

January 10, 2014



# Pure Cycle Corporation Announces First Fiscal Quarter 2014 Financial Results

DENVER, CO -- (Marketwired) -- 01/10/14 -- Pure Cycle Corporation (NASDAQ: PCYO) today reported financial results for the three months ended November 30, 2013. Basic and diluted loss per share decreased 36% from a loss of \$.06 per share last year to \$.04 per share this 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. "This was an exciting quarter for Pure Cycle, both operationally and financially, and we are well positioned to continue our strong performance and drive long-term shareholder value."

The following table summarizes results of operations for the three months ended November 30, 2013 and 2012:

	Three Months Ended November 30,		\$ Change	% Change
	2013	2012		
Industrial water used for fracking	\$ 290,300	\$ 3,700	\$ 286,600	7746 %
Water & wastewater	41,100	53,700	(12,600)	-23 %
Farm operations	220,300	362,700	(142,400)	-39 %
Other	26,800	18,300	8,500	46 %
Total Revenues	578,500	438,400	140,100	32 %
Cost of revenues	(180,400)	(71,500)	(108,900)	152 %
Gross margin	398,100	366,900	31,200	9 %
Operating expenses:				
General and administrative	(619,900)	(838,100)	218,200	-26 %
Other	(15,500)	(55,500)	40,000	-72 %
Loss from operations	(237,300)	(526,700)	289,400	-55 %
Other (expense) income:				
Interest on TPF and Convertible Debt	(657,200)	(894,600)	237,400	-27 %
Other income	112,100	114,600	(2,500)	-2 %
Other expenses	(64,100)	(26,900)	64,100	-100 %
Net loss	\$ (846,500)	\$ (1,333,600)	\$ 588,400	-44 %
Loss per share	\$ (0.04)	\$ (0.06)	\$ 0.02	33 %

Revenues increased approximately 32% during the our three months ended November 30, 2013 compared to our three months ended November 30, 2012 primarily as a result of increased water sales used for fracking.

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

	November 30, 2013	August 31, 2013	\$ Change
<b>Assets</b>			
Cash, cash equivalents and marketable securities	\$ 1,481,000	\$ 2,448,400	\$ (967,400 )
Other current assets	7,735,500	7,451,600	283,900
Total current assets	9,216,500	9,900,000	(683,500 )
Investments in water and water systems, net	88,944,300	88,512,200	432,100
Land - Sky Ranch	3,765,400	3,768,000	3,765,400
Other long-term assets	6,362,700	6,438,100	(75,400 )
Total assets	<u>\$ 108,288,900</u>	<u>\$ 108,618,300</u>	<u>\$ (329,400 )</u>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities	\$ 937,600	\$ 733,400	\$ 204,200
Current portion of mortgages payable	4,654,500	4,668,900	(14,400 )
Tap participation fee payable to HP A&M	48,432,700	59,807,300	(11,374,600 )
Other long-term liabilities	5,251,500	5,636,200	(384,700 )
Total liabilities	59,276,300	70,845,800	(11,569,500 )
Total shareholders' equity	49,012,600	37,772,500	11,240,100
Total liabilities and shareholders' equity	<u>\$ 108,288,900</u>	<u>\$ 108,618,300</u>	<u>\$ (329,400 )</u>

Consistent with prior years, management hosts earnings calls reviewing mid-year and year end results. Our next earnings call will be hosted after the release of our second quarter results -- anticipated to be in April 2014. 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](http://www.purecyclewater.com).

The Company will be holding its annual shareholders' meeting on Wednesday, January 15, 2014 at 2PM Mountain. The meeting will be held at the offices of Davis, Graham & Stubbs LLP, at 1550 17<sup>th</sup> Street, Suite 500, Denver, CO 80202. Additional details can be found on our website.

### **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 16,700 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](http://www.purecyclewater.com), or you may contact our President, Mark W. Harding, at 303-292-3456 or at [info@purecyclewater.com](mailto:info@purecyclewater.com).

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Source: Pure Cycle Corporation