	1.8	0.8
Debt & payables	6.3	7.2	6.1
Deferred tax payable	0.1	-	1.5
Shareholders' equity	49.1	48.2	68.8

in millions of Canadian dollars	Quarter ended	
	Apr 30 2016	Apr 30 2015
Cash flow from:		
Operations		
Cash receipts	1.4	1.8
Cash disbursements & finance expense	(0.9)	(1.1)
Income taxes recovered (paid)	0.6	(0.2)
Investing		
Purchase of investments	-	(0.3)
Expenditures on investment properties	-	(0.1)
Net expenditures on equipment	-	-
Financing		
Increase (decrease) in debt	(0.9)	0.4
Purchase of share capital for cancellation	-	(0.2)
Dividend	(0.3)	(0.3)

For more information, please contact:

James E. Cohen

President & Chief Executive Officer

Telephone: (204) 474-5200

Fax: (204) 474-5201

E-mail:

finance@gendis.ca

Web site:

www.gendis.ca

GENDIS INC.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

(unaudited - thousands of Canadian dollars)	Apr 30 2016	Jan 31 2016	Apr 30 2015
ASSETS			
Current assets			
Cash	9	110	38
Income tax recoverable	—	638	—
Receivables	719	800	622
Total current assets	728	1,548	660
Non-current assets			
Investments in securities (note 2)	25,554	23,461	46,756
Investment properties (note 3)	28,990	30,130	28,857
Other current assets	175	306	181
Total non-current assets	54,719	53,897	75,794
Total assets	55,447	55,445	76,454
LIABILITIES			
Current liabilities			
Credit facilities (note 4)	4,198	5,098	3,994
Payables	1,145	1,151	1,109
Total current liabilities	5,343	6,249	5,103
Non-current liabilities			
Post employment benefit obligation	951	951	1,012
Deferred income tax payable	94	—	1,534
Total non-current liabilities	1,045	951	2,546
Total liabilities	6,388	7,200	7,649
SHAREHOLDERS' EQUITY	49,059	48,245	68,805
Total liabilities and shareholders' equity	55,447	55,445	76,454

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	
	2016	2015
Revenue		
Lease rentals	696	976
Dividends	531	520
<hr/> Total revenue	<hr/> 1,227	<hr/> 1,496
Expense		
Property	558	683
Administration	383	393
Finance	31	28
<hr/> Total expense	<hr/> 972	<hr/> 1,104
<hr/> Total revenue less total expense	<hr/> 255	<hr/> 392
Fair value change		
Investments in securities	2,083	4,088
Investment properties	(1,142)	(1,809)
<hr/> Total fair value change	<hr/> 941	<hr/> 2,279
Earnings before income tax	1,196	2,671
<hr/> Income tax expense	<hr/> 60	<hr/> 733
 Net earnings from operations and comprehensive income	 <hr/> 1,136	 <hr/> 1,938
 Net earnings from operations per share	 <hr/> \$0.09	 <hr/> \$0.15

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	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
For the remainder of the year:				
Comprehensive loss			(18,915)	(18,915)
Purchase of share capital for cancellation	(193)	(202)	(477)	(679)
Dividends			(966)	(966)
Balance - January 31, 2016	12,801	13,457	34,788	48,245
Comprehensive income			1,136	1,136
Purchase of share capital for cancellation	(1)	(1)	(1)	(2)
Dividend			(320)	(320)
Balance - April 30, 2016	12,800	13,456	35,603	49,059

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

(unaudited - thousands of Canadian dollars)	Quarter ended	
	2016	2015
Changes in cash position		
By operations		
Cash receipts		
Lease rentals	836	1,214
Dividends	596	591
Cash disbursements		
Property	(517)	(582)
Administration	(382)	(455)
Income taxes paid	-	(224)
Finance expense paid	(31)	(28)
Total by operations	1,140	516
By investing activities		
Acquisition of security investments	-	(300)
Expenditures on investment properties	(2)	(89)
Proceeds from disposal of equipment	-	85
Expenditures on furnishings and equipment	(17)	(94)
Total by investing activities	(19)	(398)
By financing activities		
Net advance (repayment) of credit facilities	(900)	397
Purchase of share capital for cancellation	(2)	(188)
Dividend paid	(320)	(325)
Total by financing activities	(1,222)	(116)
Increase (decrease) in cash	(101)	2
Cash - beginning of period	110	36
Cash - end of period	9	38

Gendis Inc.

Notes to the unaudited Interim condensed Financial Statements

April 30, 2016

(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, 2016, 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, 2016. These policies have been consistently applied to all periods presented.

2. Investments in securities

	Apr 30 2016	Jan 31 2016
Veresen	18,080	15,960
Osum	4,759	4,759
Other security investments	2,715	2,742
	25,554	23,461

3. Investments property

	Apr 30 2016	Jan 31 2016
Industrial	22,510	23,480
Commercial	6,480	6,650
	28,990	30,130

4. Credit facilities

	Borrowing Balance		Remaining borrowing availability		Carrying value of collateral	
	Apr 30 2016	Jan 31 2016	Apr 30 2016	Jan 31 2016	Apr 30 2016	Jan 31 2016
Banker's acceptances	4,198	5,098	4,208	2,289	16,815	14,778
Broker's margin account	—	—	669	591	1,339	1,199
	4,198	5,098	4,877	2,880	18,154	15,977

5. Subsequent Event

On June 3, 2016, the Company declared a regular dividend of 2.5¢ per share to shareholders of record June 24, 2016, payable July 8, 2016.

6. Operating segments

	Quarter	Realty	Corporate	Inter- segment	Total
	Ended Apr 30				
Revenue	2016	713	738	(224)	1,227
	2015	993	727	(224)	1,496
Property & administration expense	2016	618	401	(78)	941
	2015	746	410	(80)	1,076
Finance expense	2016	146	31	(146)	31
	2015	144	28	(144)	28
Total revenue less total expense	2016	(51)	306	—	255
	2015	103	289	—	392
Fair value change	2016	(1,142)	2,083	—	941
	2015	(1,809)	4,088	—	2,279
Income tax (expense) recovery	2016	21	(81)	—	(60)
	2015	216	(949)	—	(733)
Comprehensive income	2016	(1,172)	2,308	—	1,136
	2015	(1,490)	3,428	—	1,938
Total assets	2016	29,509	48,047	(22,109)	55,447
	2015	29,372	66,515	(19,433)	76,454
Total liabilities	2016	22,756	5,741	(22,109)	6,388
	2015	21,831	5,251	(19,433)	7,649