M.D.C. Holdings Reports July and August Home Orders and Preliminary Earnings Outlook

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M.D.C. Holdings, Inc. today announced that it received 2,624 home orders in July and August 2005, up 33% from the 1,974 home orders received for the same period in 2004. Although MDC's current practice is to report home orders on a quarterly basis, this information is being provided to comply with Regulation FD in anticipation of communications with the investment community over the next few weeks. Detailed information on 2005 third quarter home orders will be provided in early October.

July and August 2005 home orders increased from 2004 levels in most of the Company's markets, led by Nevada and California, largely due to year-over-year increases in active subdivisions and continued strong demand for new homes in these markets. The Company also received significantly more home orders from its newest markets in Florida, Philadelphia/Delaware Valley, Utah and Illinois. These increases partially were offset by lower home orders in Virginia, due to a temporary decline in the number of active subdivisions in this market, and in Arizona, compared with the exceptional levels experienced during the same period in 2004. Notwithstanding these lower home orders, the demand for new homes in both Virginia and Arizona was very strong throughout July and August of 2005, as it was in most of the Company's markets, as evidenced by higher levels of homebuyer traffic, lower cancellation rates and continued increases in home selling prices.

On the strength of the Company's record June 30, 2005 backlog and recent home order growth, MDC expects earnings per share for full year 2005 to exceed the current consensus analyst estimate of $10.44 per share. This estimate, determined without guidance from the Company by the eight equity analysts that provide coverage of MDC, is 19% higher than the Company's record 2004 results. Management's expectations assume no unforeseen effects from the hurricanes in the Southeast, and no additional significant issues regarding the availability of labor, materials and power for active communities beyond those discussed below. Boosted by the anticipated contributions from its start-up divisions in Tampa, Philadelphia/Delaware Valley and Chicago, the Company expects to produce new records for revenues and earnings in 2006.

In recent weeks, the Company has experienced construction delays in Arizona and Nevada that will impact the number of homes closed in these markets in the 2005 third quarter. In Arizona, labor and material shortages have extended significantly, without prior notice from suppliers, the lead times for ordering various home components, particularly cabinets, thereby delaying the completion of sold homes. In Nevada, the Company recently has been notified by the local power company that their scheduling of needed electrical hookups for five of the Company's new communities, in which approximately 170 sold homes have been completed, has been extended, thereby delaying the closing of these completed homes until October. As a consequence of these and other factors, management expects that approximately 250 Arizona homes, representing revenues of approximately $65 million, and 200 Nevada homes, representing revenues of approximately $60 million, scheduled to close in the third quarter of 2005 will be delayed to the fourth quarter. These delays will reduce home closings in the 2005 third quarter to approximately 3,750, resulting in earnings per share for the third quarter that should exceed 2004 third quarter earnings per share of $2.36, but may be below the lowest analyst estimate of $2.65.

The Company anticipates that any shortfall from the consensus analyst estimate of $2.79 per share in the 2005 third quarter will be more than offset by increases in earnings per share in the fourth quarter of 2005. Management expects that the aforementioned delayed home closings will be recovered in October and November. In addition, in order to minimize the impact of the construction-related delays in the 2005 fourth quarter, the Company has added alternative suppliers and subcontractors in Arizona, and is planning the timing of new community openings in Las Vegas to provide adequate lead times given the extended schedules of the local power company.

Please refer to the last paragraph of this release for a discussion of factors that may impact the Company's estimates of home closings, revenues and earnings.

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, suburban Maryland, Phoenix, Tucson, Las Vegas, Jacksonville, and Salt Lake City; and among the top ten homebuilders in

Northern California and Southern California. MDC also has established operating divisions in Dallas/Fort Worth, Houston, West Florida, Philadelphia/Delaware Valley and Chicago. For more information about our Company, please visit www.richmondamerican.com.

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) the availability and cost of performance bonds and 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. Additional information about the risks and uncertainties applicable to the Company's business is contained in the Company's Form 10-K for the year ended December 31, 2004, which was filed with the Securities and Exchange Commission. All forward-looking statements made in this press release are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this press release will increase with the passage of time. The Company undertakes no duty to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in our subsequent filings, releases or presentations should be consulted.

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

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