

# Genesis Land Development Corp. TSE Stock Symbol: GDC

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## Genesis achieves record net earnings of \$8.7 million in third quarter of 2007

CALGARY, Nov. 14 /CNW/ - Genesis Land Development Corp. ("Genesis" or the "Company") is pleased to report financial results for the nine months ended September 30, 2007. Over the first nine months of the year, Genesis recorded total revenues of \$76,382,712 as compared to \$33,257,397 over the same period in 2006. This produced after-tax earnings in 2007 of \$18,850,298 or \$0.41 basic and fully diluted earnings per share vs. \$6,607,394 and \$0.14 basic and fully diluted earnings per share during the first nine months of 2006. For the three months ended September 30, 2007, the Company generated revenues of \$29,801,153 as compared to \$5,392,426 over the same period in 2006, resulting in after-tax earnings of \$8,710,192 or \$0.19 basic and fully diluted earnings per share for Q3-2007 while earnings for Q3-2006 were \$155,016 or \$0.00 basic and fully diluted per share.

As at September 30, 2007, Genesis had a cash balance of \$14,961,851 compared to \$13,411,004 at December 31, 2006. Amounts receivable at September 30, 2007 were \$44,012,314 compared to \$16,886,228 at December 31, 2006, on the strength of 203 lot sales to external builders through the first nine months of 2007. Genesis continues to maintain a strong balance sheet at September 30, 2007 with a debt to equity ratio of 0.35 exclusive of non-controlling interest and 0.77 inclusive of non-controlling interest. The balance of debt/financings at September 30, 2007 was \$39,592,071 compared to \$20,090,558 at December 31, 2006. Shorter term, land service project financing accounts for \$33,862,961 of the financings total. These financings are paid off as lots associated with the specific financing are sold. Of the remaining debt, Genesis Builders Group ("GBG"), the Company's wholly-owned single-family home building subsidiary, had utilized \$4,973,265 of an available \$7,500,000 line of credit as at September 30, 2007.

### Land Development

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During the third quarter ended September 30, 2007, Genesis sold a total of 87 lots to external builders resulting in revenues of \$18,006,511. Gross margins during this period were \$12,213,979 (68%), with an average price per lot of \$206,971. Genesis completed a total of 203 external lot sales over the nine months ended September 30, 2007 resulting in revenues of \$40,890,817 with an average price per lot of \$201,432. Gross margins during the first nine months of 2007 were \$26,248,384 (65%).

During the third quarter, Genesis acquired a 122 acre industrial/commercial land parcel located on Highway 16A in Parkland County, Alberta, approximately 5 kilometers west of the City of Edmonton. The total purchase price for the property was \$12,855,150 (approximately \$105,000 per acre). An independent valuation report commissioned by Genesis provided an appraised serviced retail value of the potential sites of \$37,300,000 (approximately \$305,737 per serviced acre). The Company intends to service and market the property as developed industrial sites within the next one to two years and estimates that the land servicing costs will be approximately \$80,000 to \$100,000 per acre. On October 15, 2007, Genesis completed the acquisition of 617 acres of land in the hamlet of Delacour, located 10 kilometers east of Calgary, for \$31,385,500 (approximately \$50,867 per acre). Of these lands, 306 acres are approved by the Municipal District of Rockyview for development under an area structure plan. The Company used proceeds raised in a Limited Partnership offering as well as a loan totaling \$18,831,300 to finance the acquisition. The loan will be repaid by October 2008 from further proceeds raised by the Limited Partnership offering.

### Single-Family Home Building

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Genesis Builders Group closed the sale on a total of 26 single-family homes in the three months ended September 30, 2007 for total closings of 99 over the first nine months of the year. Total revenues from single-family home sales in the third quarter were \$11,737,152, while the nine month year-to-date total is \$34,485,145. The average price of a single-family home sold in the third quarter was \$451,429, up from the second quarter average of \$338,788. This rise is a reflection of the increase in

house prices that was experienced during 2007 in the Calgary real estate market, as well as a significant percentage of homes that closed in the community of Sherwood where sales prices are above average.

Presently, GBG has in excess of 100 homes under construction, 42 of which have been pre-sold, with delivery of these homes expected over the next 6 months. While the average single-family home price has softened over the last few months in Calgary, forecasts from Canada Mortgage and Housing Corp. ("CMHC") call for modest price increases for new homes in the Calgary area in 2008. This is based on a strong, energy-driven local economy with minimal impact from the recent sub-prime crisis in the United States, based on a more regulated Canadian mortgage marketplace.

### **Multi-Family Home Building**

Generations Developments ("Generations") has begun construction on The Breeze, a 125 unit condo development in Airdrie, Alberta. Pre-sales for this project will begin in the fourth quarter of 2007 with completion of construction and sales closings expected in the latter half of 2008. Additionally, planning has commenced on five other multi-family projects totaling 1,630 units with construction start dates forecast in 2008 and 2009.

### **Commercial**

Genesis recently signed a purchase and sale agreement for the sale of commercial land to a large anchor store at its Sage Hill Crossing shopping center site for total proceeds exceeding \$22 million. The transaction is forecast to close during the summer of 2008 with the anchor store planning to open early in 2009. The interest shown in Sage Hill Crossing from this and other retailers has been exceptional and the Company expects to successfully sign numerous leases and another land sale deal in the near future.

## **UNAUDITED FINANCIAL SUMMARY**

### **Nine Months Ended 30th of September, 2007 and 2006 (in \$CAN)**

	2007	2006
Assets	241,491,523	170,818,727
Liabilities	127,358,273	78,306,278
Shareholders	14,133,250	92,512,449
Revenue	76,382,712	33,257,397
Expenses	49,573,482	21,150,005
Earnings before taxes and non-controlling Interest	26,809,230	12,107,392
Net earnings	18,850,298	6,607,394
Earnings per share (basic & fully diluted)	0.41	0.14
Common Shares Outstanding	46,019,190	46,042,190

Genesis Land Development Corp. is a Calgary based land development company with an inventory of more than 24,000 future residential building sites (single-family and multi-family) and over 300 acres of commercial/industrial lands in Western Canada, of which more than 13,000 residential lots and over 300 acres of commercial/industrial lands are located in the Calgary metropolitan area.

*Certain statements in this news release could constitute forward-looking statements. The Corporation's line of business involves risk, uncertainties and other factors which may cause actual results, performance or achievements of Genesis to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such factors include the number of dwelling sites that Genesis will actually develop and sell.*