



Genesis Reports 2016 Second Quarter Results

For Immediate Release

CALGARY, August 11, 2016 – Genesis Land Development Corp. (TSX: GDC) (the “Corporation” or “Genesis”) is pleased to report its financial and operating results for the three and six months ended June 30, 2016.

SUMMARY CORPORATE HIGHLIGHTS

Our key financial results and operating data are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<i>(\$000s, except for per share items or unless otherwise noted)</i>				
Key Financial Data				
Total revenues	26,148	31,822	58,572	47,595
Gross margin	7,603	(1,147)	15,837	3,544
Net earnings attributable to equity shareholders	2,828	1,333	4,938	1,393
Net earnings per share – basic and diluted	0.06	0.03	0.11	0.03
Cash flows from (used in) operating activities	14,394	(1,324)	26,663	(20,051)
Cash flows from (used in) operating activities per share ⁽¹⁾	0.33	(0.03)	0.60	(0.45)
Key Operating Data				
Residential lots sold to third parties (units)	22	3	22	6
Residential lots sold through home building business segment (units)	35	27	71	42
Average revenue per lot sold	176	194	183	189
Development land sold (acres)	1,653	4	1,667	4
Homes sold (units)	40	59	82	91
Average revenue per home sold	538	526	533	509
New home orders (units)	46	42	74	61

	As at June 30,	
	2016	2015
Homes with firm sale contracts (units)	55	107

	As at June 30, 2016	As at December 31, 2015
	Key Balance Sheet Data <i>(\$000s, except for per share items or unless otherwise noted)</i>	
Cash and cash equivalents	15,359	11,399
Total assets	305,978	331,045
Loans and credit facilities	40,583	63,819
Total liabilities	76,865	106,054
Shareholders' equity	216,246	212,125
Total equity	229,113	224,991

⁽¹⁾ Basic and diluted amounts per share

Overview of Market and Operating Results

With major reductions in operating costs, a focused and creative home selling effort and a strong balance sheet, Genesis has delivered profitable operations and generated significant positive cash flows. During the second quarter of 2016, Genesis reduced its debt by \$23,236,000 from \$63,819,000 at December 31, 2015 to \$40,583,000 at June 30, 2016. Genesis grew its cash on hand from \$11,399,000 at December 31, 2015 to \$15,359,000 at June 30, 2016, resulting in a net debt position of \$25,224,000.

Focused and creative selling efforts targeting the quick possession home segment resulted in home building work in progress being reduced by \$10,378,000 from \$30,768,000 at December 31, 2015 to \$20,390,000 at June 30, 2016. Genesis also focusses on selling residential lots and developed townhouse sites to third parties.

The results for the six months ended June 30, 2016 are substantially improved relative to the same period in 2015. 2016 revenues included two land parcel sales (\$11,800,000) with no significant land parcel sales in the same period in 2015 (\$100,000). Despite a continuing challenging economic environment, the business is delivering strong results. The general margin improvement in the second quarter was due to cost saving initiatives implemented in March 2016. General, administrative and sales expenses for the second quarter of 2016 were reduced by \$923,000 to \$3,770,000 compared to \$4,693,000 in the second quarter of 2015, or by 19.7%.

Highlights

Volumes and Revenue:

- Genesis sold 40 homes in Q2 2016 with revenues of \$21,533,000 (Q2 2015 – 59 and \$31,029,000 respectively). Of the 40 homes, 35 were built on residential lots supplied by Genesis', generating residential lot revenues of \$6,952,000 (Q2 2015 – 27 and \$5,140,000 respectively).
- Genesis sold 82 homes in YTD 2016 with revenues of \$43,742,000 (YTD 2015 – 91 and \$46,330,000 respectively). Of the 82 homes, 71 were built on residential lots supplied by Genesis, generating residential lot revenues of \$13,956,000 (YTD 2015 – 42 and \$7,899,000 respectively).
- Sales of homes, delivered on a quick possession basis, were higher at 15 during Q2 2016 compared to 3 during Q2 2015. YTD sales of quick possession homes were higher at 36 for 2016 compared to 12 during 2015.
- New home orders were 46 during Q2 2016 compared to 42 in Q2 2015. YTD new home orders were 74 during 2016 compared to 61 in 2015.
- The Q2 2016 closing order book of 55 firm home sales contracts compared to 107 at the close of Q2 2015. This year over year decline is believed to be due to home buyers preferring homes that can be delivered on a quick possession basis. Genesis has been successful in delivering quick possession homes in sufficient volumes to offset the decline in pre-sales orders.
- A 1,653 acre non-core development land parcel was sold in Q2 2016 with revenues of \$1,650,000 (Q2 2015 – \$100,000).

Net Earnings:

- Net earnings were \$2,828,000 for Q2 2016 compared to \$1,333,000 in Q2 2015 and \$4,938,000 for YTD 2016 compared to \$1,393,000 for YTD 2015.

Cash Flows from Operating Activities

- Cash inflows from operating activities on a quarterly basis were \$14,394,000 (inflows of \$0.33 per share) at Q2 2016 compared to cash outflows of \$1,324,000 (outflows of \$0.03 per share) at Q2 2015. Cash inflows from operating activities were \$26,663,000 (inflows of \$0.60 per share) YTD compared to cash outflows of \$20,051,000 (outflows of \$0.45 per share) at Q2 2015.

Loans and credit facilities:

- Loans and credit facilities at June 30, 2016 were \$40,583,000, compared to \$63,819,000 at December 31, 2015, a reduction of \$23,236,000.
- The components of loans and credit facilities related to land servicing and home building (excludes the vendor-take-back mortgage and a loan held by a limited partnership) amount to \$4,845,000 which is a reduction of \$8,271,000 since March 31, 2016 and \$16,528,000 since December 31, 2016.
- Genesis made repayments, net of advances, of \$8,340,000 during Q2 2016 compared to \$2,499,000 during Q2 2015 and \$16,669,000 during YTD 2016 compared to \$8,031,000 during YTD 2015. In addition, Genesis made a payment of \$8,000,000 as the first installment of a \$40,000,000 VTB.

Continued cost reductions:

- Genesis continues to review its business with a focus on cost reductions, particularly as long term contractual commitments end and, if necessary to operations, can be replaced with lower cost, shorter term arrangements.

Additional Information

The information contained in this press release should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016 and 2015 and the related Management's Discussion and Analysis ("MD&A") dated August 11, 2016 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.

About Genesis

Genesis Land Development Corp. is a land developer and residential home builder in the Calgary Metropolitan Area. The Corporation's common shares are listed on the Toronto Stock Exchange (TSX: GDC).

Contact Information

Stephen J. Griggs, interim Chief Executive Officer
Kirsten Richter, CPA, CA, interim Chief Financial Officer
7315 – 8 Street NE Calgary AB T2E 8A2
P: 403-265-8079 TF: 800-341-7211 F: 403-266-0746
Email: genesis@genesisland.com
Website: www.genesisland.com

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Forward-Looking Statements

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