

M.D.C. Holdings Expects 2001 Fourth Quarter Earnings Per Share to Exceed Analyst Estimates; Reports Home Orders, Home Closings and Backlog

PRNewswire

- Fourth quarter earnings per share should exceed highest analyst estimates of \$1.65
- Record home closings for the quarter and year ended December 31, 2001
- Release of earnings anticipated on January 10, 2002

DENVER, Jan. 3 /PRNewswire/ -- M.D.C. Holdings, Inc. (www.RichmondAmerican.com) today announced that it expects earnings per share for the three months ended December 31, 2001 to exceed \$1.65, representing the high end of analysts' estimates for the period. At this level, the Company's 2001 fourth quarter earnings per share would be the highest for any quarter in the Company's history. The Company expects to release its 2001 fourth quarter and total year earnings and hold its quarterly conference call and webcast on January 10, 2002. Please refer to the last paragraph of this release for a discussion of factors that may impact the Company's estimate of 2001 fourth quarter earnings.

MDC closed 2,415 homes and 8,174 homes, respectively, in the fourth quarter and year ended December 31, 2001. These record home closing levels represent increases of 13% and 9% from the closings of 2,129 homes and 7,484 homes, respectively, for the same periods in 2000.

The Company received orders, net of cancellations, for 1,373 homes and 7,701 homes, respectively, during the fourth quarter and total year 2001, compared with net orders for 1,454 homes and 7,835 homes, respectively, for the same periods in 2000. The Company ended 2001 with a backlog of 2,882 homes with an estimated sales value of \$760 million, compared with a backlog of 3,292 homes with an estimated sales value of \$775 million at December 31, 2000.

MDC's 2001 fourth quarter home orders continued to be impacted by temporary reductions in the number of active subdivisions in Virginia, Nevada and Phoenix, primarily resulting from strong order activity in these markets earlier in the year. In addition, while the number of active subdivisions increased in Colorado, many have been selling out of trailers with models under construction, resulting in a lower absorption pace. The completion of a number of these model homes late in the 2001 fourth quarter contributed to a 4% increase in total Company home orders in December 2001, compared with December 2000. Approximately 40 model homes are scheduled for completion in 14 subdivisions in Colorado in the first quarter of 2002. In addition, the Company plans to open more than 25 new active subdivisions in Virginia, Nevada and Phoenix combined during the first three months of 2002. Please refer to the last paragraph of this release for a discussion of factors that may impact the Company's estimate of 2002 first quarter subdivision openings and model home completions.

MDC, whose subsidiaries build homes under the name "Richmond American Homes," is one of the largest homebuilders in the United States. The Company's wholly owned subsidiary HomeAmerican Mortgage Corporation provides mortgage financing primarily for MDC's home buyers. MDC is a major regional homebuilder with a significant presence in some of the country's best housing markets. Richmond American Homes is the largest homebuilder in Colorado; among the top five homebuilders in northern Virginia, Phoenix and Tucson; and among the top ten homebuilders in suburban Maryland, Las Vegas, Southern California and Northern California.

Certain statements in this release, including those related to the Company's anticipated earnings, subdivision openings and model home completions, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among other things, (1) general economic and business conditions; (2) interest rate changes; (3) the relative stability of debt and equity markets; (4) competition; (5) the availability and cost of land and other raw materials used by the Company in its homebuilding operations; (6) demographic changes; (7) shortages and the cost of labor; (8) weather related slowdowns; (9) slow growth initiatives; (10) building moratoria; (11) governmental regulation, including the interpretation of tax, labor and environmental laws; (12) changes in consumer confidence and preferences; (13) required accounting changes; (14) terrorist acts and other acts of war; and (15) other factors over which the

Company has little or no control.

M.D.C. HOLDINGS, INC.
Homebuilding Operational Data
(Dollars in Thousands)

	Three Months		Year Ended	
	Ended December 31,		Ended December 31,	
	2001	2000	2001	2000
Orders For Homes, net (units)				
Colorado	515	473	2,616	2,607
California	302	342	1,519	1,614
Arizona	339	363	2,038	1,849
Nevada	96	108	687	739
Virginia	70	124	551	765
Maryland	51	44	290	261
Total	1,373	1,454	7,701	7,835

Homes Closed (units)				
Colorado	818	696	2,806	2,848
California	489	476	1,537	1,363
Arizona	601	460	2,223	1,554
Nevada	211	178	704	678
Virginia	232	230	645	727
Maryland	64	89	259	314
Total	2,415	2,129	8,174	7,484

	December 31, December 31,	
	2001	2000
Backlog (units)		
Colorado	1,195	1,385
California	490	508
Arizona	625	747
Nevada	181	198
Virginia	234	328
Maryland	157	126
Total	2,882	3,292

Backlog Estimated Sales Value	\$760,000	\$775,000
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Active Subdivisions at the Beginning of the Month	136	130
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