



Genesis Reports 2016 Fourth Quarter Results

For Immediate Release

CALGARY, March 21, 2017 – 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, 2016.

SUMMARY CORPORATE HIGHLIGHTS

Our key financial results and operating data are as follows:

(\$000s, except for per share items or unless otherwise noted)	Three months ended December 31,		Year ended December 31,	
	2016	2015	2016	2015
Key Financial Data				
Total revenues	28,145	36,575	115,957	119,088
Gross margin	3,942	9,231	26,618	22,509
Net (loss) earnings attributable to equity shareholders	(1,216)	5,365	5,906	11,014
Net (loss) earnings per share – basic and diluted	(0.03)	0.13	0.13	0.25
Cash flows from (used in) operating activities	6,229	(7,193)	42,952	(18,325)
Cash flows from (used in) operating activities per share ⁽¹⁾	0.14	(0.16)	0.98	(0.41)
Special cash dividend per common share, declared and paid	0.25	0.12	0.25	0.12
Key Operating Data				
Residential lots sold to third parties (units)	12	50	58	69
Residential lots sold through home building business segment (units)	53	41	146	115
Average revenue per lot sold	169	168	181	172
Development land sold (acres)	-	114	1,674	118
Homes sold (units)	56	51	166	209
Average revenue per home sold	437	460	501	489
New home orders (units)	30	36	142	135

	As at December 31,	
	2016	2015
Homes (with lots) subject to firm sale contracts (units)	39	63

Key Balance Sheet Data (\$000s, except for per share items or unless otherwise noted)	As at December 31,	
	2016	2015
Cash and cash equivalents	14,318	11,399
Total assets	288,995	331,045
Loans and credit facilities	43,295	63,819
Total liabilities	77,330	106,054
Shareholders' equity	205,751	212,125
Total equity	211,665	224,991

⁽¹⁾ Basic and diluted amounts per share

Significant 2016 Cash Flows from Operating Activities and a Large Dividend for Shareholders

Genesis generated significant positive cash flow in 2016 in comparison to 2015 as a result of its focus on strengthening cash flow and its balance sheet. In 2016, Genesis had cash inflows from operating activities of \$42,952,000 (\$0.98 per share), up \$61,277,000 (\$1.39 per share) compared to 2015 cash outflows from operations of \$18,325,000 (\$0.41) per share). 2016 cash inflows from operations were mainly used to:

- Reduce debt by over \$20,500,000
- Pay a dividend of \$10,936,000 (\$0.25 per share)
- Increase cash on hand by \$2,919,000
- Repurchase common shares through the normal course issuer bid in the amount of \$1,420,000

2016 – A TRANSFORMATION YEAR

2016 was a transformative year for Genesis, with the board adopting a shareholder focused strategy adapted to the realities of the Alberta economy, a significant improvement in cash flow from operations, the largest dividend in the company's history as a public company, a revised leadership structure designed to create accountability and deliver results, and the achievement of significant cost reductions and efficiencies. Management renewed its focus on obtaining or improving entitlements on its lands, adopted a balanced approach to selling land and lots to third parties rather than only internally, and prudently sold non-core lands.

New Strategy

In prior years, Genesis focused on building homes primarily on its own land, with most free cash flow being reinvested in the business to fund land servicing and new projects, and to acquire additional land. In 2016, Genesis adopted a new strategy to achieve the following objectives:

- Generate strong cash flow from the current inventory of land in the Calgary Metropolitan Area (the "CMA") – Genesis land inventory is estimated to include over 10,000 single family and townhouse units and over 300 acres of mixed use commercial lands
- Return excess cash flow to shareholders through special dividends and/or share buy backs
- Sell land with the objective of maximizing the current net present value of the land, which may include developing a parcel for later sale, holding land off the market or selling it before full development has occurred
- Restructure the home building business to reflect current market opportunities and to improve efficiency, reduce the invested capital and expand the product mix to include additional small townhouse projects - all with the goal of generating a strong return on invested capital
- Minimize capital expenditures by servicing land only when it has been sold or is highly likely to be sold within 12-24 months
- Reorganize the leadership team to improve and speed up decision-making and create higher levels of accountability throughout the organization
- Minimize overhead and other costs
- Sell non-core land as reasonable prices can be realized.

Changes in leadership structure

Genesis made a number of staffing and organizational changes in early 2016 with the objective of creating clear lines of responsibility for the three main business functions of Genesis (land development, land sales and project financing, and home building) and consolidating in the CFO role, responsibility for all support functions. This structure has allowed the CEO to focus on developing and implementing the new strategy, monitoring and analyzing results, delegating day to day operational responsibility and ensuring that Genesis has strong cash flow available for distribution to shareholders. In addition, the executive compensation plan was simplified to eliminate the share option plan, create accountability for delivering measurable results for shareholders and create additional accountability for achieving or exceeding specific operational targets.

Significant cost reductions in 2016

In early 2016, Genesis reviewed its operating and capital budgets to reduce operating costs and service investments and to respond to the expected level of land and lot sales over the next several years. This resulted in 2016 operating costs being reduced by 14% in comparison to 2015, the postponement of previously planned land servicing costs on a large development land parcel until a buyer is found, and the significant reduction of home building work in progress. Genesis reduced its staffing and consolidated a number of roles, ending 2016 with 55 employees in comparison to 80 employees at the end of 2015. Genesis continues to seek cost reductions and operating efficiencies.

Focus on obtaining entitlements or improving existing entitlements

In 2016, Genesis renewed its efforts to obtain or improve the zoning and servicing entitlements for its large portfolio of land. Zoning changes generally take a number of years and are not certain until the required municipal and other regulatory approvals have been obtained. Overall, Genesis made significant progress on all of its rezoning projects in 2016 and progress continues in 2017.

Balanced approach to selling land and lots to third parties rather than only internally

In 2016, Genesis focused on selling residential lots, townhouse sites and other lands to third parties, rather than retaining land for future use primarily by Genesis in its homebuilding business. 2016 revenues included the sale of three land parcels to third parties for \$21,237,000 and 58 lots to third parties compared to two land parcels for \$3,600,000 and 69 lots in 2015 (with 50 lots being sold to a third party builder in late 2015 for use in 2016). In 2016, Genesis Builders Group Inc., ("GBG") a wholly owned subsidiary of Genesis, sold 146 homes on lots provided by Genesis, in comparison to 115 in 2015 and continues to play an important role in the sale of Genesis lots.

Solid 2016 results for Genesis Builders Group

GBG had 166 new home sales in 2016 with revenues of \$83,249,000 compared to 209 new home sales with revenues of \$102,846,000 in 2015. Of the 166 new home sales, 146 were built on residential lots supplied by Genesis, generating residential lot revenues included in the land division of \$25,495,000 (2015 – 115 and \$18,935,000 respectively). There were 142 new home orders in 2016 compared to 135 in 2015. There were 30 new home orders in Q4 2016 compared to 36 in Q4 2015.

Monetization of non-core lands

Significant progress was made in selling non-core land in 2016 with \$1,650,000 realized in 2016. In March 2017, Genesis announced the sale of 1,476 acres of unentitled, undeveloped non-core lands owned by Genesis near the Hamlet of Delacour, Alberta for \$9,000,000, which is expected to close in May 2017. This sale will substantially complete the plan to dispose of the non-core lands owned by Genesis, with the bulk of non-core assets by dollar value having been sold or contracted for sale.

Net earnings down – impacted by non-cash write downs

Net earnings were \$5,906,000 for the year ending December 31, 2016 compared to \$11,014,000 for the year ending December 31, 2015. There was a net loss of \$1,216,000 for Q4 2016 compared to net earnings of \$5,365,000 in Q4 2015 in part due to non-cash write offs of certain lands owned by Genesis as a result of revised estimates of costs to complete the development, including a significant increase in the estimate of municipal levies. Net earnings for the three months and year ended December 31, 2016 were impacted by \$5,372,000 and \$8,665,000 write-downs on parcels of development land located in Alberta (2015 – \$1,129,000 and \$12,390,000 respectively).

2017 BUSINESS PLAN

The business plan for 2017 includes:

- Maximizing the return of capital to shareholders through dividends and/or buying back shares
- Obtaining additional land servicing and zoning entitlements which are expected to materially increase the value and marketability of these lands
- Developing detailed plans for the development and ultimate disposition of several large parcels of land to maximize the net present value of each project
- Adding one or more third party builders acquiring lots in Genesis communities, in addition to the seven third-party builders working with Genesis at the end of 2016
- Increasing the number of units sold by GBG, including constructing several townhouse complexes, at reasonable construction margins while optimizing the amount of required capital
- Servicing a phase of the “Saddlestone” community in Calgary and an additional phase in Airdrie
- Selling the remaining non-core land

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, 2016 and 2015 and the related Management's Discussion and Analysis (“MD&A”) dated March 21, 2017 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 holding a significant portfolio of well-located entitled and unentitled residential, commercial and mixed-use lands as well as serviced lots. The Corporation's common shares are listed on the Toronto Stock Exchange (TSX: GDC).

As a land developer, Genesis plans, rezones, subdivides, services and sells residential communities and commercial and industrial lands to third parties, and sells lots and completed homes through its home building business. The land portfolio is planned, developed, serviced and sold with the objective of maximizing the risk adjusted net present value of the land and to maximize the cash flow available for distribution to shareholders.

Genesis Builders Group Inc. designs, constructs and sells single-family homes and townhouses primarily on lands developed by Genesis. The objective of the home building business is to deliver a significant return and cash flow from the capital invested in it and to sell incremental Genesis single family lots and townhouse land parcels.

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

Email: genesis@genesisland.com Website: www.genesisland.com

ADVISORIES

Forward-Looking Statements

This news release may contain 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 statements with respect to the economic environment, objectives to achieve in Genesis' new strategy, Genesis' business plan for 2017, the Corporation's cost reductions and operating efficiencies, progress of rezoning projects, the continuing role of GBG in the sale of Genesis lots, the closing of a sale of land near Delacour, Alberta, the expected level of new serviced lot inventory available to builders and the ability of Genesis to sell homes on a quick possession basis. Although Genesis believes that the anticipated future results, performance or achievements expressed or implied by 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; local real estate conditions, including the development of properties in close proximity to Genesis' properties; the uncertainties of real estate development and acquisition activity; fluctuations in interest rates; 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, any forward-looking statements contained in the 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.