Genesis Land Development Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2013 and 2012

(Unaudited)

August 14, 2013

Genesis Land Development Corp.

Condensed Consolidated Interim Financial Statements
For the three and six months ended June 30, 2013 and 2012
(Unaudited)

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Genesis Land Development Corp.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
(Unaudited)
(In thousands of Canadian dollars)

	Note	June 30, 2013	December 31, 2012 (1)	January 1, 2012 (1)
Assets				
Real estate held for development and sale	5	258,450	264,184	290,512
Investment in joint venture	3, 11	8,616	10,680	9,648
Amounts receivable		37,008	73,239	34,386
Other operating assets		12,005	16,233	20,936
Deferred tax assets		-	-	2,859
Cash and cash equivalents		11,877	10,005	10,850
Total assets		327,956	374,341	369,191
Liabilities				
Loans and credit facilities	6	47,942	97,224	86,066
Customer deposits		3,376	4,352	7,582
Accounts payable and accrued liabilities		20,232	23,559	14,383
Income taxes payable		4,085	4,617	12,970
Deferred tax liabilities		959	60	-
Land development service costs		20,757	18,220	11,571
Total liabilities		97,351	148,032	132,572
Commitments and contingencies	9			
Equity				
Share capital	7	56,122	55,844	55,122
Contributed surplus		4,937	5,109	4,950
Retained earnings		134,014	128,637	119,776
Shareholders' equity		195,073	189,590	179,848
Non-controlling interest		35,532	36,719	56,771
Total equity		230,605	226,309	236,619
Total liabilities and equity		327,956	374,341	369,191

Related party transactions (note 13)

(1) Refer to note 3 for change in accounting policy
See accompanying notes to the condensed consolidated interim financial statements

Genesis Land Development Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands of Canadian dollars except per share amounts)

		Three months ended June 30,		Six months ended June 30,	
	Note	**2013**	**2012 [1]**	**2013**	**2012 [1]**
Revenues					
Residential lot sales		5,228	15,385	13,239	29,905
Development land sales		1,716	-	6,668	-
Residential home sales		15,383	14,323	29,980	18,181
Other revenue		75	442	125	602
		22,402	30,150	50,012	48,688
Cost of sales					
Residential lots		2,507	8,695	5,338	13,827
Development lands		1,176	341	5,612	389
Residential homes		12,778	11,347	24,665	14,217
Impairment of real estate held for development and sale		986	-	986	399
		17,447	20,383	36,601	28,832
Gross margin		4,955	9,767	13,411	19,856
Equity (income) from joint venture	3, 11	(809)	(503)	(1,020)	(1,638)
General and administrative		3,206	2,672	6,280	4,691
Selling and marketing		536	703	1,048	1,281
Other expenses		92	370	174	801
		3,834	3,745	7,502	6,773
Operating earnings from continuing operations		1,930	6,525	6,929	14,721
Finance income		(119)	(165)	(337)	(390)
Finance expense		549	450	1,113	1,031
Earnings before income taxes		1,500	6,240	6,153	14,080
Income taxes		146	1,447	1,463	3,775
Net earnings being comprehensive income		1,354	4,793	4,690	10,305
Attributable to non-controlling interest		(343)	(46)	(687)	(726)
Attributable to equity shareholders		1,697	4,839	5,377	11,031
Net earnings per share - basic and diluted		0.04	0.11	0.12	0.25

[1] Refer to note 3 for change in accounting policy
See accompanying notes to the condensed consolidated interim financial statements

Genesis Land Development Corp.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

For the six months ended June 30, 2013 and 2012

(In thousands of Canadian dollars except number of shares)

	Common shares - Issued						
	Number of Shares	Amount	Contributed Surplus	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interest	Total Equity
At January 1, 2012 [1]	44,484,287	55,122	4,950	119,776	179,848	56,771	236,619
Share-based payment transactions	190,628	490	30	-	520	-	520
Distributions to unitholders of limited partnerships	-	-	-	-	-	(700)	(700)
Net earnings being comprehensive income	-	-	-	11,031	11,031	(726)	10,305
At June 30, 2012	44,674,915	55,612	4,980	130,807	191,399	55,345	246,744
Share-based payment transactions	90,813	232	129	-	361	-	361
Distributions to unitholders of limited partnerships	-	-	-	-	-	(3,744)	(3,744)
Net (loss) being comprehensive (loss)	-	-	-	(2,170)	(2,170)	(14,882)	(17,052)
At December 31, 2012 [1]	44,765,728	55,844	5,109	128,637	189,590	36,719	226,309
Share-based payment transactions	95,472	278	(172)	-	106	-	106
Distributions to unitholders of limited partnerships	-	-	-	-	-	(500)	(500)
Net earnings being comprehensive income	-	-	-	5,377	5,377	(687)	4,690
At June 30, 2013	44,861,200	56,122	4,937	134,014	195,073	35,532	230,605

[1] Refer to note 3 for change in accounting policy

See accompanying notes to the condensed consolidated interim financial statements

Genesis Land Development Corp.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
For the three and six months ended June 30, 2013 and 2012
(In thousands of Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2013	2012 [1]	2013	2012 [1]
Operating activities				
Cash receipts from residential lot and development land sales [2]	9,583	9,402	60,792	22,172
Cash receipts from residential home sales	15,304	14,204	32,947	18,314
Other cash receipts	75	524	257	2,185
Cash paid to suppliers for land development	(10,696)	(2,773)	(15,510)	(8,265)
Cash paid to suppliers for residential home construction	(7,051)	(3,858)	(15,477)	(8,858)
Cash paid to other suppliers and employees	(6,490)	(5,067)	(11,311)	(8,438)
Interest received	119	182	239	390
Income taxes paid	(135)	(4,014)	(1,096)	(4,014)
	709	8,600	50,841	13,486
Investing activities				
Acquisition of property and equipment	(9)	(101)	(23)	(101)
Change in restricted cash	(274)	480	(274)	(385)
Distribution received from joint venture	3,000	-	3,000	-
	2,717	379	2,703	(486)
Financing activities				
Advances from loans and credit facilities	8,303	8,186	12,961	11,707
Repayments of loans and credit facilities	(10,338)	(12,704)	(62,640)	(25,606)
Interest and loans and credit facilities fees paid	(739)	(1,078)	(1,512)	(2,101)
Distributions to unit holders of limited partnerships	(500)	(700)	(500)	(700)
Cash settlement of options	(192)	-	(192)	-
Issue of share capital	115	30	211	372
	(3,351)	(6,266)	(51,672)	(16,328)
Change in cash and cash equivalents	75	2,713	1,872	(3,328)
Cash and cash equivalents, beginning of period	11,802	4,809	10,005	10,850
Cash and cash equivalents, end of period	11,877	7,522	11,877	7,522

[1] Refer to note 3 for change in accounting policy.
[2] Cash receipts for the six months ended June 30, 2013 included $32,526 relating to the sale of sites 1 and 2 in Sage Hill Crossing in December 2012.
See accompanying notes to the condensed consolidated interim financial statements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS

Genesis Land Development Corp. (the "Corporation" or "Genesis") was incorporated as Genesis Capital Corp. under the Business Corporation Act (Alberta) on December 2, 1997. Genesis Land Development Corp. resulted from an amalgamation on January 1, 2002.

The Corporation is engaged in the acquisition, development, and sale of land, residential lots and homes in Alberta and British Columbia. The Corporation reports its activities as two business segments: land development and residential home building. All business activities of Genesis are conducted in Western Canada, with development lands held primarily in and around the cities of Calgary and Airdrie.

The Corporation is listed for trading on the Toronto Stock Exchange under the symbol "GDC". Genesis' head office and registered office is located at 7315 - 8th Street N.E., Calgary, Alberta T2E 8A2.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the Corporation are the same as those applied in the Corporation's annual audited consolidated financial statements for the years ended December 31, 2012 and 2011 except as stated in note 3 and note 4. These policies have been consistently applied to each of the periods presented, unless otherwise indicated.

The unaudited condensed consolidated interim financial statements of the Corporation are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The unaudited condensed consolidated interim financial statements have been prepared under historical cost convention except for the financial assets classified as fair value through profit or loss that have been measured at fair value.

These unaudited condensed consolidated interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2012 and 2011.

3. CHANGE IN ACCOUNTING POLICY

The Corporation changed accounting for its interest in a joint venture from proportionately consolidated accounting to the equity method of accounting beginning January 1, 2013. This is required under IFRS 11, "Joint Arrangements" ("IFRS 11"), issued on May 12, 2011, which replaces IAS 31, "Interest in Joint Ventures" ("IAS 31"). The standard is effective for annual periods beginning on or after January 1, 2013. The new standard redefines joint operations and joint ventures, requiring joint operations to be proportionately consolidated and joint ventures to be equity accounted. Under IAS 31, joint ventures could be proportionately consolidated. The Corporation has applied IFRS 11 beginning on January 1, 2013 with retrospective application from the date of earliest period presented which is January 1, 2012. This change in accounting policy reduced total assets, total liabilities, revenues and expenses but had no impact on the Corporation's net assets, net earnings, cash flows or earnings per share.

3. CHANGE IN ACCOUNTING POLICY (continued)

Refer to note 3 in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2013 and 2012 for adjustments made to the Corporation's balance sheets at January 1, 2012 and December 31, 2012 and its consolidated statement of comprehensive (loss) income for the year ended December 31, 2012. The following tables summarize the adjustments made to the Corporation's condensed consolidated interim statements of comprehensive income and cash flows for the three months and six months ended June 30, 2012.

Condensed Consolidated Interim Statement of Comprehensive Income
(Unaudited)
(In thousands of Canadian dollars except per share amount)

	Three months ended June 30, 2012		
	As previously reported	**Adjustments**	**As restated**
Revenues		(a), (c)	
Residential lot sales	16,751	(1,366)	15,385
Residential home sales	14,323	-	14,323
Other revenue	442	-	442
	31,516	(1,366)	30,150
Cost of sales			
Residential lots [(1)]	9,288	(593)	8,695
Development lands [(1)]	12	329	341
Residential homes [(1)]	11,325	22	11,347
	20,625	(242)	20,383
Gross margin	10,891	(1,124)	9,767
Equity (income) from joint venture	-	(503)	(503)
General and administrative [(1)]	4,031	(1,359)	2,672
Selling and marketing [(1)]	-	703	703
Other expenses	370	-	370
	4,401	(656)	3,745
Operating earnings from continuing operations	6,490	35	6,525
Finance income	(200)	35	(165)
Finance expense	450	-	450
Earnings before income taxes	6,240	-	6,240
Income taxes	1,447	-	1,447
Net earnings being comprehensive income	4,793	-	4,793
Attributable to non-controlling interest	(46)	-	(46)
Attributable to equity shareholders	4,839	-	4,839
Net earnings per share - basic and diluted	0.11	-	0.11

[(1)] Certain comparative figures have been reclassified to conform to the current year's presentation.

3. CHANGE IN ACCOUNTING POLICY (continued)

Condensed Consolidated Interim Statement of Comprehensive Income
(Unaudited)
(In thousands of Canadian dollars except per share amount)

	Six months ended June 30, 2012		
	As previously reported	Adjustments	As restated
Revenues		(a), (c)	
Residential lot sales	31,271	(1,366)	29,905
Development land sales	3,600	(3,600)	-
Residential home sales	18,181	-	18,181
Other revenue	602	-	602
	53,654	(4,966)	48,688
Cost of sales			
Residential lots [1]	14,410	(583)	13,827
Development lands [1]	2,761	(2,372)	389
Residential homes [1]	14,161	56	14,217
Impairment of real estate held for development and sale [1]	-	399	399
	31,332	(2,500)	28,832
Gross margin	22,322	(2,466)	19,856
Equity (income) from joint venture	-	(1,638)	(1,638)
General and administrative [1]	6,852	(2,161)	4,691
Selling and marketing [1]	-	1,281	1,281
Other expenses	801	-	801
	7,653	(880)	6,773
Operating earnings from continuing operations	14,669	52	14,721
Finance income	(425)	35	(390)
Finance expense	1,014	17	1,031
Earnings before income taxes	14,080	-	14,080
Income taxes	3,775	-	3,775
Net earnings being comprehensive income	10,305	-	10,305
Attributable to non-controlling interest	(726)	-	(726)
Attributable to equity shareholders	11,031	-	11,031
Net earnings per share - basic and diluted	0.25	-	0.25

[1] Certain comparative figures have been reclassified to conform to the current year's presentation.

3. CHANGE IN ACCOUNTING POLICY (continued)

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(In thousands of Canadian dollars except per share amount)

	Three months ended June 30, 2012		
	As previously reported	Adjustments	As restated
Operating activities		(a), (d)	
Cash receipts from residential lot and development land	10,356	(954)	9,402
Cash receipts from residential home sales	14,204	-	14,204
Other cash receipts	211	313	524
Cash paid to suppliers for land development	(3,512)	739	(2,773)
Cash paid to suppliers for residential home construction	(4,771)	913	(3,858)
Cash paid to other suppliers and employees	(4,546)	(521)	(5,067)
Interest received	200	(18)	182
Income taxes paid	(4,014)	-	(4,014)
	8,128	472	8,600
Investing activities			
Acquisition of property and equipment	(101)	-	(101)
Change in restricted cash	480	-	480
	379	-	379
Financing activities			
Advances from loans and credit facilities	9,500	(1,314)	8,186
Repayments of loans and credit facilities	(13,546)	842	(12,704)
Interest and loans and credit facilities fees paid	(1,078)	-	(1,078)
Distributions to unit holders of limited partnerships	(700)	-	(700)
Issue of share capital	30	-	30
	(5,794)	(472)	(6,266)
Change in cash and cash equivalents	2,713	-	2,713
Cash and cash equivalents, beginning of period	4,809	-	4,809
Cash and cash equivalents, end of period	7,522	-	7,522

3. CHANGE IN ACCOUNTING POLICY (continued)

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(In thousands of Canadian dollars except per share amount)

	Six months ended June 30, 2012		
	As previously reported	Adjustments	As restated
Operating activities		(a), (d)	
Cash receipts from residential lot and development land	25,187	(3,015)	22,172
Cash receipts from residential home sales	18,314	-	18,314
Other cash receipts	1,872	313	2,185
Cash paid to suppliers for land development	(13,933)	5,668	(8,265)
Cash paid to suppliers for residential home construction	(9,478)	620	(8,858)
Cash paid to other suppliers and employees	(8,097)	(341)	(8,438)
Interest received	425	(35)	390
Income taxes paid	(4,014)	-	(4,014)
	10,276	3,210	13,486
Investing activities			
Acquisition of property and equipment	(101)	-	(101)
Change in restricted cash	(379)	(6)	(385)
	(480)	(6)	(486)
Financing activities			
Advances from loans and credit facilities	15,955	(4,248)	11,707
Repayments of loans and credit facilities	(26,633)	1,027	(25,606)
Interest and loans and credit facilities fees paid	(2,118)	17	(2,101)
Distributions to unit holders of limited partnerships	(700)	-	(700)
Issue of share capital	372	-	372
	(13,124)	(3,204)	(16,328)
Change in cash and cash equivalents	(3,328)	-	(3,328)
Cash and cash equivalents, beginning of period	10,850	-	10,850
Cash and cash equivalents, end of period	7,522	-	7,522

(a) This change in accounting policy reduced total assets, total liabilities, revenues and expenses but had no impact on the Corporation's net assets, net earnings, cash flows or earnings per share.

(b) Equity accounting presents the net assets of the joint venture in a single line "Investment in Joint Venture". The change from proportionate consolidation therefore results in the reduction of various asset and liability line items. There has been no change in the Corporation's shareholders equity as a result of adoption of IFRS 11. Note 11 shows the reconciliation of the investment in joint venture from the proportionate method to the Equity method.

3. CHANGE IN ACCOUNTING POLICY (continued)

(c) The changes made to the consolidated statements of comprehensive income has resulted in the removal of various line items that were consolidated under the proportionate method and by bringing in the Corporation's share of the net income of the joint venture into a single line, "Equity income from joint venture". There has been no change in the net earnings or comprehensive income of the Corporation as a result of adoption of IFRS 11. Note 11 shows the reconciliation of equity income from the joint venture from the proportionate method to the equity method.

(d) The changes made to the consolidated balance sheets and statements of comprehensive income due to the adoption of IFRS 11 has resulted in reclassification of various amounts on the consolidated statements of cash flows but has no impact on actual cash flows of the Corporation.

4. STANDARDS AND AMENDMENTS TO EXISTING STANDARDS EFFECTIVE JANUARY 1, 2013

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Corporation’s annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of new IFRSs and interpretations as of January 1, 2013, noted below:

i) Application of new and revised IFRSs on consolidation, joint arrangements, associates and disclosures

The Corporation has applied the requirements of IFRS 10 “Consolidated Financial Statements” (“IFRS 10”), IFRS 11 and IFRS 12 “Disclosures of Interests in Other Entities” (“IFRS 12”) as well as the consequential amendments to IAS 27 (as revised in 2011) “Separate Financial Statements” (“IAS 27”) and IAS 28 (as revised in 2011) “Investments in Associates” (“IAS 28”) in the current period.

The impact of the application of these standards is set out below.

Impact of the application of IFRS 10

As a result of the adoption of IFRS 10, the Corporation has changed its accounting policies with respect to determining whether it has control over and consequently consolidates its investees. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In accordance with the transitional provisions of IFRS 10, the Corporation has re-assessed the control conclusion for its investees at January 1, 2013 and concluded that the new standard will not change its control conclusion in respect of its investment in its subsidiaries.

Impact of the application of IFRS 11

Refer to note 3, Change in Accounting Policy, for a description of and the impact of the adoption of IFRS 11.

Impact of the application of IFRS 12

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in additional disclosures in the condensed consolidated interim financial statements.

4. STANDARDS AND AMENDMENTS TO EXISTING STANDARDS EFFECTIVE JANUARY 1, 2013 (continued)

<u>Impact of the application of IAS 28</u>

IAS 28 was amended in 2011 and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. Under IFRS 11, the Corporation determined that its joint venture has to be consolidated under the equity method as described by IAS 28. This change in accounting policy reduced total assets, total liabilities, revenues and expenses but had no impact on the Corporation's net assets, net earnings, cash flows or earnings per share.

ii) Application of IFRS 13 "Fair Value Measurement"

The Corporation has applied the requirements of IFRS 13 "Fair Value Measurement" ("IFRS 13") in the current period. IFRS 13 improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. In general, the application of IFRS 13 has resulted in additional disclosures in the condensed consolidated interim financial statements as set out in note 10.

There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Corporation.

Recent accounting pronouncements

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation:

i) IFRS 9, "Financial Instruments"

On November 12, 2009, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9"), which will replace IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). The standard is effective for annual periods beginning on or after January 1, 2015. It applies to classification and measurement of financial assets as defined in IAS 39. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The Corporation is currently evaluating the impact of IFRS 9 on its financial statements.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

5. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

	Land Under Development	Land Held for Future Development	Housing Projects	Total
Gross book value				
As at January 1, 2012 (1)	145,652	145,192	10,422	301,266
Acquisitions and transfers	1,938	(1,938)	19,331	19,331
Development	39,195	3,168	34,284	76,647
Sold	(55,739)	-	(33,407)	(89,146)
As at December 31, 2012 (1)	131,046	146,422	30,630	308,098
Acquisitions and transfers	(129)	129	5,308	5,308
Development	8,096	2,649	16,194	26,939
Sold	(11,017)	-	(25,978)	(36,995)
As at June 30, 2013	127,996	149,200	26,154	303,350
Provision for write-down				
As at January 1, 2012	4,058	6,696	-	10,754
Write-downs for the year	1,087	32,073	-	33,160
As at December 31, 2012	5,145	38,769	-	43,914
Write-downs for the period	646	340	-	986
As at June 30, 2013	5,791	39,109	-	44,900
Net book value				
As at January 1, 2012 (1)	141,594	138,496	10,422	290,512
As at December 31, 2012 (1)	125,901	107,653	30,630	264,184
As at June 30, 2013	122,205	110,091	26,154	258,450

(1) *2012 information has been restated to reflect the changes due to the adoption of IFRS 11 as summarized in note 3.*

During the three months and six months ended June 30, 2013, interest of $774 and $1,633 (2012 - $1,171 and $2,279) and other carrying costs of $Nil (2012 - $20 and $34), respectively, were capitalized.

As at June 30, 2013, land held for future development of $52,411 (December 31, 2012 - $52,411) and land under development of $8,212 (December 31, 2012 - $8,212) were held in the limited partnerships controlled by Genesis.

During the three and six months ended June 30, 2013 the Corporation recognized write-downs of $986 (2012 - $Nil and $399) relating to the impairment of carrying value of certain real estate held for development and sale of which $Nil (2012 - $Nil) is related to lands held under a limited partnership.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

6. LOANS AND CREDIT FACILITIES

		June 30, 2013	December 31, 2012 (1)
Secured by land held for future development			
I.	Land loan, bearing interest at the greater of 7.2% or prime + 4.2% per annum, secured by land held for development and sale with a carrying value of $18,963, maturing March 1, 2014.	7,850	7,850
Secured by land under development and agreements receivable			
II.	Land project loans, payable on collection of agreements receivable, bearing interest at rates ranging from prime + 1.25% to the greater of 10.5% or prime + 7.5%, secured by land held for development and sale with a carrying value of $136,035, due between September 1, 2013 and December 1, 2015.	36,106	82,918
Secured by housing projects under development			
III.	Demand operating line of credit up to $3,000, bearing interest at prime + 1.5% per annum, secured by a general security agreement over assets of the home building division.	2,175	2,281
IV.	Project loans, payable on collection of closing proceeds, bearing interest ranging from prime + 1.25% to the greater of 5.25% or prime + 2% per annum, secured by home building projects with a carrying value of $10,119, due between September 1, 2013 to October 30, 2013.	3,400	6,487
		49,531	99,536
	Deferred loans and credit facilities fees	(1,589)	(2,312)
		47,942	97,224

(1) 2012 information has been restated to reflect the changes due to the adoption of IFRS 11 as summarized in note 3.

During the three and six months ended June 30, 2013, the Corporation received advances of $8,303 and $12,961 (2012 - $8,186 and $11,707) relating to various new and renewed loan facilities secured by real estate held for development and sale, and agreements receivable, bearing interest ranging from the prime + 1.25% to the greater of 10.5% or prime + 7.5% per annum, with due dates ranging from September 1, 2013 to December 1, 2015.

The weighted average interest rate of loan agreements was 6.47% (December 31, 2012 - 6.25%), based on June 30, 2013 balances.

Based on the contractual terms, the Corporation's loans and credit facilities are to be repaid within the following time periods (excluding deferred financing fees):

July 1, 2013 to June 30, 2014	39,756
July 1, 2014 to June 30, 2015	8,634
July 1, 2015 to June 30, 2016	1,141
	49,531

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

6. LOANS AND CREDIT FACILITIES (continued)

The Corporation has various covenants in place with its lenders with respect to certain contracted credit facilities. Such covenants include: other credit usage restrictions; cancellation, prepayment, confidentiality and cross default clauses; sales coverage requirements; conditions precedent for funding; and other general understandings such as, but not limited to, maintaining contracted lot prices, restrictions on encumbrances, liens and charges, material changes to project plans, and changes in the Corporation's ownership structure.

As at June 30, 2013 and at December 31, 2012, the Corporation was in compliance with all covenants.

7. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares
Unlimited number of preferred shares

(b) Weighted average number of shares

The following table sets forth the weighted average number of common shares outstanding for the three and six months ended June 30, 2013 and 2012:

	Three months ended June 30,		Six months ended June 30,	
	2013	**2012**	**2013**	**2012**
Basic	44,839,875	44,666,692	44,815,224	44,596,420
Effect of dilutive securities - stock options	67,342	164,156	55,814	157,735
Diluted	44,907,217	44,830,848	44,871,038	44,754,155

In calculating diluted earnings per share for three and six months ended June 30, 2013, the Corporation excluded nil options (2012 – 1,115,500) as their exercise prices were greater than the average market price of the Corporation's shares during those periods.

8. STOCK OPTIONS

The Corporation has established a stock option plan for employees, officers, and directors of the Corporation to purchase common shares. Vesting provisions and exercise prices are set at the time of issuance by the Board of Directors. Options vest over a number of years on various anniversary dates from the date of the original grant.

The options must be issued at not less than the fair market value of the common shares at the date of grant and are issued with terms generally not exceeding five years from the date of grant.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

8. STOCK OPTIONS (continued)

Details of outstanding stock options were as follows:

	Six months ended June 30,			
	2013		2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	1,231,722	$ 3.21	1,788,221	$ 3.60
Options granted	75,000	$ 3.30	100,000	$ 3.21
Options exercised	(95,472)	$ 2.21	(190,628)	$ 1.95
Options expired	(60,000)	$ 6.97	(66,500)	$ 4.40
Options forfeited	(307,500)	$ 2.78	(120,623)	$ 3.37
Outstanding - end of period	843,750	$ 3.22	1,510,470	$ 3.76
Exercisable - end of period	581,250	$ 3.15	1,182,573	$ 3.93

	Outstanding		Exercisable		
Range of Exercise Prices ($)	Number at June 30, 2013	Weighted Average Exercise Price	Number at June 30, 2013	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years
0.01 - 3.00	84,750	$ 2.01	84,750	$ 2.01	1.40
3.01 - 4.00	759,000	$ 3.36	496,500	$ 3.35	3.14
	843,750	$ 3.22	581,250	$ 3.15	2.96

The fair value of each option granted was estimated on the date of grant using the Black-Scholes Option-Pricing Model with the following assumptions:

	2013	2012
Risk-free interest rate	0.99%	1.12%
Estimated term period prior to exercise (years)	2.50	2.50
Volatility in the price of the Corporation's common shares	38.27%	51.40%
Forfeiture rate	24.22%	19.42%
Dividend yield rate	0.00%	0.00%

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

9. COMMITMENTS AND CONTINGENCIES

Other than the commitments and contingencies discussed below and in the notes to the audited consolidated financial statements for the years ended December 31, 2012 and 2011, there were no other material commitments or contingencies as at June 30, 2013.

(a) The Corporation has issued letters of credit pursuant to service agreements with municipalities to indemnify them in the event that Genesis does not perform its contractual obligations. As of June 30, 2013, the letters of credit amounted to $3,801 (December 31, 2012 – $3,801).

(b) Pursuant to the terms of a participating mortgage that was repaid during 2002, the former mortgage holders have the right to a 20% participation in the profits from the development of approximately 39 acres of land under development. At June 30, 2013, a liability of approximately $3,126 (December 31, 2012 - $3,051) was recorded. The Corporation is selling lots in the last phase covered under this development. The payout to the participants would be made on completion of the sale of lots in the last phase, which is expected in 2014.

(c) The Corporation has office and other operating leases with the following annual payments: not later than one year - $823; later than one year but not later than five years - $2,536; and later than five years - $Nil.

10. FINANCIAL INSTRUMENTS

Fair value measurements recognized in the consolidated balance sheet are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values. The three fair value hierarchy levels are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

For financial assets and liabilities not measured at fair value at June 30, 2013, the following table compares their carrying value with their established fair value:

	June 30, 2013	
	Carrying value	**Estimated Fair Value**
Loans and receivables		
Amounts receivable	37,008	36,150
Other financial liabilities		
Accounts payable and accrued liabilities	20,232	20,232
Loans and credit facilities, excl. deferred loans and credit facilities fees	49,531	49,296

Cash and cash equivalents, deposits, and restricted cash are classified under Level 1 of the hierarchy and their fair value approximates the carrying value due to the short term nature of the financial instruments.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

10. FINANCIAL INSTRUMENTS (continued)

The fair values of the Corporation’s amounts receivable and of loans and credit facilities were estimated based on current market rates for loans of the same risk and maturities. These are classified as Level 2 of the hierarchy. Accounts payable and accrued liabilities are classified under Level 2 of the hierarchy and their fair value approximates the carrying value due to the short term nature of the financial instruments.

During the three months and six months ended June 30, 2013 no transfers made between the levels in the fair value hierarchy.

11. JOINT VENTURE

Genesis formed a joint venture ("JV") on April 30, 2010, for the purpose of acquiring, developing and selling certain real estate. Refer to note 3 for the effects of change in accounting policy.

The following tables summarize the financial information of the JV and reconcile the summarized financial information to the carrying amount of the Corporation's interest in the JV, which is accounted for using the equity method.

	June 30, 2013	December 31, 2012	January 1, 2012
Assets			
Real estate held for development and sale	31,586	30,446	40,324
Amounts receivable	17,026	30,722	18,130
Other operating assets	2	8	10
Total Assets	**48,614**	**61,176**	**58,464**
Liabilities			
Loans and credit facilities	998	10,036	4,330
Accounts payable and accrued liabilities	1,252	2,240	4,064
Land development service costs	15,424	12,416	9,260
Total Liabilities	**17,674**	**24,692**	**17,654**
Net assets	**30,940**	**36,484**	**40,810**
Corporation's share of net assets (50%)	15,470	18,242	20,405
Deferred gain and JV profit	(6,854)	(7,562)	(10,757)
Carrying amount on the consolidated balance sheets	8,616	10,680	9,648

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

11. JOINT VENTURE (continued)

	Three months ended June 30, 2013	Three months ended June 30, 2012	Six months ended June 30, 2013	Six months ended June 30, 2012	December 31, 2012
Revenues					
Residential lot sales	5,172	2,732	6,056	2,732	20,266
Development land sales	-	-	-	7,200	7,860
	5,172	2,732	6,056	9,932	28,126
Cost of sales					
Residential lots	5,030	2,256	5,736	2,256	15,756
Development land	-	-	-	6,634	7,464
	5,030	2,256	5,736	8,890	23,220
General and administrative	48	188	100	546	1,538
Finance income	(56)	(72)	(236)	(106)	(306)
Earnings being Comprehensive income	**150**	**360**	**456**	**602**	**3,674**
Corporation's share of earnings and comprehensive income (50%)	75	180	228	301	1,837
Deferred gain and JV profit	734	323	792	1,337	2,668
Amount on the consolidated statements of comprehensive income	809	503	1,020	1,638	4,505

	Three months ended June 30, 2013	Three months ended June 30, 2012
Cash flows from (used in) operating activities	7,700	(943)
Cash flows (used in) from financing activities	(7,700)	943
Net change in cash and cash equivalents	-	-

	Six months ended June 30, 2013	Six months ended June 30, 2012
Cash flows from (used in) operating activities	15,036	(5,669)
Cash flows (used in) from financing activities	(15,036)	5,669
Net change in cash and cash equivalents	-	-

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

11. JOINT VENTURE (continued)

	Investment in JV	Income from JV
At December 31, 2011	20,405	-
Gain deferrred on lands sold to JV	(13,167)	-
Deferred gain recognized	2,410	-
At January 1, 2012	9,648	-
Share of net income in JV	301	301
Deferred gain recognized	1,337	1,337
At June 30, 2012	11,286	1,638
Share of net income in JV	1,536	1,536
Deferred gain recognized	1,331	1,331
Deferred margin from JV on lots sold	527	-
Distribution received	(4,000)	-
At December 31, 2012	10,680	4,505
Share of net income in JV	228	228
Deferred gain recognized	708	708
Deferred margin from JV on lots sold	-	84
Distribution received	(3,000)	-
June 30, 2013	8,616	1,020

The Corporation’s transactions with the JV are limited to the purchase of lots. During the six months ended June 30, 2013 the JV sold 2 lots (2012 - Nil) to Genesis Builders Group Inc. (“GBG”), a wholly owned subsidiary of the Corporation, for $406 (2012 - $Nil). The Corporation's accounts payable and accrued liabilities as at June 30, 2013 included $3,435 (December 31, 2012 - $6,740), representing the amount owed to the JV for the lots purchased.

Genesis deferred $13,167 when it contributed its share of land to the JV in 2010. As at June 30, 2013, the Corporation had realized $6,313 of that amount as a result of sales to third parties (2012 – $5,605). The remaining amount of $6,854 will be realized on future sale and development of lots and lands by the JV.

12. SEGMENTED INFORMATION

The Corporation operates in two reportable segments, land development and home building, which represent separately managed strategic business units with distinct marketing strategies. The Corporation evaluates segment performance based on profit or loss from operations before income taxes. Inter-segment sales are accounted for as if the sale were to third parties at current market prices. Internal lot sales from the land division to the home building division or a limited partnership have been eliminated and are not included in consolidated results until the home is sold to a third party purchaser.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

12. SEGMENTED INFORMATION (continued)

The income producing business units of the Corporation reported the following activities for the three and six months ended June 30, 2013 and 2012:

Three months ended	Land development segment			Home building	Corporate	Intersegment	
June 30, 2013	Genesis	LP	Total	segment	and other	elimination	Total
Revenues	8,463	36	8,499	15,391	-	(1,488)	22,402
Cost of sales	(4,467)	(8)	(4,475)	(13,687)	-	1,701	(16,461)
Write-down of real estate	(986)	-	(986)	-	-	-	(986)
Income from JV	809		809				809
Other expenses (1)	(1,643)	(358)	(2,001)	(2,050)	-	(213)	(4,264)
Earnings before income taxes and non-controlling interest	2,176	(330)	1,846	(346)	-	-	1,500

Three months ended	Land development segment			Home building	Corporate	Intersegment	
June 30, 2012 (2)	Genesis	LP	Total	segment	and other	elimination	Total
Revenues	18,724	45	18,769	14,323	-	(2,942)	30,150
Cost of sales	(10,769)	(32)	(10,801)	(12,524)	-	2,942	(20,383)
Income from JV	503	-	503	-	-	-	503
Other expenses (1)	(2,055)	(384)	(2,439)	(1,591)	-	-	(4,030)
Earnings before income taxes and non-controlling interest	6,403	(371)	6,032	208	-	-	6,240

Six months ended	Land development segment			Home building	Corporate	Intersegment	
June 30, 2013	Genesis	LP	Total	segment	and other	elimination	Total
Revenues	23,099	49	23,148	29,989	-	(3,125)	50,012
Cost of sales	(12,902)	(8)	(12,910)	(26,474)	-	3,769	(35,615)
Write-down of real estate	(986)	-	(986)	-	-	-	(986)
Income from JV	1,020		1,020	-			1,020
Other expenses (1)	(3,126)	(702)	(3,828)	(3,806)	-	(644)	(8,278)
Earnings before income taxes and non-controlling interest	7,105	(661)	6,444	(291)	-	-	6,153
Segmented assets (as at June 30, 2013)	223,678	65,668	289,346	33,160	11,877	(6,427)	327,956
Segmented liabilities (as at June 30, 2013)	60,712	8,079	68,791	32,838	-	(4,278)	97,351

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

12. SEGMENTED INFORMATION (continued)

Six months ended June 30, 2012 (2)	Land development segment			Home building segment	Corporate and other	Intersegment elimination	Total
	Genesis	LP	Total				
Revenues	34,615	83	34,698	18,227	-	(4,237)	48,688
Cost of sales	(16,701)	(46)	(16,747)	(15,924)	-	4,238	(28,433)
Write-down of real estate	(399)	-	(399)	-	-		(399)
Income from JV	1,638	-	1,638	-	-	-	1,638
Other expenses (1)	(3,767)	(750)	(4,517)	(2,896)	-	(1)	(7,414)
Earnings before income taxes and non-controlling interest	15,386	(713)	14,673	(593)	-	-	14,080
Segmented assets (as at June 30, 2012)	256,846	83,447	340,293	19,331	7,522	(5,594)	361,552
Segmented liabilities (as at June 30, 2012)	101,837	7,839	109,676	17,425	-	(12,293)	114,808

Year ended December 31, 2012 (2)	Land development segment			Home building segment	Corporate and other	Intersegment elimination	Total
	Genesis	LP	Total				
Segmented assets (as at December 31, 2012)	263,661	65,707	329,368	41,092	10,005	(6,124)	374,341
Segmented liabilities (as at December 31, 2012)	107,005	8,057	115,062	39,110	-	(6,140)	148,032

(1) *Other expenses include general and administrative, selling and marketing, other expenses, finance income and finance expense.*
(2) *2012 information has been restated to reflect the changes due to the adoption of IFRS 11 as summarized in note 3.*

13. RELATED PARTY TRANSACTIONS

A director of Genesis, appointed on July 12, 2012, is an officer of a lender and is thus considered a related party at that point of time. At June 30, 2013, the Corporation had loans totaling $24,988 (December 31, 2012 – $28,448) outstanding with this lender. During the three and six months ended June 30, 2013, Genesis paid interest and fees to the lender of $312 and $796 (2012 – $916 and $1,863), respectively. During the period ended June, 2013, the Corporation obtained no new financing or re-financing on existing loans (2012 – $Nil) with the lender. All transactions are under normal commercial terms and conditions.

Genesis is the general partner in four limited partnership arrangements and a 50% partner in the joint venture (note 11).

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

15. PRINCIPAL SUBSIDIARIES

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, as well as the consolidated revenues, expenses, assets, liabilities and cash flows of limited partnership entities that Genesis controls. The Corporation has less than 50% equity ownership in these limited partnership entities; however, Genesis has control over these entities' activities, projects, financial and operating policies due to contractual arrangements. As such, the relationship between the Corporation and the limited partnership entities indicates that they are controlled by the Corporation. Accordingly, the accounts of the limited partnerships have been consolidated in the Corporation's financial statements.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continues to be consolidated until the date when such control ceases. Control exists when the Corporation has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All intra-group transactions, balances, and unrealized gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Corporation and are presented separately from shareholders' equity in the statement of comprehensive income and within equity in the consolidated balance sheet. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. There are no significant restrictions on the Corporation's or its subsidiaries ability to access or use the assets, and settle the liabilities, of the Corporation.

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. PRINCIPAL SUBSIDIARIES (continued)

All entities are incorporated in Canada and are listed in the following table:

	% equity interest as at	
Name	**June 30, 2013**	**December 31, 2012**
Land Development		
Genpol Inc.	100%	100%
Genpol LP	100%	100%
1504431 Alberta Ltd.	0.0002%	0.0002%
Genesis Sage Meadows Partnership	99.9998%	99.9998%
Polar Hedge Enhanced Income Trust	100%	100%
New View Consulting Ltd.	100%	100%
No. 114 Corporate Ventures Ltd.	100%	100%
Buena Vista Ranches Ltd.	100%	100%
LP 4/5 group		
Genesis Limited Partnership #4	0.001%	0.001%
Genesis Limited Partnership #5	0%	0%
GLP5 GP Inc.	0%	0%
GLP5 NE Calgary Development Inc.	0%	0%
Genesis Northeast Calgary Ltd.	100%	100%
LP 6/7 group		
Genesis Limited Partnership #6	11.75%	11.75%
Genesis Limited Partnership #7	0%	0%
GP GLP7 Inc.	0%	0%
GLP7 Subco Inc.	0%	0%
LP 8/9 group		
Genesis Limited Partnership #8	0.23%	0.23%
Genesis Limited Partnership #9	0%	0%
GP GLP8 Inc.	100%	100%
GP GLP9 Inc.	0%	0%
GLP9 Subco Inc.	0%	0%
LPLP 2007 group		
Limited Partnership Land Pool (2007)	0%	0%
GP LPLP 2007 Inc.	100%	100%
GP RRSP 2007 Inc.	0%	0%
LPLP 2007 Subco Inc.	0%	0%
GP RRSP 2007 #2 Inc.	0%	0%
LPLP 2007 Subco #2 Inc.	0%	0%
LP RRSP Limited Partnership #1	0%	0%
LP RRSP Limited Partnership #2	0%	0%
Joint Venture		
Kinwood Communities Inc.	50%	50%
Home Building		
Single-family		
Genesis Builders Group Inc.	100%	100%
Multi-family		
The Breeze Inc.	100%	100%
Generations Group of Companies Inc.	100%	100%
Life at Solana Inc.	100%	100%
Life at Waterstone Inc.	100%	100%
Montura Inc. (previously Life at Skye Inc.)	100%	100%

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. PRINCIPAL SUBSIDIARIES (continued)

The following tables summarize the information relating to the Corporation's subsidiaries that have material non-controlling interests (NCI) before any intra-group eliminations:

	June 30, 2013				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Assets					
Real estate held for development and	7,822	8,212	4,530	40,059	60,623
Amounts receivable	-	4,833	-	(1)	4,832
Due from related parties	30	1,060	(349)	-	741
Other operating assets	-	210	-	3	213
Cash and cash equivalents	-	24	1	95	120
Total assets	7,852	14,339	4,182	40,156	66,529
Liabilities					
Loans and credit facilities	-	-	-	7,820	7,820
Customer deposits	-	-	-	2	2
Accounts payable and accrued liabilities	-	232	-	25	257
Due to related parties	97	1,218	119	20,346	21,780
Total liabilities	97	1,450	119	28,193	29,859
Net assets	7,755	12,889	4,063	11,963	36,670
Non-controlling interest percentage	100%	90.97%	100%	100%	

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. PRINCIPAL SUBSIDIARIES (continued)

	December 31, 2012				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Assets					
Real estate held for development and	7,822	8,212	4,530	40,059	60,623
Amounts receivable	-	4,876	-	(2)	4,874
Due from related parties	24	1,060	(335)	-	749
Other operating assets	-	210	-	-	210
Cash and cash equivalents	-	314	1	79	394
Total assets	7,846	14,672	4,196	40,136	66,850
Liabilities					
Loans and credit facilities	-	-	-	7,798	7,798
Customer deposits	-	-	-	2	2
Accounts payable and accrued liabilities	3	219	3	32	257
Due to related parties	94	1,249	113	19,481	20,937
Total liabilities	97	1,468	116	27,313	28,994
Net assets	7,749	13,204	4,080	12,823	37,856
Non-controlling interest percentage	100%	88.25%	100%	100%	

	January 1, 2012				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Assets					
Real estate held for development and	7,709	10,584	6,696	54,537	79,526
Amounts receivable	-	5,248	-	2	5,250
Due from related parties	68	1,042	(334)	-	776
Other operating assets	-	-	2	-	2
Cash and cash equivalents	-	698	2	32	732
Total assets	7,777	17,572	6,366	54,571	86,286
Liabilities					
Loans and credit facilities	-	-	-	7,694	7,694
Customer deposits	1	-	-	28	29
Accounts payable and accrued liabilities	-	25	-	-	25
Due to related parties	69	1,692	110	17,772	19,643
Total liabilities	70	1,717	110	25,494	27,391
Net assets	7,707	15,855	6,256	29,077	58,895
Non-controlling interest percentage	100%	88.25%	100%	100%	

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. PRINCIPAL SUBSIDIARIES (continued)

	Three months ended June 30, 2013				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Revenues	9	106	-	27	142
Net earnings (loss) being comprehensive income (loss)	6	103	(9)	(430)	(330)
Non-controlling interest percentage	100%	88.25%	100%	100%	

	Three months ended June 30, 2012				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Revenues	9	107	-	37	153
Net earnings (loss) being comprehensive income (loss)	5	100	(7)	(467)	(369)
Non-controlling interest percentage	100%	88.25%	100%	100%	

	Three months ended June 30, 2013				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Cash flows from operating activities	-	161	-	9	170
Cash flows used in financing activities	-	(525)	-	-	(525)
Net (decrease) increase in cash and cash equivalents	**-**	**(364)**	**-**	**9**	**(355)**

	Three months ended June 30, 2012				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Cash flows from operating activities	-	269	-	6	275
Cash flows used in financing activities	-	(735)	-	-	(735)
Net (decrease) increase in cash and cash equivalents	**-**	**(466)**	**-**	**6**	**(460)**

	Six months ended June 30, 2013				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Revenues	9	214	-	40	263
Net earnings (loss) being comprehensive income (loss)	6	211	(16)	(862)	(661)
Non-controlling interest percentage	100%	88.25%	100%	100%	

	Six months ended June 30, 2012				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Revenues	10	236	-	60	306
Net earnings (loss) being comprehensive income (loss)	6	229	(10)	(924)	(699)
Non-controlling interest percentage	100%	88.25%	100%	100%	

(All tabular amounts and amounts in footnotes to tables are in thousands of Canadian dollars except number of shares)

15. PRINCIPAL SUBSIDIARIES (continued)

	Six months ended June 30, 2013				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Cash flows from operating activities	-	235	-	16	251
Cash flows used in financing activities	-	(525)	-	-	(525)
Net (decrease) increase in cash and cash equivalents	**-**	**(290)**	**-**	**16**	**(274)**

	Six months ended June 30, 2012				
	LP 4/5	**LP 6/7**	**LP 8/9**	**LPLP 2007**	**Total**
Cash flows from operating activities	-	118	-	9	127
Cash flows used in financing activities	-	(735)	-	-	(735)
Net (decrease) increase in cash and cash equivalents	**-**	**(617)**	**-**	**9**	**(608)**