M.D.C. Holdings Reports 10% Increase in 2002 First Quarter Earnings

- Record first quarter net income of $32.3 million - Earnings per share of $1.16 vs. $1.09 a year ago - Highest first quarter homebuilding revenues and operating profits in Company history - Home gross margins of 23.4%, 24.4% before interest - Debt-to-capital ratio of .24; debt-to-EBITDA ratio of .70 - Quarterly interest coverage of 15.8, up from 9.9

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DENVER

M.D.C. Holdings, Inc. (www.RichmondAmerican.com), whose subsidiaries build homes under the name "Richmond American Homes," today announced net income for the three months ended March 31, 2002 of $32.3 million, or $1.16 per share, compared with net income of $29.3 million, or $1.09 per share, for the same period in 2001. Total revenues for the first quarter of 2002 were $456 million, compared with revenues of $420 million in the 2001 first quarter.

Larry A. Mizel, MDC's chairman and chief executive officer, stated, "We are proud to report another quarter of significant accomplishments by our Company. Not only did we achieve record first quarter levels of net income and earnings per share, but our home orders were the highest for any quarter in the Company's history, producing a quarter-end backlog with a sales value in excess of $1 billion. Also in the 2002 first quarter, we continued our strategy of expanding in our existing markets, and we made significant progress in further enhancing our geographic diversity."

The Company recently announced an agreement to acquire most of the homebuilding assets of W.L. Homes LLC (dba John Laing Homes) in Salt Lake City and in Las Vegas, where the Company will be among the top five builders in this market. In February, the Company announced the hiring of a senior manager to lead its expansion into the Dallas/Fort Worth market.

Mizel continued, "Our successes have continued to be recognized by the firms that rate our public debt. Standard & Poor's recently upgraded our senior credit rating to 'BB+,' and Moody's Investors Service assigned a 'positive' outlook to their 'Ba1' rating of our senior debt. Both of these ratings are one step away from the investment grade rating which already has been assigned to MDC by Fitch Ratings."

Record Homebuilding and Mortgage Lending Results

Operating profits from the Company's homebuilding operations for the first quarter of 2002 increased to $57.8 million, compared with $53.9 million for the same period in 2001. The 2002 increase primarily resulted from a $33,000 increase in the average selling price of homes closed, partially offset by 85 fewer homes closed, compared with the first quarter of 2001. Home gross margins were 23.4% for the three months ended March 31, 2002, compared with 23.3% for the same period in 2001.

Paris G. Reece III, MDC's executive vice president and chief financial officer, said, "We experienced significantly higher year-over-year operating results in Virginia, Maryland and Las Vegas, primarily due to increases in average selling prices of more than $30,000 and improvements in home gross margins of over 400 basis points in each of these markets. In Southern California, higher home closings as well as increased average selling prices and home gross margins combined to produce substantially improved earnings in the 2002 first quarter in this strengthening market. Our first quarter home gross margins improved by 120 basis points from the 2001 fourth quarter primarily as a result of non-recurring adjustments to reduce previous estimates of costs to complete land development in certain active projects in Virginia and Southern California."

Reece continued, "As previously announced, our first quarter results were enhanced by favorable weather for construction in most of our markets, enabling us to close approximately 100 homes that originally were scheduled for completion and closing in the 2002 second quarter. While a small number of these accelerated home closings may be replaced in the second quarter as a result of our record first quarter home orders, most of the increased homes sold will close in the third and fourth quarters of 2002. Our increased first quarter home orders help to confirm the importance of getting new communities open and completing and opening model homes in these communities, particularly in Colorado. With active communities up 10% from 2001 year-end levels, we are on track to achieve our objective of having over 160 communities active by June 30, 2002, which should position us to take further advantage of the strong demand for new homes we have been experiencing in each of our markets."

The Company's mortgage lending operations reported operating profits of $5.0 million for the three months ended March 31, 2002, compared with $4.2 million for the same period in 2001. The improvement in operating profits primarily was due to increased gains from sales of mortgage loans and higher interest revenues in the first quarter of 2002. In addition, the Company recognized increased loan origination fees in the 2002 first quarter primarily due to a greater volume of loans originated for MDC's home buyers. The Company originated or brokered $306 million in mortgage loans for 83% of MDC's home buyers in the 2002 first quarter, compared with $293 million in mortgage loans for 83% of MDC's home buyers for the same period in 2001.

Strengthened Balance Sheet and Improved Operating Efficiency

The Company continued to strengthen its balance sheet and improve the efficiency of its operations in the first quarter of 2002. This success is represented by the achievement of ratios of homebuilding and corporate debt-to-capital and debt-to-EBITDA (as defined below) at March 31, 2002 of .24 and .70, respectively. In addition, MDC improved its return on average assets and EBIT return on capital for the 12 months ended March 31, 2002 to 13.2% and 30.9%, respectively. Each of these ratios rank among the best in the homebuilding industry. The Company's strong operating results over the past year have increased MDC's stockholders' equity by 33% to $694 million, or $25.81 per outstanding share, at March 31, 2002. Further, notwithstanding higher inventory levels needed to support the Company's expanded homebuilding operations, MDC ended the 2002 first quarter with liquidity of $434 million, 27% higher than at March 31, 2001.

First quarter 2002 earnings before interest, taxes, depreciation and amortization ("EBITDA") increased to $63.7 million, compared with $59.9 million for the same period in 2001. This EBITDA increase contributed to the improvement in the Company's ratio of EBITDA to interest incurred to 15.8 for the quarter ended March 31, 2002, compared with 9.9 for the comparable period in 2001.

MDC, whose subsidiaries build homes under the name "Richmond American Homes," is one of the largest homebuilders in the United States. The Company also provides mortgage financing, primarily for MDC's home buyers, through its wholly owned subsidiary, HomeAmerican Mortgage Corporation. MDC is a major regional homebuilder with a significant presence in some of the country's best housing markets. The Company 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, Northern California and Southern California.

All earnings per share amounts discussed above are on a diluted basis.

Certain statements in this release 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.
Condensed Consolidated Balance Sheets
(In thousands)

	March 31, 2002	December 31, 2001
ASSETS		
Corporate		
Cash and cash equivalents	$23,265	$31,322
Property and equipment, net	2,097	2,723
Deferred income taxes	27,379	30,081
Deferred debt issue costs, net	1,885	1,947
Other assets, net	13,555	7,597
	68,181	73,670
Homebuilding		
Cash and cash equivalents	5,094	4,760
Home sales and other accounts receivable	5,750	2,621
Inventories, net		
Housing completed or under construction	475,854	456,752

Land and land under development	506,536	450,502
Prepaid expenses and other assets, net	55,277	49,544
	1,048,511	964,179
Financial Services		
Cash and cash equivalents	550	518
Mortgage loans held in inventory	92,135	144,971
Other assets, net	4,993	7,618
	97,678	153,107
Total Assets	$1,214,370	$1,190,956
LIABILITIES		
Corporate		
Accounts payable and accrued expenses	$41,939	$61,135
Income taxes payable	22,273	9,953
Senior notes, net	174,519	174,503
	238,731	245,591
Homebuilding		
Accounts payable and accrued expenses	165,043	174,955
Line of credit	50,000	--
	215,043	174,955
Financial Services		
Accounts payable and accrued expenses	22,235	16,937
Line of credit	44,833	99,642
	67,068	116,579
Total Liabilities	520,842	537,125
STOCKHOLDERS' EQUITY		
Total Stockholders' Equity	693,528	653,831
Total Liabilities and Stockholders' Equity	$1,214,370	$1,190,956

M.D.C. HOLDINGS, INC.
Condensed Consolidated Statements of Income
(In thousands, except per share amounts)

	Three Months Ended March 31, 2002	2001
REVENUES		
Homebuilding	$446,761	$411,096
Financial Services	9,381	8,341
Corporate	232	285
Total Revenues	$456,374	$419,722
NET INCOME		
Homebuilding	$57,844	$53,931
Financial Services	5,030	4,204
Operating Profit	62,874	58,135
Corporate general and administrative expense, net	(9,828)	(10,121)
Income before income taxes	53,046	48,014
Provision for income taxes	(20,710)	(18,731)
Net Income	$32,336	$29,283
EARNINGS PER SHARE		
Basic	$1.21	$1.13

Diluted	$1.16	$1.09
WEIGHTED-AVERAGE SHARES OUTSTANDING		
Basic	26,714	25,933
Diluted	27,773	26,938
DIVIDENDS PAID PER SHARE	$.07	$.06

M.D.C. HOLDINGS, INC.
Information on Business Segments
(In thousands)

	Three Months Ended March 31, 2002	2001
Homebuilding		
Home sales	$445,167	$409,720
Land sales	--	346
Other revenues	1,594	1,030
Total Homebuilding Revenues	446,761	411,096
Home cost of sales	341,061	314,437
Land cost of sales	--	263
Marketing	25,663	22,853
General and administrative	22,193	19,612
	388,917	357,165
Homebuilding Operating Profit	57,844	53,931
Financial Services		
Interest revenues	1,008	541
Origination fees	4,229	3,685
Gains on sales of mortgage servicing	471	1,683
Gains on sales of mortgage loans, net	3,461	2,574
Mortgage servicing and other	212	(142)
Total Financial Services Revenues	9,381	8,341
General and administrative	4,351	4,137
Financial Services Operating Profit	5,030	4,204
Total Operating Profit	62,874	58,135
Corporate		
Interest and other revenues	232	285
General and administrative	(10,060)	(10,406)
Net Corporate Expenses	(9,828)	(10,121)
Income Before Income Taxes	$53,046	$48,014

M.D.C. HOLDINGS, INC.
Selected Financial Data
(Dollars in thousands, except per share amounts)

	March 31, 2002	December 31, 2001	March 31, 2001
BALANCE SHEET DATA			
Stockholders' Equity	$693,528	$653,831	$521,962
Book Value Per Share Outstanding	$25.81	$24.59	$20.03
Homebuilding and Corporate Debt	$224,519	$174,503	$284,458
Ratio of Homebuilding and Corporate Debt to Equity	.32	.27	.54
Total Capital (excluding mortgage lending debt)	$918,047	$828,334	$806,420
Ratio of Homebuilding and Corporate			

Debt to Total Capital	.24	.21	.35
Ratio of Homebuilding and Corporate Debt to Total Capital (net of cash)	.22	.17	.34
Ratio of Homebuilding and Corporate Debt to EBITDA*	.70	.55	1.07
Ratio of Homebuilding and Corporate Debt (net of cash) to EBITDA*	.61	.43	1.01
Total Liquidity	$433,655	$491,770	$341,380
Total Homebuilding Inventories	$982,390	$907,254	$872,923
Interest Capitalized in Inventories	$16,937	$17,358	$19,770
Interest Capitalized as a Percent of Inventories	1.7%	1.9%	2.3%
Total Lots Owned	14,354	13,524	11,453
Total Lots Under Option	5,559	6,059	9,703
Homes Under Construction (including models)	3,248	2,783	3,459
Active Subdivisions	150	137	138

	Three Months Ended March 31, 2002	2001
OPERATING DATA		
EBITDA		
Net Income	$32,336	$29,283
Add:		
Income taxes	20,710	18,731
Interest in home and land cost of sales	4,462	5,679
Other fixed charges	963	876
Depreciation and amortization	5,249	5,376
Total EBITDA	$63,720	$59,945
Ratio of EBITDA to Interest Incurred	15.8	9.9
Homebuilding and Corporate SG&A as a Percent of Home Sales Revenues	13.0%	12.9%
Interest Incurred	$4,041	$6,032
Interest Capitalized	$4,041	$6,032
Interest in Home Cost of Sales as a Percent of Home Sales Revenues	1.0%	1.3%
Operating Return on Revenues	7.1%	7.0%
Operating Return on Average Assets*	13.2%	12.9%
EBIT Return on Capital*	30.9%	29.2%

*Rolling 12 months Ended March 31

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

	Three Months Ended March 31, 2002	2001
Home Sales Revenues	$445,167	$409,720
Average Selling Price Per Home Closed	$265.9	$232.9
Home Gross Margins	23.4%	23.3%
Excluding Interest in Home Cost of Sales	24.4%	24.6%

Orders For Homes, net (Units)		
Colorado	1,001	968
California	591	441
Arizona	670	732
Nevada	207	268
Virginia	242	220
Maryland	65	98
Total	2,776	2,727

Homes Closed (Units)		
Colorado	609	629
California	292	240
Arizona	438	498
Nevada	141	159
Virginia	130	170
Maryland	64	63
Total	1,674	1,759

	March 31, 2002	December 31, 2001	March 31, 2001
Backlog (Units)			
Colorado	1,587	1,195	1,724
California	789	490	709
Arizona	857	625	1,044
Nevada	247	181	307
Virginia	346	234	378
Maryland	158	157	161
Total	3,984	2,882	4,323
Backlog Estimated Sales Value	$1,050,000	$760,000	$1,075,000

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SOURCE: M.D.C. Holdings, Inc.

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