



Genesis Reports 2015 Third Quarter Results

For Immediate Release

CALGARY, November 13, 2015 – 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, 2015.

SUMMARY CORPORATE HIGHLIGHTS

Our key financial results and operating data are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
<i>(\$000s, except for per share items or unless otherwise noted)</i>				
Key Financial Data				
Total revenues	34,918	32,984	82,513	105,736
Gross margin	9,734	9,311	13,278	31,614
Net earnings attributable to equity shareholders	4,256	4,366	5,649	14,537
Adjusted earnings attributable to equity shareholders ⁽¹⁾	4,256	4,366	8,490	13,765
Net earnings per share – basic and diluted	0.09	0.09	0.12	0.32
Adjusted earnings per share – basic and diluted ⁽¹⁾	0.09	0.09	0.19	0.30
Cash flows (used in) from operating activities	8,919	7,708	(11,132)	38,070
Cash flows (used in) from operating activities per share ⁽²⁾	0.20	0.17	(0.25)	0.85
Key Operating Data				
Residential lots sold to third parties (units)	13	21	19	121
Average revenue per lot sold to third parties	188	166	180	191
Residential lots sold through the home building business segment (units)	32	30	74	129
Homes sold (units)	67	62	158	154
Average revenue per home sold	484	473	498	443
New home orders (units)	38	43	99	201

	As at September 30,	
	2015	2014
Homes with firm sale contracts (units)	78	161

	As at September 30, 2015	As at December 31, 2014
Key Balance Sheet Data <i>(\$000s, except for per share items or unless otherwise noted)</i>		
Cash and cash equivalents	6,514	33,048
Total assets	328,788	309,742
Loans and credit facilities	47,068	23,892
Total liabilities	101,360	78,468
Shareholders' equity	213,162	208,101
Total equity	227,428	231,274

⁽¹⁾ Non-GAAP financial measure

⁽²⁾ Basic and diluted amounts per share

"I'm very pleased that our homebuilding business had an excellent quarter with improved revenues, margins, earnings and volumes. Our land development business is bringing five phases in three communities into the most constrained market in over a decade which will provide an excellent source of revenue. The land and housing markets in the CMA are somewhat tentative but relatively healthy, with good supply and demand balance in the market sectors where we operate. If oil prices continue to stay low we anticipate a longer, slower recovery. This will likely translate into lower volumes and margins in the near term. However, with our strong balance sheet, low leverage and exceptional core assets, we are positioned to perform well in the current slowdown and thrive as the economy recovers," said Bruce Rudichuk, President and Chief Executive Officer.

Highlights

We began the year 2015 with an opening order book of 137 homes with firm sales contracts. Our financial results in the home building business during Q3 2015 and YTD 2015 were stronger than those of Q3 2014 and YTD 2014.

Home building revenues for YTD 2015 were up by 15.5% while gross margin percentage increased to 17.5% in YTD 2015 from 17.0% in YTD 2014. Earnings before taxes jumped by 55.7% to \$5,124 for YTD 2015 compared to \$3,290 for YTD 2014. These improvements are a result of increasing sales volumes, better cost control and operating efficiencies.

In 2015 we expect to close the 137 new home orders we brought in to 2015 from 2014. We have 78 homes with firm sales contracts at the end of Q3 2015 and have delivered 158 homes in YTD 2015. We continue to retain our target of 200 home closings for 2015.

The land development segment experienced lower than normal revenue during Q3 2015 and YTD 2015 due to the market downturn, the timing of release for sale of new development phases and, consistent with the Corporation's strategy, to reserve a significant portion of the developed lots for our home building business segment.

Revenue:

- Revenues were \$34,918 for Q3 2015 compared to \$32,984 for Q3 2014. Revenues for YTD 2015 were \$82,513 compared to \$105,736 for YTD 2014.

Gross margin and write-downs:

- Gross margin percentage before write-down or recovery was 27.9% for Q3 2015 compared to 28.2% for Q3 2014 and was 29.7% for YTD 2015 compared to 25.8% in YTD 2014.

Net earnings:

- Adjusted net earnings, after adjusting for after-tax write-down or recovery of real estate was \$4,256 for Q3 2015 compared to \$4,366 for Q3 2014 and \$8,490 for YTD 2015 compared to \$13,765 for YTD 2014.

Cash flows from operations:

- Cash flows from operations were \$8,919 or \$0.20 per share for Q3 2015 compared to \$7,708 or \$0.17 per share for Q3 2014. Cash used in operations was \$11,132 or \$0.25 per share for YTD 2015 compared to cash flows from operations of \$38,070 or \$0.85 per share for YTD 2014.

Financing:

- Genesis reduced utilization of its loans and credit facilities by \$10,487 compared to year end 2014, after excluding the vendor-take-back mortgage ("VTB") of \$33,663 assumed for the purchase of lands in southeast Calgary.
- Genesis obtained two new loan facilities totaling \$46,956 and increased an existing loan facility by \$11,500 during Q3 2015. These facilities are to be used for land development activities and the interest on them ranges from prime + 0.75% to prime + 1.25%. \$90 was drawn on one of these facilities during Q3 2015.
- Imputed interest on the VTB amounted to \$657 and \$1,975 for Q3 2015 and YTD 2015, respectively.

Home building segment:

- The home building business performance was in line with expectations, with home building revenues, gross margins and earnings increasing in Q3 2015 and YTD 2015 compared to the same periods in 2014.
- Genesis sold 67 homes in Q3 2015 with revenues of \$32,448 (Q3 2014 – 62 and \$29,320) and 158 homes in YTD 2015 with revenues of \$78,778 (YTD 2014 - 154 and \$68,197).
- The home building business segment runs a spec home program to meet deliveries on a quick possession basis. As of September 30, 2015 we have 46 homes in the permit stage with nil investment (December 31, 2014 - 25 homes) and 67 homes (December 31, 2014 – 21 homes) in various stages of construction with a total investment of \$6.6 million (December 31, 2014 - \$1.7 million).
- In addition to spec home inventory, we have as at September 30, 2015, 78 homes (December 31, 2014 – 137 homes) under construction which are under firm contracts to be delivered to home buyers upon completion.

Land development segment:

- Residential lot sales were slower during 2015 as compared to 2014 as no new phases were yet completed. Lot sales are anticipated to increase once development of new phases is complete and lots are available for sale.
- Genesis sold 45 residential lots in Q3 2015 with revenues of \$7,209 (Q3 2014 – 51 and \$8,233) and 93 residential lots in YTD 2015 with revenues of \$16,273 (YTD 2014 – 250 and \$40,857).
- We continue servicing Bayside phase 8, Bayview phase 10, Saddlestone phase 8 and Sage Meadows phases 3 and 4 and expect completion of servicing in 2015, thus adding 414 single-family lots and 17 acres of multi-family parcels to our inventory. In addition to selling lots through our home building business segment, we have contracted 48 lots to third parties in Bayside phase 8 during Q3 2015. The revenue from the sale of these lots will be recognized on completion of servicing.

Board of Directors:

The Company announces that Mr. William Pringle will resign as a Director effective December 31, 2015. "We thank Bill Pringle for his work as a director and wish him well", said Mr. Stephen Griggs, Chair. "The Board has benefited from Mr. Pringle's industry background," comments Mr. Steven Glover, Lead Director who goes on to state, "the remaining Board members possess a comprehensive set of governance skills and experience relevant to Genesis' needs at this time and consequently the Board does not intend to replace Mr. Pringle."

Additional Information

The information contained in this press release should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 2015 and 2014, and the related Management's Discussion and Analysis ("MD&A") dated November 13, 2015, 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.

2015 Third Quarter Conference Call

Genesis will host a conference call and web cast on Monday, November 16, 2015 at 7:00 a.m. MT (9:00 a.m. ET) to discuss the Corporation's 2015 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: <http://tinyurl.com/genesis-Q315>. The web cast will be archived two hours after the presentation at the website 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 #412382 until November 30, 2015.

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

Gross margin before recovery or write-down, and adjusted earnings 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 Corporation's 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. 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".

Forward-looking statements in this news release 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 2015 and beyond, including low unemployment and interest rates, low stable inflation rates, positive net migration and petroleum commodity prices and the anticipated impact on Genesis' development and home building activities, Genesis' business strategy, including the geographic focus of its activities in 2015 and beyond, the constraint on margins, profitability and the pace of activity in Calgary's home building industry throughout 2015 and possibly 2016, the expected capital contribution of future earnings and cash flow from land holdings in the Calgary Metropolitan Area, the ability to close the book of homes with firm sales contracts, the ability to meet the objective to increase the closing of home builds in 2015 as compared to 2014, 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 and the ability of management to close the gap between net asset value and share price. 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 election of new governments in Alberta and Canada and the direction of policy which could impact the overall pace of economic growth; 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 access and raise capital on favourable terms; not realizing on the anticipated benefits from transactions or not realizing on such anticipated benefits within the expected time frame; labour matters, governmental regulations, stock market volatility 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 Corporation's MD&A under the heading "Risks and Uncertainties" and the AIF under the heading "Risk Factors". Furthermore, the forward-looking statements contained in the MD&A 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.