

January 9, 2015



Pure Cycle Corporation Announces First Fiscal Quarter 2015 Financial Results

DENVER, CO -- (Marketwired) -- 01/09/15 -- Pure Cycle Corporation (NASDAQ: PCYO) today reported financial results for the three months ended November 30, 2014. Basic and diluted earnings per share was less than \$.01 compared to a loss of \$.04 per share last year.

"In our first quarter we continued delivering record revenue and are continuing momentum for our Company," commented Mark Harding, President of Pure Cycle Corporation. "We continued to focus on developing our municipal water model and positioning ourselves for a strong performance operationally in order to drive long-term shareholder value. We are also pleased to announce we have moved our office to 34501 E. Quincy Ave., Building 34, Box 10, Watkins, CO 80137. The new office is located at the heart of our service area and will enable us to manage our operations more efficiently to our industrial and domestic customers."

We will host a conference call on Monday, January 12, 2015 at 3PM Eastern (1PM Mountain) to discuss these results. Call details are below. Additionally, we have posted a detailed slide presentation which overviews the Company and presents summary financial results on our website which can be accessed at www.purecyclewater.com.

The following table summarizes results of operations for the three months ended November 30, 2014 and 2013:

	Three Months Ended November 30,			
	2014	2013	\$ Change	% Change
Industrial water used for fracking	\$ 451,600	\$ 290,300	\$ 161,300	56 %
Water & wastewater	51,900	41,100	10,800	26 %
Farm operations	263,800	220,300	43,500	20 %
Other	66,500	26,800	39,700	148 %
Total Revenues	833,800	578,500	255,300	44 %
Cost of revenues	(223,200)	(180,400)	(42,800)	24 %
Gross margin	610,600	398,100	212,500	53 %
Operating expenses:				
General and administrative	(647,500)	(619,900)	(27,600)	4 %
Other	(35,400)	(15,500)	(19,900)	128 %
Loss from operations	(72,300)	(237,300)	165,000	-70 %

Other (expense) income:

Interest on Tap Participation Fee	(23,800)	(657,200)	633,400	-96 %
Other income	170,900	112,100	58,800	52 %
Other expenses	(64,500)	(64,100)	(400)	-100 %
Net income (loss)	<u>\$ 10,300</u>	<u>\$ (846,500)</u>	<u>\$ 856,800</u>	<u>-101 %</u>
Income (loss) per share	*	\$ (0.04)	\$ 0.04	100 %

(*) Amount is less than \$.01

Revenues increased approximately 44% during our three months ended November 30, 2014 compared to our three months ended November 30, 2013 primarily as a result of increased water sales used for fracking.

Our summarized approximate financial position as of November 30, 2014 and August 31, 2013 is as follows:

	November 30, 2014	August 31, 2014	\$ Change
Assets			
Cash, cash equivalents and marketable securities	\$ 1,927,500	\$ 1,749,600	\$ 177,900
Other current assets	<u>1,281,700</u>	<u>2,713,700</u>	<u>(1,432,000)</u>
Total current assets	3,209,200	4,463,300	(1,254,100)
Investments in water and water systems, net	91,901,000	90,823,900	1,077,100
Land - Sky Ranch	3,663,300	3,662,800	3,663,300
Other long-term assets	<u>9,298,500</u>	<u>9,223,800</u>	<u>74,700</u>
Total assets	<u>\$ 108,072,000</u>	<u>\$ 108,173,800</u>	<u>\$ (101,800)</u>
Liabilities and Shareholders' Equity			
Current liabilities	\$ 1,428,800	\$ 2,348,400	\$ (919,600)
Current portion of mortgages payable	848,300	926,000	(77,700)
Tap participation fee payable to HP A&M	1,731,800	7,935,300	(6,203,500)
Other long-term liabilities	<u>6,726,200</u>	<u>5,933,600</u>	<u>792,600</u>
Total liabilities	10,735,100	17,143,300	(6,408,200)
Total shareholders' equity	<u>97,336,900</u>	<u>91,030,500</u>	<u>6,306,400</u>
Total liabilities and shareholders' equity	<u>\$ 108,072,000</u>	<u>\$ 108,173,800</u>	<u>\$ (101,800)</u>

The Company will be holding its annual shareholders' meeting on Wednesday January 14, 2015 at 2PM Mountain. The meeting will be held at the offices of Davis, Graham & Stubbs

LLP, at 1550 17th Street, Suite 500, Denver, CO 80202. Additional details can be found on our website.

CALL DETAILS

When: 3PM Eastern on Monday January 12, 2015

Call in number: 1-855-241-1929 (no pass codes required)

International Call in number: 1-443-295-9247

Replay available until: January 19, 2015

Replay call in number: 1-855-859-2056

Conference ID: 61661291

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Forward-looking statements are all statements, other than statements of historical facts, including in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Factors that could cause actual results to differ from projected results include the risk factors discussed in Part I, Item 1A of our most recent Annual Report on Form 10-K and those factors discussed from time to time in our press releases, public statements and documents filed or furnished with the U.S. Securities and Exchange Commission. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated or intended. Except as required by law, we disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Information

Pure Cycle owns water assets in several river basins in the State of Colorado as well as certain aquifers in the Denver, Colorado metropolitan area. Pure Cycle provides water and wastewater services to customers located in the Denver metropolitan area including the design, construction, operation and maintenance of water and wastewater systems. Pure Cycle also owns approximately 14,600 acres in Southeastern Colorado that are leased to area farmers.

Additional information including our recent press releases and Annual Reports are available at www.purecyclewater.com, or you may contact our President, Mark W. Harding, at 303-292-3456 or at info@purecyclewater.com.

Mark W. Harding

President

303-292-3456

[Email Contact](#)

Source: Pure Cycle Corporation