



Genesis Reports 2014 Third Quarter Results – Home building Profitability and Revenue Strengthen

For Immediate Release

CALGARY, November 6, 2014 – Genesis Land Development Corp. (TSX: GDC) (the "Corporation" or "Genesis") is pleased to report its financial and operating results for the three and nine months ended September 30, 2014.

CORPORATE HIGHLIGHTS

Our key financial results and operating data are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
<i>(\$000s, except for per share items or unless otherwise noted)</i>				
Key Financial Data				
Total revenues	32,984	19,734	105,736	69,746
Gross margin	9,311	(5,564)	31,614	8,501
Recovery (write-down) of real estate held for development and sale	-	(11,141)	4,361	(12,127)
Gross margin before recovery (write-down) ⁽¹⁾	9,311	5,577	27,253	20,628
Gross margin before recovery (write-down) (%) ⁽¹⁾	28.2%	28.3%	25.8%	29.6%
Net earnings attributable to equity shareholders	4,366	(4,644)	14,537	733
Net earnings per share – basic and diluted	0.09	(0.10)	0.32	0.02
Adjusted earnings per share – basic ⁽¹⁾	0.09	0.01	0.30	0.15
Cash flows from operating activities	7,976	2,538	39,032	53,379
Cash flows from operating activities per share ⁽²⁾	0.18	0.06	0.87	1.19
Key Operating Data				
Residential lots sold to third parties (units)	21	17	121	88
Residential lots sold through the home building business segment (units)	30	36	129	74
Development land sold (acres)	-	-	121.91	11.28
Average revenue per lot sold to third parties	166	163	191	184
Average revenue per acre	-	-	115	591
Homes sold (units)	62	40	154	122
Average revenue per home sold	473	423	443	384
New home orders (units)	43	55	201	135
			As at September 30,	
			2014	2013
Homes with firm sale contracts (units)			161	97

⁽¹⁾ Non-GAAP financial measure

⁽²⁾ Basic and diluted amounts per share

	As at September 30, 2014	As at December 31, 2013
Key Balance Sheet Data (\$000s, except for per share items or unless otherwise noted)		
Cash and cash equivalents	16,693	17,678
Total assets	303,416	313,846
Loans and credit facilities	16,519	50,373
Total liabilities	74,392	95,920
Shareholders' equity	204,874	195,483
Total equity	229,024	217,926
Debt to total assets	5.4%	16.1%

⁽¹⁾ Non-GAAP financial measure

"This quarter is highlighted by continuing and improved results in both home building and land development," said Bruce Rudichuk, President and Chief Executive Officer. "Notably, our home building business has improved in almost every measure of performance, including a level of revenue, profitability and quality never achieved at Genesis. We are very proud of the success our team has achieved".

Board Chair Stephen Griggs stated, "This is another excellent quarter for the company that builds on the company's growing home building and land development business. The board of directors is very pleased to see the positive results of the successful implementation of the strategic plan and the increasing strength of the company. With such a strong financial position and more cash than drawn loans and credit facilities, we are well-positioned for any market opportunities, to weather challenges that may arise and reward all of our shareholders".

Highlights

The ongoing successful implementation of our strategic plan is driving strong performance in both our land development and home building business segments. We continue to experience a dramatic turnaround in our business prospects and in our financial situation, taking advantage of a strong land and housing market in the Calgary Metropolitan Area. These factors have resulted in rapidly growing home sales, strengthening profitability, strong cash flow and a balance sheet poised to support future growth and shareholder distributions.

Home building profitability accelerates:

- Earnings before income taxes and Non-Controlling Interest ("NCI") for the home building segment rose in Q3 2014 to \$2,204 (2013 - \$410) and YTD 2014 to \$3,290 (2013 - \$117)
- Across the board improvement in the home building business segment with revenues, gross margins, earnings and volumes up significantly during Q3 2014 and YTD 2014 compared to the same periods in 2013.
- Improved efficiencies and higher sales volumes have produced higher gross margins with these translating into a profitable home building business segment.
- Gross margins increased to 17.8% and 17.0% for Q3 2014 and YTD 2014 respectively, compared to 15.4% and 14.5% for the same periods in 2013.

Earnings rise to new levels:

- Earnings rose to \$4,366 (2013 – loss of \$4,644) and \$14,537 (2013 - \$733) for Q3 2014 and YTD 2014 respectively.
- Reflecting large revenue gains in our home building segment, total revenues grew by 67.1% and 51.6% to \$32,984 (2013 – \$19,734) and \$105,736 (2013 – \$69,746) respectively in Q3 2014 and YTD 2014 compared to the same periods in 2013.
- Gross margins increased to 28.2% and 29.9% for Q3 2014 and YTD 2014 respectively, compared to -28.2% and 12.2% for the same periods in 2013.

Sharply higher increase in new home orders and firm sale contracts:

- New home orders for Q3 2014 and YTD 2014 were 43 and 201 compared to 55 and 135 in the same periods in 2013, even though the new home orders declined for Q3 by 21.8%, new homes orders for YTD increased by 48.9%.
- Homes with firm sale contracts increased 66% to 161 at September 30, 2014 compared to 97 at September 30, 2013.
- Home sales for Q3 2014 and YTD 2014 were 62 and 154 compared to 40 and 122 in the same periods in 2013.

Land development segment continues revenue growth and sharply improved profitability:

- Genesis' land development business segment produced solid revenue gains
- Earnings before income taxes and NCI for Q3 2014 and YTD 2014 of \$3,398 (2013 – loss of \$6,244) and \$18,166 (2013 – \$863) respectively.
- Land development segment's residential lot sales for Q3 2014 and YTD 2014 were 51 and 250 compared to 53 and 162 in the same periods in 2013, despite a decrease of 3.8% for Q3 there was a 54.3% increase for YTD 2014.

Continuing strong cash flows from operations:

- Cash flow from operating activities for Q3 2014 and YTD 2014 was \$7,976 (\$0.18 per share) and \$39,032 (\$0.87 per share) compared to \$2,538 (\$0.06 per share) and \$53,379 (\$1.19 per share) in the same periods in 2013.

Balance sheet strength:

- Significantly reduced Loans and Credit Facilities to \$16,519 at September 30, 2014 from \$50,373 at December 31, 2013.
 - Genesis has more cash on hand at Q3 2014 (\$16,693), than it has drawn loans and credit facilities of (\$16,519) largely due to strong cash flows from operating activities and the sale of the non-core Acheson development land parcel in Q1 2014.
 - Debt to total assets dropped to 5.4% at September 30, 2014 from 16.1% at December 31, 2013. We have significant unutilized debt capacity to execute our strategic plan and further grow our business.
 - Reduced total interest expense by 48.1% to \$1,493 from \$2,875 for YTD 2014 compared to the same period in 2013.

Market Overview

We own a large portfolio of entitled residential and mixed-use land, which is well positioned to benefit significantly from the continued robust activity in the Alberta economy. Land values in Calgary have risen for both entitled land and home building lots, reflecting the tightening of entitled land supply and the continuing strong demand for homes in the Calgary Metropolitan Area.

Alberta's general economic conditions continue to be strong, supporting expectations of a vigorous pace of activity in Calgary's home building industry throughout the balance of 2014 and likely well into 2015. Despite a recent drop in crude oil prices, which may temper growth estimates for the province, strong economic fundamentals include low unemployment and interest rates, low and stable inflation rates, positive net migration to Alberta and above average earnings by Albertans. There are three main oil pipelines which are pending approvals. Approvals for any of these three projects are expected to give a further boost to the economy as pipeline construction will likely produce more jobs and Alberta oil producers will be able to move the oil currently affected by transportation capacity constraints.

In addition to the strong economic fundamentals, the policy framework, designed to manage growth in the City of Calgary, is contributing to constraints on the industry's capacity to bring supply of developed building lots to market. Such constraints generally contribute to price increases and challenges for home builders that are without a stable lot supply to support their operations. We see such challenges and increases in price not only continuing but perhaps escalating. These 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 all of which are expected to contribute to continued strong earnings, and more importantly, potentially substantive increases to our net asset value over the next several years.

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, 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 Third Quarter Conference Call

Genesis will host a conference call and web cast on Friday, November 7, 2014 at 7:00 a.m. MST (9:00 a.m. EST) to discuss the Corporation's 2014 third 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 1-888-390-0605 or 1-416-764-8609. 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 #977307 until November 21, 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).

Contact Information

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ADVISORIES

Non-GAAP Financial Measures

Net asset value, gross margin before recovery or write-down and adjusted earnings per share are non-GAAP 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 non-GAAP measures have 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 these measures can be found in the MD&A.

Forward-Looking Statements

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 business conditions in 2014 and beyond, 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 home building activities, the positive trend in the general economic conditions and the industry through 2014 and beyond; Genesis' business strategy, including the anticipated boost of any proposed pipeline construction to the Alberta economy, the geographic focus of its activities in 2014 and beyond, the expected capital contribution of future earnings and cash flow from land holdings in the Calgary Metropolitan 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, net asset value and profitability, the timing and operation of new accounting and operating software and , the ability of management to close the gap between net asset value and share price. anticipated areas of focus for Genesis in 2014 and beyond; 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 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 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.