



Genesis Reports 2014 First Quarter Results – 144% Increase in New Home Orders

For Immediate Release

CALGARY, May 13, 2014 – Genesis Land Development Corp. (TSX: GDC) (the "Corporation" or "Genesis") is pleased to report its financial and operating results for the three months ended March 31, 2014.

CORPORATE HIGHLIGHTS

Our key financial results and operating data were as follows:

	Three months ended	
	March 31,	
	2014	2013
<i>(\$000s, except for per share items)</i>		
Key Financial Data		
Total revenues	37,987	27,610
Gross margin	7,838	8,752
Gross margin percentage	20.6%	31.7%
Net earnings attributable to equity shareholders	2,940	3,680
Net earnings per share – basic and diluted	0.07	0.08
Cash flows from operating activities	21,138	50,132
Cash flows from operating activities per share ⁽¹⁾	0.47	1.12
Key Operating Data		
Residential lots sold to third parties (units)	61	42
Residential lots sold through the home building business segment (units)	25	19
Development land sold (acres)	121.91	9.72
Average revenue per lot sold to third parties	189	191
Average revenue per acre	115	509
Homes sold (units)	27	40
Average revenue per home sold	455	365
New home orders (units)	95	39
Homes with firm sale contracts (units)	186	87

⁽¹⁾ *Basic and diluted amounts per share*

Key Balance Sheet Data	As at March 31, 2014	As at December 31, 2013
Cash and cash equivalents	20,168	17,678
Total assets	303,364	313,846
Loans and credit facilities	32,968	50,373
Total liabilities	82,849	95,920
Shareholders' equity	198,526	195,483
Total equity	220,515	217,926
Debt to total assets	10.9%	16.1%

Operating Highlights

- Increased new home orders:
 - New home orders for the three months ended March 31, 2014 were 95, a 144% increase, compared to 39 in the first quarter of 2013
 - Homes with firm sale contracts increased to 186 at March 31, 2014 compared to 87 at March 31, 2013
 - Sales for the first quarter of 2014 totalled 27 single-family units. Sales for the comparable quarter of 2013 of 40 included 20 multi-family units, which are typically delivered in blocks causing significant variations in volume
- Cash flows from operations:
 - Cash flow from operating activities for the three months ended March 31, 2014 was \$21,138 or \$0.47 per share compared to \$50,132 or \$1.12 per share in the three months ended March 31, 2013. The first quarter of 2014 included cash receipts from the sale of Acheson development land (\$13,784) while the first quarter of 2013 included cash receipts from the sale of the Sage Hill Crossing parcel (\$27,713)
- Improved management of balance sheet:
 - Significantly reduced loans and credit facilities from \$50,373 at December 31, 2013 to \$32,968 at March 31, 2014
 - This was largely due to the proceeds from the sale of the Acheson development land and other cash flow from operating activities
 - Debt to total assets dropped to 10.9% at March 31, 2014 from 16.1% at December 31, 2013. We have significant unutilized debt capacity to execute our strategic plan
 - Total interest expense was reduced by 37% to \$675 in the first quarter of 2014 from \$1,077 in the first quarter of 2013
 - Successfully executing program to sell all non-core assets:
 - Completed the sale of the Acheson development land parcel, the largest non-core asset for gross proceeds of \$14,000
 - Remaining non-core assets represent only 3.0% of Genesis' real estate portfolio

- Mixed-use development:
 - Made significant progress on design and planning for the development of the 71 acre Sage Hill Crossing mixed use development

“As 2014 unfolds we are excited with the progress on the execution of our strategic plan.” said Bruce Rudichuk, President and Chief Executive Officer. “Both our land development and home building business segments continue to deliver in line with our expectations. We remain focused on the key initiatives of our strategic plan, delivering the value of our assets to our shareholders, continuing to make a determined effort to narrow the gap between net asset value and our share value and clearly communicating our results.”

Market Overview

Alberta’s strong market dynamics provide a continued healthy environment for development and growth of our core land positions, sale of lots and expansion of our home building activities.

Additional Information

The information contained in this release should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2014 and 2013 and the related Management's Discussion and Analysis (“MD&A”) which have been filed with Canadian securities regulatory authorities. Copies of these documents may be obtained via www.sedar.com or our website at www.genesisland.com.

2014 First Quarter Conference Call

Genesis will host a conference call and web cast on Wednesday, May 14, 2014 at 7:00 a.m. MDT (9:00 a.m. EDT) to discuss the Corporation’s 2014 first quarter financial and operating results. The format of the call will be as a question and answer session for analysts and investors after a brief summary of results. To participate in the conference call, please contact the conference operator ten minutes prior to the call at 1-888-390-0546 or 1-416-764-8688. To participate in the web cast, please visit: www.genesisland.com. The web cast will be archived two hours after the presentation at the websites listed above for 90 days. For a replay of this call, please dial: 1-888-390-0541 or 1-416-764-8677 and enter access code #858170 until May 28, 2014.

About Genesis

Genesis is an integrated, award-winning land developer and residential homebuilder, creating innovative and successful communities in the Calgary Metropolitan Area. Genesis is committed to supporting its communities through partnerships like the Genesis Centre of Community Wellness and Genesis Place Recreational Centre. Genesis owns a large portfolio of entitled residential and mixed-use land, which is exceptionally well positioned to benefit from the continued robust activity in the Alberta economy. The Corporation’s common shares are listed on the Toronto Stock Exchange (TSX: GDC).

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ADVISORIES

Non-GAAP Financial Measures

Net asset value is a non-GAAP measure that does not have any standardized meaning as prescribed by IFRS and therefore they may not be comparable to similarly titled measures reported by other companies. This non-GAAP measure has been described and presented in this news release in order to provide shareholders and potential investors with additional information regarding the Corporation's performance, liquidity and value. Additional information on this measure can be found in the MD&A.

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, including Canadian Securities Administrators' National Instrument 51-102 'Continuous Disclosure Obligations', 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 positive general economic and industry conditions in 2014 including low unemployment and interest rates, low stable inflation rates, positive net migration and above average earnings in Alberta and the anticipated impact on Genesis' development and home building activities, Genesis' business strategy, including the geographic focus of its activities in 2014, the expected capital contribution of future earnings and cash flow from land holdings in the Greater Calgary area, the ability to meet the objective to increase the closing of home builds in 2014 as compared to 2013, including the ability to significantly increase home builds per year without substantial addition to costs to our production team or infrastructure so as to increase the effect on net margin and profitability. 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 in Canada, the United States and globally; 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; ability to raise capital on favourable terms; the impact of newly-adopted accounting principles on Genesis' accounting policies and on period-to-period comparisons of financial results; 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 MD&A 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 the 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.