

# Genesis Land Development Corp. TSE Stock Symbol: GDC

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## **Genesis Reports Earnings of \$0.11 and \$0.36 for the three and nine months ended September 30, 2012:**

### Results of Operations

Genesis Land Development Corp. (“Genesis” or the “Corporation”) reports net earnings for the three and nine months ended September 30, 2012 of \$5 million and \$16 million or \$0.11 and \$0.36 basic and fully diluted earnings per share (2011 – \$1.9 million and \$9 million or \$0.04 and \$0.20 fully diluted earnings per share) on total revenues of \$30.2 million and \$83.9 million for the three and nine months ended September 30, 2012 (2011 - \$21.7 million and \$70 million).

The Corporation achieved the following sales:

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	(Number of units)		(Number of units)	
Single-family residential lots	66	48	241	162
Development land parcels	2	1	4	5
Single-family homes	18	24	56	54
Multi-family homes	-	-	1	3

### Repayment of debt and new financing

During the nine months ended September 30, 2012, the Corporation reduced its debt by \$11 million, a total reduction of 12% since year end. Total debt at September 30, 2012 was \$77.2 million.

On October 30, 2012, the Corporation entered into a commitment letter in the amount of \$71.5 million to receive development financing for its Sage Hill Crossing commercial project. The financing will be used to repay the existing loan amounting to \$16.7 million and to complete servicing of Sagehill Crossing commercial project. All advances to complete the servicing will be funded on a cost to complete basis. A previously disclosed sale to Riocan Real Estate Investment Trust in the amount of \$31.7 million will be recognized upon substantial completion of servicing of the lands under the agreement.

### Outlook

The Calgary market appears set for a period of stable growth after experiencing significant improvements year over year. Genesis has an inventory of 444 fully serviced lots, 9 professionally staged show homes and a supply of approved lands within the Calgary Metropolitan Area (“CMA”). These assets serve Genesis well in a stable market while also allowing for adjustments should the market fluctuate. The focus of the Corporation in 2012 continues to be the optimization of operations, core lands and housing operations.

## FINANCIAL SUMMARY

As at and for the three and nine months ended September 30, 2012 and 2011

(all tabular amounts are in thousands of dollars except per share amounts and number of outstanding shares)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Revenue	30,222	21,724	83,876	70,092
Expenses net of finance income	22,434	19,262	62,008	58,117
Earnings before taxes	7,788	2,462	21,868	11,975
Earnings attributable to equity holders	4,956	1,877	15,987	9,003
Earnings per share (basic & fully diluted)	0.11	0.04	0.36	0.20
			<b>September 30,</b>	<b>September 30,</b>
			<b>2012</b>	<b>2011</b>
Assets			376,714	360,877
Liabilities			127,539	124,841
Total equity			249,175	236,036
Common Shares Outstanding			44,737,603	44,484,287

### About Genesis:

Genesis is a Calgary based land development company and residential home builder with land holdings in Alberta and British Columbia. Its active operations are located primarily in the CMA.

This press release should be read in conjunction with the Condensed Consolidated Interim Financial Statements and Management Discussion & Analysis of the Corporation for the three and nine months ended September 30, 2012, which have been filed on the System for Electronic Document Analysis and Retrieval (SEDAR). Copies of these documents may be obtained via SEDAR at [www.sedar.com](http://www.sedar.com)

### Cautionary Statement Regarding Forward-Looking Information

This press release contains certain statements which constitute forward-looking statements or information ("forward-looking statements") within the meaning of applicable securities legislation concerning the business, operations and financial performance and condition of Genesis. Forward-looking statements include, but are not limited to, statements with respect to the estimated corporate tax rate and the number of dwelling sites that Genesis will actually develop and sell. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Genesis to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Accordingly, Genesis cannot give any assurance that its expectations will in fact occur and cautions that actual results may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, general economic conditions; local real estate conditions, including the development of properties in close proximity to Genesis' properties; timely leasing of newly-developed properties and re-leasing of occupied square footage upon expiration; dependence on tenants' financial condition; the uncertainties of real estate development and acquisition activity; the ability to effectively integrate acquisitions; interest rates; availability of equity and debt financing; the impact of newly-adopted accounting principles on Genesis' accounting policies and on period-to-period comparisons of financial results; economic conditions in

Western Canada, not realizing on the anticipated benefits from the transaction or not realizing on such anticipated benefits within the expected time frame and other risks and factors described from time to time in the documents filed by Genesis with the securities regulators in Canada available at [www.sedar.com](http://www.sedar.com)., including the Annual Information Form under the heading “Risk Factors” and in Genesis’ most recent interim report under the heading “Management’s Discussion and Analysis.” Furthermore, the forward-looking statements contained in this press release are made as of the date of this press release and, except as required by applicable law, Genesis does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Caution should be exercised in the evaluation and use of the appraisal results. The appraisal is an estimate of market value at specific dates and not a precise measure of value, being based on subjective comparison of related activity taking place in the real estate market. The appraisal is based on various assumptions of future expectations and while the appraiser's assumptions are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.