



## Genesis Reports Exceptional 2014 Year End Results – Supports Company entering challenging 2015

For Immediate Release

**CALGARY, March 26, 2015** – Genesis Land Development Corp. (TSX: GDC) (the "Corporation" or "Genesis") is pleased to report its financial and operating results for the three months and year ended December 31, 2014.

### SUMMARY CORPORATE HIGHLIGHTS

Our key financial results and operating data are as follows:

	Three months ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
<i>(\$000s, except for per share items or unless otherwise noted)</i>				
<b>Key Financial Data</b>				
Total revenues	28,509	26,331	134,245	96,077
Gross margin	7,387	2,634	39,001	11,135
(Write-down) recovery of real estate held for development and sale	(184)	(4,155)	4,177	(16,282)
Gross margin before (write-down) recovery <sup>(1)</sup>	7,571	6,789	34,824	27,417
Gross margin before (write-down) recovery (%) <sup>(1)</sup>	26.6%	25.8%	25.9%	28.5%
Net earnings attributable to equity shareholders	2,858	4,980	17,395	5,713
Net earnings per share – basic and diluted	0.07	0.11	0.39	0.13
Adjusted earnings per share – basic and diluted <sup>(1)</sup>	0.06	0.12	0.37	0.26
Cash flows from operating activities	4,099	1,086	42,169	53,952
Cash flows from operating activities per share <sup>(2)</sup>	0.09	0.02	0.94	1.20
<b>Key Operating Data</b>				
Residential lots sold to third parties (units)	3	62	124	150
Average revenue per lot sold to third parties	208	154	192	171
Residential lots sold through the home building business segment (units)	18	36	147	110
Homes sold (units)	66	42	220	164
Average revenue per home sold	422	396	436	387
New home orders (units)	38	54	239	189

	As at December 31,	
	2014	2013
<b>Homes with firm sale contracts (units)</b>	137	118

<sup>(1)</sup> Non-GAAP financial measure

<sup>(2)</sup> Basic and diluted amounts per share

<b>Key Balance Sheet Data</b> ( <i>\$000s, except for per share items or unless otherwise noted</i> )	<b>As at December 31, 2014</b>	As at December 31, 2013
Cash and cash equivalents	<b>33,048</b>	17,678
Total assets	<b>309,742</b>	313,846
Loans and credit facilities	<b>23,892</b>	50,373
Total liabilities	<b>78,468</b>	95,920
Shareholders' equity	<b>208,101</b>	195,483
Total equity	<b>231,274</b>	217,926

"We're extremely pleased with the results of our efforts over 2014," said Bruce Rudichuk, President and Chief Executive Officer. "Positive economic conditions over the majority of 2014 combined with the solid implementation of our strategic plan resulted in the achievement of what we consider our most successful year since inception, both financially and operationally. Our core businesses are running more efficiently than ever before, while profitability in home building is at a record high. Genesis has never been in a stronger position. Our asset base and financial strength allows us to better withstand market disruptions as well as consider shareholder distributions and opportunistic investments."

## Highlights

The ongoing successful implementation of our strategic plan drove solid performance across the Corporation in both our land development and home building business segments in 2014. We realized a turnaround in our home building business and in our overall financial position throughout the year, taking advantage of a robust land and housing market in the Calgary Metropolitan Area during the majority of 2014. These factors resulted in the best overall year of operating results for Genesis, achieving rapidly growing home sales, strengthening profitability, strong cash flow, a reduction in debt levels and a balance sheet poised to support future growth. While there has been softening of economic fundamentals in Alberta during the second half of 2014 and into 2015, we are well situated to weather the expected market challenges.

Earnings rose substantially to new levels:

- Earnings of \$17,395 for the year ended December 31, 2014 ("YE 2014") compared to \$5,713 for the year ended December 31, 2013 ("YE 2013").
- Fourth quarter ("Q4") earnings of \$2,858 in 2014 compared to \$4,980 in Q4 2013.

Sharply higher new home orders and firm sale contracts:

- Homes with firm sale contracts increased 16.1% to 137 at YE 2014 compared to 118 homes with firm sale contracts at YE 2013, providing a strong base of committed revenue for 2015.
- Home sales of 66 for Q4 2014 compared to 42 in Q4 2013.
- Homes sales of 220 for YE 2014 compared to 164 for YE 2013.

Continued strong cash flows from operations:

- Cash flow from operating activities of \$4,099 (\$0.09 per share) in Q4 2014 compared to \$1,086 (\$0.02 per share) in Q4 2013.
- Cash flow from operating activities of \$42,169 (\$0.94 per share) at YE 2014 compared to \$53,952 (\$1.20 per share) at YE 2013.

Balance sheet strengthened:

- Significantly reduced loans and credit facilities to \$23,892 at YE 2014 from \$50,373 at YE 2013.
- Genesis had more cash on hand at YE 2014 (\$33,048) than drawn loans and credit facilities (\$23,892). We have significant unutilized debt capacity to fund our growth in 2015.

First ever dividend payment:

- In 2014, Genesis took advantage of its strong earnings and balance sheet to pay its first dividend, a special dividend of \$0.12 per share.

Major land acquisition:

- We acquired approximately 350 acres of land located in southeast Calgary along the Bow River for \$52.5 million with \$40.0 million payable over 5 years at 0% interest rate. The community is expected to include nearly 2,100 homes, parkland and supporting community commercial development. Once completed it will encompass a large scale residential community with multiple product categories in a rapidly growing area within the City of Calgary, and the development time-frame will support the planned growth of both our land development and homebuilding businesses. This transaction closed on January 6, 2015.

## **Market Overview**

Alberta's general economic conditions were strong throughout the majority of 2014, based on continuing low unemployment and interest rates, low and stable inflation rates, positive net migration to Alberta and above average earnings by Albertans. Our current financial strength is a direct result of the execution of our strategic plan which, among other things, has a focus on reducing debt to enable Genesis to withstand market disruptions, consider shareholder distributions and pursue opportunistic investments.

In the second half of 2014 and into 2015, Alberta saw a softening of economic fundamentals, primarily due to a significant drop in crude oil and natural gas prices that began in the middle of 2014. These factors have resulted in a more competitive and challenging market in 2015, which is expected to constrain margins, profitability and the pace of activity in Calgary's home building industry throughout 2015 and possibly into 2016. How long this softening continues and the depth of any potential impact will be highly dependent on changes to the economy, and more specifically to the oil and gas industry in Alberta, in the second half of 2015.

Entering 2015, Genesis had 137 homes with firm sales contracts that we expect to close in 2015. Our core businesses are running more efficiently, supported by a large portfolio of entitled residential and mixed-use land, which is well positioned and will benefit significantly from a rebound and strengthening of the Alberta economy. These various factors, along with more cash on hand than outstanding loans and significant unutilized debt capacity, provide management with the flexibility to adjust to a variety of changes in the economic environment.

## **Additional Information**

The information contained in this press release should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014 and 2013, the related Management's Discussion and Analysis ("MD&A") dated March 26, 2015, and the Annual Information Form dated March 26, 2015, which have been filed with Canadian securities regulatory authorities. Copies of these documents may be obtained via [www.sedar.com](http://www.sedar.com) or our website at [www.genesisland.com](http://www.genesisland.com).

## **2014 Year End Conference Call**

Genesis will host a conference call and web cast on Friday, March 27, 2015 at 7:00 a.m. MDT (9:00 a.m. EDT) to discuss the Corporation's 2014 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/genesisland>. 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 #940107 until April 10, 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**

*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 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.*

*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 2015 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, 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, 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. 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](http://www.sedar.com), including the Corporation's 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.*