



Genesis Reports 2013 Third Quarter Results

For Immediate Release

CALGARY, November 7, 2013 – Genesis Land Development Corp. (TSX: GDC) (the "Corporation" or "Genesis") is pleased to report its financial and operating results for the three months and nine months ended September 30, 2013.

Summary

- Cash flows from operating activities per share for the three and nine months ended September 30, 2013 were \$0.06 and \$1.19 compared to \$0.02 and \$0.32 for the same periods in 2012. This increase was mainly due to receipt of payments from purchasers of residential lots and homes and the receipt of \$27,713,000 from the sale of sites 1 and 2 in the Sage Hill Crossing commercial development.
- Management's core strategy to "build a strong, profitable and sustainable home building operation", alongside its successful land development operation, is already showing results as revenues from the home building segment increased significantly from \$7,366,000 to \$16,915,000 and \$25,593,000 to \$46,902,000 in the three and nine months ended September 30, 2013 compared to the same periods in 2012. The number of homes sold increased dramatically from 18 to 40 and 57 to 122 in the three and nine months ended September 30, 2013 compared to the same periods in 2012.
- The Corporation's strategy is to sell more lots through its home building segment and thus realize both the land development margin and the home building margin. In the short term, land development revenue declines as those lots sold through the home building division, and related profits, are not recognized until the home is built and sold. This accounts for a significant portion of the decline in residential lot sales to third parties from 28 to 17 and 192 to 88 for the three and nine months ended September 30, 2013 compared to the same periods in 2012.
- The Corporation is working aggressively to generate higher gross margins in home building. Gross margin as a percentage of revenue before impairment for the three and nine months ended September 30, 2013 was 26% and 28% compared to 30% and 38% for the same periods in 2012. The reduction is largely a result of the higher weighting of revenue to home sales.
- Adjusted earnings per share before impairment (recovery) related to equity shareholders and before proxy contest costs for the three and nine months ended September 30, 2013 was \$0.06 and \$0.20 compared to \$0.10 and \$0.35 for the same periods in 2012.
- The assessment of long-term land holdings has included a careful determination of net realizable value and impairment of \$12,127,000 has been recorded in 2013 with most of that loss recorded in the current quarter. This write-down reduced earnings accordingly. The Corporation has identified several non-core properties for which a disposition plan is well underway. Development and acquisition plans for the long-term land holdings to be retained have also progressed and show significant promise for long-term sustainability of earnings and cash flows.

- The Corporation's debt decreased significantly from \$97,224,000 at December 31, 2012 to \$48,906,000 at September 30, 2013 due to the pay down of debt related to sites 1 and 2 in the Sage Hill Crossing commercial development and other property related debt. The rapid reduction of debt and the strong current and future cash flows from operating activities have reduced the Corporation's short-term reliance on debt.

CORPORATE HIGHLIGHTS

Key financial results and operating data for the Corporation are as follows:

(\$000s, except as noted)	Three months ended		Nine months ended	
	September 30,		September 30,	
Key Financial Data	2013	2012 ⁽¹⁾	2013	2012 ⁽¹⁾
Residential lot revenues ⁽²⁾	2,819	5,479	16,176	35,940
Development land revenues	-	10,550	6,668	10,550
Residential home revenues ⁽²⁾	16,915	7,366	46,902	25,593
Total revenues	19,734	23,395	69,746	72,083
Cost of sales ⁽³⁾	25,651	14,809	62,252	43,641
Gross margin	(5,917)	8,586	7,494	28,442
Impairment (recovery)	11,141	(1,468)	12,127	(1,069)
Gross margin before impairment ⁽⁴⁾	5,224	7,118	19,621	27,373
Gross margin before impairment (%) ⁽⁴⁾	26%	30%	28%	38%
(Loss) earnings before income taxes	(10,488)	7,788	(4,335)	21,868
Net (loss) earnings ⁽⁵⁾ attributable to equity shareholders	(4,644)	4,956	733	15,987
Net (loss) earnings ⁽⁵⁾ per share - basic and diluted	(0.10)	0.11	0.02	0.36
Adjusted earnings per share - basic and diluted ^{(4), (6)}	0.06	0.10	0.20	0.35
Cash flows from operating activities per share ⁽⁷⁾	0.06	0.02	1.19	0.32
Key Operating Data				
Residential lots sold to third parties (units)	17	28	88	192
Development land sold (acres)	-	11.78	11.28	11.78
Average revenue per lot sold to third parties	166	196	184	187
Average revenue per acre	-	896	591	896
Homes sold (units)	40	18	122	57
Average revenue per home sold	423	409	384	449
Net new home orders (units)	55	37	135	118

⁽¹⁾ The figures for 2012 have been restated to incorporate the impact of adopting IFRS 11 Joint Arrangements

⁽²⁾ Includes other revenues

⁽³⁾ Includes impairment (recovery) of real estate held for development and sale

⁽⁴⁾ Non-IFRS financial measure. See advisories.

⁽⁵⁾ Net of income tax expense

⁽⁶⁾ Before impairment (recovery) related to equity shareholders and before proxy contest costs.

⁽⁷⁾ Basic and diluted amounts per share

Key balance sheet data

(\$000s, except as noted)

As at	September 30, 2013	December 31, 2012 ⁽¹⁾
Cash and cash equivalents	11,514	10,005
Total assets	312,981	374,341
Loans and credit facilities	48,906	97,224
Total liabilities	95,697	148,032
Total equity	217,284	226,309

⁽¹⁾ 2012 information has been restated to reflect the changes due to the adoption of IFRS 11 as summarized in note 3 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2013 and 2012.

Outlook

Alberta's general economic conditions continue to be strong and the home building industry in Calgary is expected to continue its growth through the balance of 2013. These solid economic fundamentals include low unemployment and interest rates, low and stable inflation rates, positive net migration to Alberta and above average earnings by Albertans. The combination of these factors provide Genesis with a healthy environment for development of its core land positions, sale of lots and expansion of its home building activities.

Strategic Planning Process

The Strategic Planning Committee and management are refining a strategic plan with a view to obtaining approval by the board of directors in December 2013. The major conclusions and objectives of the strategic plan will be communicated in a press release following its approval.

While details of the strategic plan are not finalized, in broad terms Genesis will continue to focus on its two core businesses of land development and home building in the greater Calgary area, where three core properties continue to generate attractive earnings and cash flows. Several other long-term land holdings, also in the greater Calgary area, will contribute to future sustainable earnings and cash flows when development commences.

The Corporation has made substantial progress in 2013 on the following strategic and operational priorities:

- Building a strong, profitable and sustainable home building operation;
- Growing the Corporation's land development operations, including:
 - assessing long-term requirements for land development and home building;
 - implementing the appropriate regulatory and planning programs to advance development of existing properties;
 - developing and implementing a plan to dispose of a number of non-core holdings in order to focus operations in the greater Calgary area and;
 - Simplifying the ownership structure of long-term land currently held in limited partnerships;
- Strengthening the Corporation's relationships with the lending and investment community.

Additional Information

The information contained in this release should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2013 and 2012 and related Management's Discussion and Analysis which have been filed with Canadian securities regulatory authorities. Copies of these documents may be obtained via www.sedar.com or the Corporation's website, www.genesisland.com.

About Genesis

Genesis is a Calgary based land development company and residential home builder with land holdings, operating primarily in the greater Calgary area.

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Advisories

Non-IFRS Financial Measures

Adjusted earnings per share and gross margin before impairment are non-IFRS measures that do not have any standardized meaning as prescribed by IFRS and therefore they may not be comparable to similarly titled measures reported by other companies. These measures have been presented in this document in order to provide shareholders and potential investors with additional information regarding the Corporation's performance. Additional information on these measures and reconciliations can be found in the Management's Discussion and Analysis dated September 30, 2013.

Cautionary Statement Regarding Forward-Looking Information

This news 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 nature of development lands held and the anticipated inventory and development potential of such lands, ability to bring new developments to market, anticipated general economic and industry conditions in 2013 including low unemployment and interest rates, low stable inflation rates, positive net migration, petroleum commodity prices and above average earnings in Alberta and the anticipated impact on Genesis' development and homebuilding activities, Genesis' business strategy, including the geographic focus of its activities in 2013, the anticipated impact of executive appointments on Genesis' operational growth and financial results, anticipated areas of focus for Genesis in 2013; and the ability of Genesis to develop projects (and the nature of such projects). 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 many of which are beyond the Corporation's control, 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: the impact or unanticipated impact of general economic conditions; the impact of contractual arrangements and incurred obligations on future operations and liquidity; 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; fluctuations in 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 transactions 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, including the Management Discussion and Analysis under the heading "Risks and Uncertainties" and the Annual Information Form under the heading "Risk Factors". Furthermore, the forward-looking statements contained in this news release are made as of the date of this news 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.