M.D.C. Holdings Reports Record 2003 First Quarter Earnings

*** Record first quarter net income of $37.0 million, a 15% increase * Earnings per share of $1.36 vs. $1.16 a year ago * Highest first quarter homebuilding revenues and operating profits in Company history * Record home closings, home orders and quarter-end backlog * Home gross margins of 22.8%, 23.7% before interest * Net debt-to-capital ratio of .30**

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DENVER

M.D.C. Holdings, Inc. (www.RichmondAmerican.com) today announced net income for the three months ended March 31, 2003 of $37.0 million, or $1.36 per share, the highest first quarter net income in the Company's history and 15% higher than net income of $32.3 million, or $1.16 per share, for the same period in 2002. Total revenues for the first quarter of 2003 were $570 million, compared with revenues of $456 million in the 2002 first quarter.

Larry A. Mizel, MDC's chairman and chief executive officer, stated, "We're off to a very good start in 2003, as we posted record first quarter revenues and operating earnings for the sixth consecutive year. Both our homebuilding and mortgage lending businesses contributed new Company highs for first quarter operating profits on the strength of record home closings and mortgage loan originations. These results, combined with record first quarter home orders reported earlier, reflect the success of our organic expansion and our operating strategy, as well as the resiliency of the homebuilding industry in the face of tremendous challenges to our nation and our economy. With our first quarter performance, a backlog of 5,300 homes and more than 200 active subdivisions in some of the best markets for homebuilding in the country, we are positioned to meet our goals for 2003 of closing more than 10,500 homes and achieving new Company milestones for revenues and net income."

Mizel continued, "We have managed our growth with the objective of maximizing value for our shareowners, which we believe begins with the continued strengthening of our balance sheet and maintaining substantial liquidity. Consistent with this focus, our leverage and interest coverage ratios in the 2003 first quarter continue to rank among the best in the homebuilding industry, and we ended the quarter with over $550 million in liquidity. We further enhanced shareowner value in the quarter with the repurchase of 727,100 shares of MDC common stock at an average cost of $36.76 per share, contributing to our repurchase of almost 6% of our outstanding stock over the last nine months. Our recently approved repurchase authorization will enable us to repurchase up to an additional 1,769,600 shares. MDC's growing financial strength was recognized by all three major rating agencies in the 2003 first quarter, with Moody's Investors Service assigning an 'investment grade' rating of 'Baa3' to our senior debt and both Standard & Poor's and Fitch Ratings increasing their ratings outlooks to positive."

Record Homebuilding and Financial Services Results

Operating profits from the Company's homebuilding operations for the first quarter of 2003 increased to $64.5 million, compared with $57.8 million for the same period in 2002. The 2003 increase primarily resulted from a 25% increase in homes closed. These increased home closings, partially offset by a $2,300 decrease in average selling prices, contributed to record first quarter home sales revenues of $554 million, 24% higher than revenues of $445 million in the 2002 first quarter. Home gross margins were 22.8% for the three months ended March 31, 2003, compared with 22.6% in the 2002 fourth quarter and 23.4% for the first three months in 2002.

Paris G. Reece III, MDC's executive vice president and chief financial officer, said, "Home closings increased significantly in Las Vegas, Phoenix and our California markets, primarily due to higher backlogs at the beginning of the year. Average selling prices in the 2003 first quarter were relatively consistent with those of a year ago. However, we anticipate that our average selling prices will decline sequentially from current levels in the second and third quarters of 2003 by as much as 5% each quarter. These expected declines primarily result from the implementation of our strategy to build a greater number of homes in more affordable price points in most of our markets."

Reece continued, "Over the last year, we have experienced substantial growth in most of our markets outside of Colorado and California, particularly in Virginia, Las Vegas and Phoenix, where active subdivisions have increased by 19, 14 and 10, respectively, from March 31, 2002. Overall, our active subdivisions are 36% higher than at this time last year and up 15% since the end of 2002. These increases have contributed to our record home orders in each of the last 13 months, including a 21% year-over-year increase in the 2003 first quarter. Over the balance of 2003, we will continue to evaluate prudent uses of our capital in view of current economic conditions, opportunities to maximize value to our shareowners and our strategy for disciplined, opportunistic growth. Given our growth in the first quarter, we anticipate that our active subdivision count will remain relatively consistent with current levels through the third quarter, with an increase of approximately 10% expected in the fourth quarter as we prepare for meeting our growth objectives for 2004."

The Company's financial services segment, primarily mortgage lending operations, reported record operating profits of $7.6 million for the first three months of 2003, 50% higher than the $5.0 million reported for the same period in 2002. The improvement in operating profits primarily was due to increased gains from sales of mortgage loans in the first quarter of 2003. In addition, the Company recognized increased loan origination fees in the 2003 first quarter, primarily resulting from a greater volume of loans originated for MDC's homebuyers. The Company originated or brokered $364 million in mortgage loans for 81% of MDC's homebuyers in the 2003 first quarter, compared with $306 million in mortgage loans for 83% of MDC's homebuyers for the same period in 2002.

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 2003. This success is represented by the achievement of ratios of homebuilding and corporate net debt-to-capital and net debt-to-EBITDA, as adjusted (as defined below) at March 31, 2003 of .30 and 1.05, respectively. First quarter 2003 earnings before interest, taxes, depreciation and amortization ("EBITDA, as adjusted") increased to $74.0 million, contributing to a ratio of EBITDA, as adjusted-to- interest incurred for the twelve months ended March 31, 2003 of 13.9. The Company's strong operating results over the past year, partially offset by expenditures of $56.1 million for the repurchase of 1,516,100 shares of MDC common stock, have increased MDC's stockholders' equity by 18% to $816 million, or $31.50 per outstanding share, at March 31, 2003. Further, notwithstanding higher inventory levels needed to support the Company's expanded homebuilding operations, MDC ended the 2003 first quarter with liquidity (as defined below) of $556 million, 28% higher than at March 31, 2002.

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 homebuyers, 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, Tucson and Las Vegas; among the top ten homebuilders in suburban Maryland, Northern California, Southern California and Salt Lake City; and has recently entered the Dallas/Fort Worth market.

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

Forward-Looking Statements

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) availability and cost of insurance covering risks associated with our business; (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.

Sarbanes-Oxley Disclosures

Liquidity represents funds immediately available to MDC and is calculated as the maximum amount available under the Company's lines of credit, plus unrestricted cash, less outstanding letters of credit and borrowings. EBITDA, as adjusted and liquidity are not generally accepted accounting principle ("GAAP") measures. EBITDA, as adjusted has been computed in accordance with the definition of "Consolidated EBITDA" set forth under the Company's 8 3/8% senior notes indenture. Under this definition, EBITDA, as adjusted is calculated by adding to net income the provision for income tax, depreciation, amortization, interest charges, other fixed charges and other non-cash, extraordinary charges that reduce net income, including asset impairment charges. EBITDA, as adjusted should not be considered an alternative to net income determined in accordance with GAAP as an indicator of operating performance, nor an alternative to cash flows from operating activities determined in accordance with GAAP as a measure of liquidity. Because some analysts and companies may not calculate EBITDA, as adjusted in the same manner as MDC, the EBITDA, as adjusted information presented above may not be comparable to similar presentations by others. MDC's management believes that EBITDA, as adjusted reflects the changes in the Company's operating results, particularly changes in the Company's net income, and is an indication of MDC's ability to generate funds from operations that are available to pay income taxes, interest and principal on debt and to meet other cash obligations. Consolidated EBITDA is a component of the "Consolidated Fixed Charge Coverage Ratio," as defined in the Company's 8 3/8% senior notes indenture. The Consolidated Fixed Charge Coverage Ratio must be at least 2.0 according to the 8 3/8% senior notes indenture or the Company may not be able to incur additional indebtedness under certain circumstances. The Consolidated Fixed Charge Coverage Ratio is calculated as Consolidated EBITDA divided by "Consolidated Interest Incurred," as defined by the Company's 8 3/8% senior notes indenture. A reconciliation of EBITDA, as adjusted to net income, the most directly comparable GAAP measure, is provided below.

M.D.C. HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(In thousands)

	March 31, 2003	December 31, 2002
ASSETS		
Corporate		
Cash and cash equivalents	$51,832	$23,164
Property and equipment, net	10,683	10,851
Deferred income taxes	24,986	25,980
Deferred debt issue costs, net	3,210	3,305
Other assets, net	6,386	6,708
	97,097	70,008
Homebuilding		
Cash and cash equivalents	4,690	4,686
Home sales and other accounts receivable	23,592	3,519
Inventories, net		
Housing completed or under construction	634,677	578,475
Land and land under development	643,698	656,843
Prepaid expenses and other assets, net	70,182	65,936
	1,376,839	1,309,459
Financial Services		
Cash and cash equivalents	1,551	1,092
Mortgage loans held in inventory	133,891	207,938
Other assets, net	7,861	6,683
	143,303	215,713
Total Assets	$1,617,239	$1,595,180
LIABILITIES		
Corporate		
Accounts payable and accrued expenses	$48,235	$63,871
Income taxes payable	26,031	21,571
Senior notes, net	323,035	322,990
	397,301	408,432
Homebuilding		
Accounts payable and accrued expenses	204,650	210,601
Line of credit	90,000	--
	294,650	210,601
Financial Services		
Accounts payable and accrued expenses	20,541	21,506
Line of credit	88,552	154,074
	109,093	175,580
Total Liabilities	801,044	794,613
STOCKHOLDERS' EQUITY		
Total Stockholders' Equity	816,195	800,567
Total Liabilities and Stockholders' Equity	$1,617,239	$1,595,180

M.D.C. HOLDINGS, INC.

Condensed Consolidated Statements of Income

(In thousands, except per share amounts)

	Three Months Ended March 31, 2003	2002
REVENUES		
Homebuilding	$554,912	$446,761
Financial Services	14,513	9,381
Corporate	217	232
Total Revenues	$569,642	$456,374
NET INCOME		
Homebuilding	$64,458	$57,844
Financial Services	7,567	5,030
Operating Profit	72,025	62,874
Corporate general and administrative expense, net	(11,259)	(9,828)
Income before income taxes	60,766	53,046
Provision for income taxes	(23,729)	(20,710)
Net Income	$37,037	$32,336
EARNINGS PER SHARE		
Basic	$1.41	$1.21
Diluted	$1.36	$1.16
WEIGHTED-AVERAGE SHARES OUTSTANDING		
Basic	26,359	26,714
Diluted	27,212	27,773
DIVIDENDS PAID PER SHARE	$.08	$.07

M.D.C. HOLDINGS, INC.

Information on Business Segments

(In thousands)

	Three Months Ended March 31, 2003	2002
Homebuilding		
Home sales	$553,575	$445,167
Land sales	123	--
Other revenues	1,214	1,594
Total Homebuilding Revenues	554,912	446,761
Home cost of sales	427,602	341,061
Land cost of sales	87	--
Marketing	33,600	25,663
General and administrative	29,165	22,193
	490,454	388,917
Homebuilding Operating Profit	64,458	57,844
Financial Services		
Interest revenues	1,008	1,008
Origination fees	4,660	4,229
Gains on sales of mortgage servicing	834	471
Gains on sales of mortgage loans, net	7,342	3,461
Mortgage servicing and other	669	212
Total Financial Services Revenues	14,513	9,381
General and administrative	6,946	4,351
Financial Services Operating Profit	7,567	5,030
Total Operating Profit	72,025	62,874

Corporate		
Interest and other revenues	217	232
General and administrative	(11,476)	(10,060)
Net Corporate Expenses	(11,259)	(9,828)
Income Before Income Taxes	$60,766	$53,046

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

	March 31, 2003	December 31, 2002	March 31, 2002
BALANCE SHEET DATA			
Stockholders' Equity Per Share Outstanding	$31.50	$30.29	$25.81
Stockholders' Equity	$816,195	$800,567	$693,528
Homebuilding and Corporate Debt	413,035	322,990	224,519
Total Capital (excluding mortgage lending debt)	$1,229,230	$1,123,557	$918,047
Ratio of Homebuilding and Corporate Debt to Equity	.51	.40	.32
Ratio of Homebuilding and Corporate Debt to Equity (net of cash)	.43	.37	.28
Ratio of Homebuilding and Corporate Debt to Total Capital	.34	.29	.24
Ratio of Homebuilding and Corporate Debt to Total Capital (net of cash)	.30	.27	.22
Ratio of Homebuilding and Corporate Debt to EBITDA, as adjusted	1.23	.99	.70
Ratio of Homebuilding and Corporate Debt (net of cash) to EBITDA, as adjusted	1.05	.90	.61
Total Liquidity	$556,098	$618,774	$433,655
Total Homebuilding Inventories	$1,278,375	$1,235,318	$982,390
Interest Capitalized in Inventories	$20,032	$17,783	$16,937
Interest Capitalized as a Percent of Inventories	1.6%	1.4%	1.7%
Total Lots Owned	16,054	16,962	14,354
Total Lots Under Option	6,813	6,995	5,559
Homes Under Construction (including models)	4,356	3,751	3,248
Active Subdivisions	204	178	150

	Three Months Ended March 31, 2003	2002
OPERATING DATA		
Reconciliation of Net Income to EBITDA, as adjusted		
Net Income	$37,037	$32,336
Add:		

	2003	2002
Income taxes	23,729	20,710
Interest included in home and land cost of sales	4,803	4,462
Other fixed charges	1,449	963
Depreciation and amortization	7,028	5,249
Total EBITDA, as adjusted	$74,046	$63,720
Ratio of EBITDA, as adjusted to Homebuilding and Corporate Interest Incurred	10.5	15.8
Homebuilding and Corporate SG&A as a Percent of Home Sales Revenues	13.4%	13.0%
Homebuilding and Corporate Interest Incurred	$7,052	$4,041
Interest Capitalized	$7,052	$4,041
Interest in Home Cost of Sales as a Percent of Home Sales Revenues	0.9%	1.0%

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

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Home Sales Revenues	$553,575	$445,167
Average Selling Price Per Home Closed	$263.6	$265.9
Home Gross Margins	22.8%	23.4%
Excluding Interest in Home Cost of Sales	23.7%	24.4%
Orders For Homes, net (Units)		
Colorado	671	1,001
California	530	591
Nevada	583	207
Arizona	924	670
Utah	93	--
Texas	50	--
Virginia	403	242
Maryland	111	65
Total	3,365	2,776
Homes Closed (Units)		
Colorado	609	609
California	428	292
Nevada	273	141
Arizona	571	438
Utah	40	--
Texas	10	--
Virginia	102	130
Maryland	67	64
Total	2,100	1,674

	March 31, 2003	December 31, 2002	March 31, 2002
Backlog (Units)			
Colorado	1,019	957	1,587
California	1,024	922	789
Nevada	660	350	247
Arizona	1,429	1,076	857

Utah	103	50	--
Texas	56	16	--
Virginia	777	476	346
Maryland	232	188	158
Total	5,300	4,035	3,984
Backlog Estimated Sales Value	$1,400,000	$1,120,000	$1,050,000

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

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