# M.D.C. Holdings Announces Third Quarter 2007 Results

**-- Net loss of $155.4 million; diluted loss per share of $3.40**
**-- Pre-tax loss of $251.3 million; includes asset impairments and project cost write-offs of $254.1 million**
**-- Cash flow from operations of $136.2 million; $740.0 million over last 12 months**
**-- Quarter-end cash of $729 million; no borrowings on homebuilding line of credit**
**-- Ending cash and available borrowing capacity of $1.96 billion**
**-- Total revenue of $686.7 million; $1.08 billion in 2006**
**-- Closed 1,963 homes at an average selling price of $331,700**
**-- Net orders for 1,228 homes with an estimated value of $365.0 million**

PRNewswire-FirstCall
DENVER

M.D.C. Holdings, Inc. today announced a net loss for the quarter ended September 30, 2007 of $155.4 million, or $3.40 per diluted share, which included pre-tax charges of $249.0 million for asset impairments and $5.1 million for write-offs of deposits and pre-acquisition costs associated with land option contracts the Company does not intend to pursue. Net income for the third quarter of 2006 was $48.7 million, or $1.06 per diluted share, including pre-tax charges of $19.9 million for asset impairments and $7.3 million for write-offs of deposits and pre-acquisition costs. Total revenue for the third quarter of 2007 was $686.7 million, compared with revenue of $1.08 billion for the same period in 2006.

Net loss for the nine months ended September 30, 2007 was $355.8 million, or $7.79 per diluted share, which included pre-tax charges of $551.4 million for asset impairments and $15.6 million for write-offs of deposits and pre- acquisition costs. Net income for the first nine months of 2006 was $220.6 million, or $4.80 per diluted share, including pre-tax charges of $20.8 million for asset impairments and $23.0 million for write-offs of deposits and pre-acquisition costs. Total revenue for the first nine months of 2007 was $2.15 billion, compared with revenue of $3.46 billion for the same period in 2006.

Larry A. Mizel, MDC's chairman and chief executive officer, stated, "Throughout these turbulent times for the homebuilding industry, we have remained focused on improving our investment grade balance sheet, strengthening our financial position and enhancing our operating structure and processes in preparation for an eventual recovery."

Mizel continued, "We have generated cash flow from operations of $740 million over the last 12 months, including more than $130 million in this third quarter, primarily as a result of significant reductions in our inventories of land, homes under construction and mortgage loans. This cash flow raised our quarter-end cash balance to $730 million, with no borrowings outstanding on our $1.25 billion line of credit, increasing our cash and available borrowing capacity year-over-year by 45% to nearly $2.0 billion. Having already reduced the lots we control by more than 40% over the past year, we kept our expenditures for land acquisition to a small fraction of prior-year amounts. At the same time, we tightened our controls on cash outflows for land development and home starts, while continuing to work with our suppliers and subcontractors to achieve further reductions in the costs of home construction. Finally, to reduce our overhead and increase our efficiency in these difficult times, our organization has continued its downsizing and realignment efforts, reducing the number of our homebuilding divisions to 17 from 27 at the beginning of 2006, and lowering our employee headcount by almost 40% during the same period."

Homebuilding Results

Homebuilding loss before taxes for the quarter and nine months ended September 30, 2007 was $258.0 million and $568.3 million, respectively, compared with income before taxes of $82.3 million and $385.8 million for the same periods in 2006. The pre-tax differences were driven in large part by the asset impairment charges discussed above, as well as significant declines in home closings and home gross margins from the levels achieved during the same periods in 2006. These income decreases were offset partially by the impact of reduced homebuilding commissions, marketing, general and administrative expenses ("SG&A").

The Company closed 1,963 homes and produced home gross margins of 14.1% in the 2007 third quarter, compared with 2,955 home closings and home gross margins of 22.5% for the same period in 2006. For the nine months ended September 30, 2007, the Company closed 5,995 homes and produced home gross margins of 14.7%, compared with 9,529 home closings and home gross margins of 24.3% for the nine months ended September 30, 2006. Average selling prices were $331,700 and $342,100, respectively, for the quarter and nine months ended September 30, 2007, down $23,900 and $10,200 from the same periods in 2006. Homebuilding SG&A decreased to $105.2 million and $330.1 million, respectively, for the three and nine months ended

September 30, 2007, compared with $137.0 million and $418.3 million for the same periods in the prior year.

Paris G. Reece III, MDC's executive vice president and chief financial officer, said, "During the 2007 third quarter, we continued to battle adverse conditions in all of our homebuilding markets. As buyer confidence continued to erode and competition for new home sales intensified, we experienced reduced selling prices and increased incentive levels in most of our markets, which decreased our performance expectations with respect to certain subdivisions in these markets. As a consequence, we recognized $249 million in inventory impairments with respect to more than 7,000 lots in 132 subdivisions, which largely accounted for our third quarter loss. Land inventory was impaired by $192 million and work-in-process inventory was impaired by $57 million. The quarter-end book value of the impaired subdivisions after the impairments was $873 million, consisting of $403 million of land and $470 million of work-in-process. As has been the case in each of the last three quarters, the impairments this quarter primarily occurred in our West homebuilding segment, with more than 75% applicable to subdivisions in our Arizona, Nevada and California markets. Over the last five quarters, we have impaired approximately 55% of the 18,500 lots we owned at the end of our 2007 third quarter."

Financial Services and Other Results

Income before taxes from the Company's Financial Services and Other segment for the quarter and nine months ended September 30, 2007 was $5.0 million and $16.8 million, respectively, compared with $13.0 million and $35.2 million for the same periods in the previous year. The decreases in both 2007 periods primarily resulted from lower gains on sales of mortgage loans, as the dollar volumes of mortgage loan originations and mortgage loans sold declined in line with builder home closings. Additionally, in an effort to reduce its exposure to the risks inherent in holding mortgage loans, the Company continued to sell loans more quickly, resulting in less profitable loan sales during the quarter.

Home Orders and Backlog

MDC received orders, net of cancellations, for 1,228 homes with an estimated sales value of $365.0 million during the 2007 third quarter, compared with net orders for 2,120 homes with an estimated sales value of $678.0 million during the same period in 2006. For the nine months ended September 30, 2007, the Company received net orders for 5,756 homes with a sales value of $1.92 billion, compared with orders for 8,658 homes with a sales value of $2.95 billion for the nine months ended September 30, 2006. During the third quarter and first nine months of 2007, the Company's approximate order cancellation rates were 57% and 44%, respectively, compared with rates of 49% and 40% experienced during the same periods in 2006. The Company ended the third quarter of 2007 with a backlog of 3,399 homes with an estimated sales value of $1.21 billion, compared with a backlog of 5,661 homes with an estimated sales value of $2.10 billion at September 30, 2006.

MDC, whose subsidiaries build homes under the name "Richmond American Homes," is one of the top ten homebuilders in the United States, based on 2006 revenue. The Company also provides mortgage financing, primarily for MDC's homebuyers, through its wholly owned subsidiary HomeAmerican Mortgage Corporation. MDC, a Fortune 500 Company, is a major regional homebuilder with a significant presence in Colorado, Jacksonville, Las Vegas, Maryland, Northern California, Northern Virginia, Phoenix, Salt Lake City, Southern California and Tucson. MDC also has established operating divisions in Chicago, Philadelphia/Delaware Valley and West Florida. For more information about our Company, please visit RichmondAmerican.com.

Forward-Looking Statements

Certain statements in this release, including statements regarding our business, financial condition, results of operation, cash flows, strategies and prospects, 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, including changes in cancellation rates, net home orders, home gross margins, and land and home values; (2) changes in interest rates, mortgage lending programs and the availability of credit; (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 Annual Report on Form 10-K for the year ended December 31, 2006 and Form 10-Q for the quarter ended June 30, 2007, which were 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.

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

| | Three Months Ended September 30, 2007 | Three Months Ended September 30, 2006 | Nine Months Ended September 30, 2007 | Nine Months Ended September 30, 2006 |
|---|---|---|---|---|
| REVENUE | | | | |
| Home sales revenue | $651,124 | $1,050,700 | $2,050,737 | $3,356,416 |
| Land sales revenue | 2,700 | 3,336 | 12,151 | 18,812 |
| Other revenue | 32,837 | 26,887 | 85,605 | 83,101 |
| Total Revenue | 686,661 | 1,080,923 | 2,148,493 | 3,458,329 |
| COSTS AND EXPENSES | | | | |
| Home cost of sales | 559,402 | 813,824 | 1,749,165 | 2,540,381 |
| Land cost of sales | 452 | 3,210 | 7,740 | 18,124 |
| Asset impairments | 248,950 | 19,915 | 551,422 | 20,775 |
| Marketing expenses | 28,694 | 31,296 | 87,144 | 91,899 |
| Commission expenses | 23,900 | 36,390 | 71,530 | 106,627 |
| General and administrative expenses | 76,482 | 99,779 | 247,229 | 326,595 |
| Related party expenses | 95 | 88 | 286 | 2,792 |
| Total Costs and Expenses | 937,975 | 1,004,502 | 2,714,516 | 3,107,193 |
| (Loss) income before income taxes | (251,314) | 76,421 | (566,023) | 351,136 |
| Benefit from (provision for) income taxes | 95,936 | (27,715) | 210,175 | (130,518) |
| NET (LOSS) INCOME | $(155,378) | $48,706 | $(355,848) | $220,618 |
| (LOSS) EARNINGS PER SHARE | | | | |
| Basic | $(3.40) | $1.08 | $(7.79) | $4.91 |
| Diluted | $(3.40) | $1.06 | $(7.79) | $4.80 |
| WEIGHTED-AVERAGE SHARES | | | | |
| Basic | 45,751 | 44,972 | 45,659 | 44,911 |
| Diluted | 45,751 | 45,868 | 45,659 | 45,932 |
| DIVIDENDS DECLARED PER SHARE | $0.25 | $0.25 | $0.75 | $0.75 |

M.D.C. HOLDINGS, INC.
Consolidated Balance Sheets
(Dollars in thousands, except per share amounts)
(Unaudited)

| | September 30, 2007 | December 31, 2006 |
|---|---|---|
| ASSETS | | |
| Cash and cash equivalents | $729,479 | $507,947 |
| Restricted cash | 1,633 | 2,641 |
| Home sales and other receivables | 66,891 | 143,936 |
| Mortgage loans held in inventory, net | 72,863 | 212,903 |
| Income taxes receivable, net | 22,748 | - |
| Inventories | | |
| Housing completed or under construction | 1,267,478 | 1,178,671 |
| Land and land under development | 754,728 | 1,575,158 |
| Property and equipment, net | 47,020 | 44,606 |
| Deferred income taxes | 306,942 | 124,880 |
| Prepaid expenses and other assets, net | 91,471 | 119,133 |

| | | |
|---|---|---|
| Total Assets | $3,361,253 | $3,909,875 |
| LIABILITIES | | |
| Accounts payable | $150,037 | $171,005 |
| Accrued liabilities | 369,168 | 418,953 |
| Income taxes payable | - | 28,485 |
| Related party liabilities | 701 | 2,401 |
| Homebuilding line of credit | - | - |
| Mortgage line of credit | 41,957 | 130,467 |
| Senior notes, net | 996,986 | 996,682 |
| Total Liabilities | 1,558,849 | 1,747,993 |
| COMMITMENTS AND CONTINGENCIES | - | - |
| STOCKHOLDERS' EQUITY | | |
| Preferred stock, $0.01 par value; 25,000,000 shares authorized; none issued or outstanding | - | - |
| Common stock, $0.01 par value; 250,000,000 shares authorized; 45,869,000 and 45,838,000 issued and outstanding, respectively, at September 30, 2007 and 45,179,000 and 45,165,000 issued and outstanding, respectively, at December 31, 2006 | 459 | 452 |
| Additional paid-in capital | 791,212 | 760,831 |
| Retained earnings | 1,012,395 | 1,402,261 |
| Accumulated other comprehensive loss | (1,003) | (1,003) |
| Less treasury stock, at cost; 31,000 and 14,000 shares, respectively, at September 30, 2007 and December 31, 2006 | (659) | (659) |
| Total Stockholders' Equity | 1,802,404 | 2,161,882 |
| Total Liabilities and Stockholders' Equity | $3,361,253 | $3,909,875 |

M.D.C. HOLDINGS, INC.
Information on Segments
(Dollars in thousands)
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| REVENUE | | | | |
| Homebuilding | | | | |
| West | $389,309 | $653,932 | $1,277,012 | $2,061,708 |
| Mountain | 138,439 | 168,193 | 418,300 | 519,107 |
| East | 72,368 | 137,050 | 205,523 | 444,765 |
| Other Homebuilding | 60,364 | 105,553 | 184,195 | 374,299 |
| Total Homebuilding | 660,480 | 1,064,728 | 2,085,030 | 3,399,879 |
| Financial Services and Other | 14,652 | 23,843 | 47,836 | 74,158 |
| Corporate | 16,048 | 60 | 30,510 | 675 |
| Inter-company Adjustments | (4,519) | (7,708) | (14,883) | (16,383) |
| Consolidated | $686,661 | $1,080,923 | $2,148,493 | $3,458,329 |
| (LOSS) INCOME BEFORE INCOME TAXES | | | | |
| Homebuilding | | | | |
| West | $(197,917) | $53,762 | $(462,547) | $274,642 |
| Mountain | (925) | 9,320 | 3,218 | 25,183 |

| | | | | |
|---|---|---|---|---|
| East | (15,998) | 23,911 | (27,168) | 85,691 |
| Other Homebuilding | (43,158) | (4,660) | (81,776) | 237 |
| Total Homebuilding | (257,998) | 82,333 | (568,273) | 385,753 |
| Financial Services and Other | 5,018 | 12,989 | 16,776 | 35,161 |
| Corporate | 1,666 | (18,901) | (14,526) | (69,778) |
| Consolidated | $(251,314) | $76,421 | $(566,023) | $351,136 |
| ASSET IMPAIRMENTS | | | | |
| West | $190,490 | $15,243 | $445,122 | $15,243 |
| Mountain | 6,930 | 627 | 16,709 | 627 |
| East | 16,237 | 1,357 | 24,669 | 1,357 |
| Other Homebuilding | 35,293 | 2,688 | 64,922 | 3,548 |
| Total Homebuilding | $248,950 | $19,915 | $551,422 | $20,775 |

| | September 30, 2007 | December 31, 2006 |
|---|---|---|
| TOTAL ASSETS | | |
| West | $1,157,760 | $1,869,442 |
| Mountain | 535,568 | 535,554 |
| East | 308,070 | 333,902 |
| Other Homebuilding | 168,990 | 266,326 |
| Total Homebuilding | 2,170,388 | 3,005,224 |
| Financial Services and Other | 142,456 | 284,791 |
| Corporate | 1,091,566 | 657,917 |
| Inter-company | (43,157) | (38,057) |
| Consolidated | $3,361,253 | $3,909,875 |

M.D.C. HOLDINGS, INC.
Selected Financial Data
(Dollars in thousands)
(Unaudited)

| | Three Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| SELECTED FINANCIAL DATA | | | | |
| General and Administrative Expenses | | | | |
| Homebuilding Operations | $52,561 | $69,317 | $(16,756) | -24% |
| Financial Services and Other Operations | $9,635 | $11,516 | $(1,881) | -16% |
| Corporate (1) | $14,381 | $19,034 | $(4,653) | -24% |
| SG&A as a % of Home Sales Revenue | | | | |
| Homebuilding Operations | 16.1% | 13.0% | 3.1% | |
| Corporate (1) | 2.2% | 1.8% | 0.4% | |
| Depreciation and Amortization | $11,777 | $13,028 | $(1,251) | -10% |
| Home Gross Margins (2) | 14.1% | 22.5% | -8.4% | |
| Cash Provided by (Used in) Operating Activities | $136,246 | $70,928 | $65,318 | |
| Cash Used in Investing Activities | $(6,307) | $(2,893) | $(3,414) | |
| Cash Used in Financing Activities | $(68,839) | $(26,675) | $(42,164) | |

| | | | | |
|---|---|---|---|---|
| Ending Unrestricted Cash and Available Borrowing Capacity | $1,960,336 | $1,356,532 | $603,804 | 45% |
| Corporate and Homebuilding Interest | | | | |
| Interest Capitalized During the Period | $14,444 | $14,150 | $294 | 2% |
| Interest Included in Home Cost of Sales for the Period | $14,428 | $12,574 | $1,854 | 15% |
| Interest in Home Cost of Sales as a % of Home Sales Revenue | 2.2% | 1.2% | 1.0% | |
| Interest Capitalized in Inventories at End of Period | $54,004 | $50,145 | $3,859 | 8% |

| | Nine Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| SELECTED FINANCIAL DATA | | | | |
| General and Administrative Expenses | | | | |
| Homebuilding Operations | $171,419 | $219,820 | $(48,401) | -22% |
| Financial Services and Other Operations | $31,060 | $39,041 | $(7,981) | -20% |
| Corporate (1) | $45,036 | $70,526 | $(25,490) | -36% |
| SG&A as a % of Home Sales Revenue | | | | |
| Homebuilding Operations | 16.1% | 12.5% | 3.6% | |
| Corporate (1) | 2.2% | 2.1% | 0.1% | |
| Depreciation and Amortization | $33,994 | $41,537 | $(7,543) | -18% |
| Home Gross Margins (2) | 14.7% | 24.3% | -9.6% | |
| Cash Provided by (Used in) Operating Activities | $335,568 | $(41,343) | $376,911 | |
| Cash Used in Investing Activities | $(8,362) | $(7,224) | $(1,138) | |
| Cash Used in Financing Activities | $(105,674) | $(33,120) | $(72,554) | |
| Ending Unrestricted Cash and Available Borrowing Capacity | | | | |
| Corporate and Homebuilding Interest | | | | |
| Interest Capitalized During the Period | $43,320 | $43,993 | $(673) | -2% |
| Interest Included in Home Cost of Sales for the Period | $39,971 | $35,847 | $4,124 | 12% |
| Interest in Home Cost of Sales as a % of Home Sales Revenue | 2.0% | 1.1% | 0.9% | |
| Interest Capitalized in Inventories at End of Period | | | | |

(1) Includes related party expenses.

(2) Home sales revenue less home cost of sales (excluding commissions, amortization of deferred marketing, project cost write offs and asset impairments) as a percent of home sales revenue. During the three and nine months ended September 30, 2007, we closed homes on lots for which we had previously recorded $36.4 million and $64.4 million,

respectively, of asset impairments.

M.D.C. HOLDINGS, INC.
Selected Financial Data
(Dollars in thousands)
(Unaudited)

| | Three Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| HOMEAMERICAN OPERATING ACTIVITIES | | | | |
| Principal Amount of Mortgage Loans Originated | $286,192 | $541,446 | $(255,254) | -47% |
| Principal Amount of Mortgage Loans Brokered | $118,580 | $162,783 | $(44,203) | -27% |
| Capture Rate | 54% | 60% | -6% | |
| Including Brokered Loans | 73% | 78% | -5% | |
| Mortgage Products (% of Loans Originated) | | | | |
| Fixed Rate | 86% | 53% | 33% | |
| Adjustable Rate - Interest Only | 11% | 39% | -28% | |
| Adjustable Rate - Other | 3% | 8% | -5% | |
| Prime Loans (3) | 86% | 54% | 32% | |
| Alt-A Loans (4) | 0% | 41% | -41% | |
| Government Loans (5) | 14% | 4% | 10% | |
| Sub-Prime Loans (6) | 0% | 1% | -1% | |

| | Nine Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| HOMEAMERICAN OPERATING ACTIVITIES | | | | |
| Principal Amount of Mortgage Loans Originated | $930,769 | $1,672,096 | $(741,327) | -44% |
| Principal Amount of Mortgage Loans Brokered | $364,813 | $492,464 | $(127,651) | -26% |
| Capture Rate | 55% | 58% | -3% | |
| Including Brokered Loans | 74% | 75% | -1% | |
| Mortgage Products (% of Loans Originated) | | | | |
| Fixed Rate | 78% | 50% | 28% | |
| Adjustable Rate - Interest Only | 20% | 42% | -22% | |
| Adjustable Rate - Other | 2% | 8% | -6% | |
| Prime Loans (3) | 77% | 61% | 16% | |
| Alt-A Loans (4) | 14% | 33% | -19% | |
| Government Loans (5) | 9% | 4% | 5% | |
| Sub-Prime Loans (6) | 0% | 2% | -2% | |

(3) Prime loans are defined as loans with Fair, Isaac and Company ("FICO") scores greater than 620 and that comply in all ways with the documentation standards of the government sponsored enterprise guidelines.

(4) Alt-A loans are defined as loans that would otherwise qualify as prime loans except that they do not comply in all ways with the government sponsored enterprise guidelines.

(5) Government loans are loans either insured by the Federal Housing Administration or guaranteed by the Department of Veteran Affairs.

(6) Sub-prime loans are loans that have FICO scores of less than or equal to 620.

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

| | September 30, 2007 | December 31, 2006 | September 30, 2006 |
|---|---|---|---|
| **HOMES COMPLETED OR UNDER CONSTRUCTION** | | | |
| Unsold Homes Under Construction - Final | 493 | 476 | 468 |
| Unsold Homes Under Construction - Frame | 862 | 573 | 780 |
| Unsold Homes Under Construction - Foundation | 196 | 400 | 244 |
| Total Unsold Homes Under Construction | 1,551 | 1,449 | 1,492 |
| Sold Homes Under Construction | 2,791 | 2,430 | 4,340 |
| Model Homes | 758 | 757 | 762 |
| Homes Completed or Under Construction | 5,100 | 4,636 | 6,594 |
| | | | |
| **LOTS OWNED (excluding homes completed or under construction)** | | | |
| Arizona | 3,962 | 6,368 | 6,958 |
| California | 1,867 | 2,802 | 3,051 |
| Nevada | 1,879 | 2,747 | 3,096 |
| West | 7,708 | 11,917 | 13,105 |
| Colorado | 2,904 | 3,479 | 3,325 |
| Utah | 900 | 1,185 | 1,132 |
| Mountain | 3,804 | 4,664 | 4,457 |
| Maryland | 307 | 528 | 505 |
| Virginia | 417 | 643 | 674 |
| East | 724 | 1,171 | 1,179 |
| Delaware Valley | 141 | 265 | 283 |
| Florida | 849 | 1,093 | 1,220 |
| Illinois | 201 | 287 | 300 |
| Texas | - | 13 | 69 |
| Other Homebuilding | 1,191 | 1,658 | 1,872 |
| Total | 13,427 | 19,410 | 20,613 |
| | | | |
| **LOTS UNDER OPTION** | | | |
| Arizona | 388 | 744 | 1,283 |
| California | 157 | 387 | 1,053 |
| Nevada | 4 | 250 | 627 |
| West | 549 | 1,381 | 2,963 |
| Colorado | 258 | 801 | 1,304 |
| Utah | - | 91 | 272 |
| Mountain | 258 | 892 | 1,576 |
| Maryland | 605 | 960 | 1,034 |
| Virginia | 1,769 | 2,381 | 2,459 |
| East | 2,374 | 3,341 | 3,493 |
| Delaware Valley | 315 | 683 | 874 |
| Florida | 497 | 1,800 | 1,999 |
| Illinois | - | - | 47 |
| Texas | - | - | - |
| Other Homebuilding | 812 | 2,483 | 2,920 |
| Total | 3,993 | 8,097 | 10,952 |
| | | | |
| Non-refundable Option Deposits | | | |
| Cash | $8,093 | $20,228 | $34,034 |
| Letters of Credit | 8,287 | 14,224 | 16,069 |
| Total Non-refundable Option Deposits | $16,380 | $34,452 | $50,103 |

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

| | Three Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| HOMES CLOSED (UNITS) | | | | |
| Arizona | 700 | 716 | (16) | -2% |
| California | 237 | 383 | (146) | -38% |
| Nevada | 310 | 696 | (386) | -55% |
| West | 1,247 | 1,795 | (548) | -31% |
| Colorado | 219 | 334 | (115) | -34% |
| Utah | 162 | 206 | (44) | -21% |
| Mountain | 381 | 540 | (159) | -29% |
| Maryland | 71 | 104 | (33) | -32% |
| Virginia | 72 | 150 | (78) | -52% |
| East | 143 | 254 | (111) | -44% |
| Delaware Valley | 35 | 50 | (15) | -30% |
| Florida | 115 | 195 | (80) | -41% |
| Illinois | 41 | 46 | (5) | -11% |
| Texas | 1 | 75 | (74) | -99% |
| Other Homebuilding | 192 | 366 | (174) | -48% |
| Total | 1,963 | 2,955 | (992) | -34% |
| AVERAGE SELLING PRICES PER HOME CLOSED | | | | |
| Arizona | $247.9 | $311.8 | $(63.9) | -20% |
| California | 492.4 | 520.7 | (28.3) | -5% |
| Colorado | 357.7 | 301.4 | 56.3 | 19% |
| Delaware Valley | 417.2 | 394.3 | 22.9 | 6% |
| Florida | 253.8 | 275.6 | (21.8) | -8% |
| Illinois | 396.1 | 365.6 | 30.5 | 8% |
| Maryland | 521.4 | 576.1 | (54.7) | -9% |
| Nevada | 294.2 | 317.8 | (23.6) | -7% |
| Texas | 110.0 | 164.0 | (54.0) | -33% |
| Utah | 363.3 | 321.5 | 41.8 | 13% |
| Virginia | 484.1 | 486.2 | (2.1) | 0% |
| Company Average | $331.7 | $355.6 | $(23.9) | -7% |

| | Nine Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| HOMES CLOSED (UNITS) | | | | |
| Arizona | 1,997 | 2,337 | (340) | -15% |
| California | 831 | 1,252 | (421) | -34% |
| Nevada | 1,028 | 2,109 | (1,081) | -51% |
| West | 3,856 | 5,698 | (1,842) | -32% |
| Colorado | 583 | 1,154 | (571) | -49% |
| Utah | 568 | 580 | (12) | -2% |
| Mountain | 1,151 | 1,734 | (583) | -34% |
| Maryland | 181 | 290 | (109) | -38% |
| Virginia | 216 | 498 | (282) | -57% |
| East | 397 | 788 | (391) | -50% |
| Delaware Valley | 116 | 122 | (6) | -5% |
| Florida | 381 | 702 | (321) | -46% |
| Illinois | 68 | 119 | (51) | -43% |
| Texas | 26 | 366 | (340) | -93% |
| Other Homebuilding | 591 | 1,309 | (718) | -55% |
| Total | 5,995 | 9,529 | (3,534) | -37% |
| AVERAGE SELLING PRICES PER HOME CLOSED | | | | |
| Arizona | $254.4 | $303.6 | $(49.2) | -16% |
| California | 524.7 | 542.8 | (18.1) | -3% |
| Colorado | 345.5 | 302.2 | 43.3 | 14% |
| Delaware Valley | 452.7 | 396.5 | 56.2 | 14% |
| Florida | 265.2 | 290.1 | (24.9) | -9% |
| Illinois | 381.7 | 367.7 | 14.0 | 4% |
| Maryland | 521.3 | 573.8 | (52.5) | -9% |
| Nevada | 301.5 | 320.6 | (19.1) | -6% |
| Texas | 129.6 | 167.1 | (37.5) | -22% |
| Utah | 359.8 | 293.0 | 66.8 | 23% |
| Virginia | 491.4 | 555.2 | (63.8) | -11% |
| Company Average | $342.1 | $352.2 | $(10.2) | -3% |

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

| | Three Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| ORDERS FOR HOMES, NET (UNITS) | | | | |
| Arizona | 385 | 680 | (295) | -43% |
| California | 152 | 273 | (121) | -44% |
| Nevada | 239 | 436 | (197) | -45% |
| West | 776 | 1,389 | (613) | -44% |
| Colorado | 153 | 196 | (43) | -22% |
| Utah | 41 | 251 | (210) | -84% |
| Mountain | 194 | 447 | (253) | -57% |
| Maryland | 36 | 70 | (34) | -49% |
| Virginia | 81 | 76 | 5 | 7% |
| East | 117 | 146 | (29) | -20% |
| Delaware Valley | 23 | 36 | (13) | -36% |
| Florida | 81 | 81 | - | 0% |
| Illinois | 37 | 20 | 17 | 85% |
| Texas | - | 1 | (1) | -100% |
| Other Homebuilding | 141 | 138 | 3 | 2% |
| Total | 1,228 | 2,120 | (892) | -42% |
| Estimated Value of Orders for Homes, net | $365,000 | $678,000 | $(313,000) | -46% |
| Estimated Average Selling Price of Orders for Homes, net | $297.2 | $319.8 | $(22.6) | -7% |
| Approximate Order Cancellation Rate (7) | 57% | 49% | 8% | |

| | Nine Months Ended September 30, 2007 | 2006 | Change Amount | % |
|---|---|---|---|---|
| ORDERS FOR HOMES, NET (UNITS) | | | | |
| Arizona | 1,750 | 2,278 | (528) | -23% |
| California | 849 | 1,209 | (360) | -30% |
| Nevada | 984 | 1,734 | (750) | -43% |
| West | 3,583 | 5,221 | (1,638) | -31% |
| Colorado | 677 | 938 | (261) | -28% |
| Utah | 390 | 916 | (526) | -57% |
| Mountain | 1,067 | 1,854 | (787) | -42% |
| Maryland | 227 | 320 | (93) | -29% |
| Virginia | 275 | 383 | (108) | -28% |
| East | 502 | 703 | (201) | -29% |
| Delaware Valley | 104 | 110 | (6) | -5% |
| Florida | 377 | 530 | (153) | -29% |
| Illinois | 109 | 82 | 27 | 33% |
| Texas | 14 | 158 | (144) | -91% |
| Other Homebuilding | 604 | 880 | (276) | -31% |
| Total | 5,756 | 8,658 | (2,902) | -34% |
| Estimated Value of Orders for Homes, net | $1,920,000 | $2,952,000 | $(1,032,000) | -35% |
| Estimated Average Selling Price of Orders for Homes, net | $333.6 | $341.0 | $(7.4) | -2% |
| Approximate Order Cancellation Rate (7) | 44% | 40% | 4% | |

(7) Gross number of cancellations received divided by gross number of orders received.

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

| | September 30, 2007 | December 31, 2006 | September 30, 2006 |
|---|---|---|---|
| BACKLOG (UNITS) | | | |
| Arizona | 1,257 | 1,504 | 2,040 |
| California | 445 | 427 | 722 |
| Nevada | 271 | 315 | 648 |
| West | 1,973 | 2,246 | 3,410 |
| Colorado | 347 | 253 | 361 |
| Utah | 287 | 465 | 674 |
| Mountain | 634 | 718 | 1,035 |
| Maryland | 233 | 187 | 281 |
| Virginia | 195 | 136 | 266 |
| East | 428 | 323 | 547 |
| Delaware Valley | 107 | 119 | 169 |
| Florida | 193 | 197 | 427 |
| Illinois | 64 | 23 | 43 |
| Texas | - | 12 | 30 |
| Other Homebuilding | 364 | 351 | 669 |
| Total | 3,399 | 3,638 | 5,661 |
| | | | |
| Backlog Estimated Sales Value | $1,210,000 | $1,300,000 | $2,100,000 |
| Estimated Average Selling Price of Homes in Backlog | $356.0 | $357.3 | $371.0 |
| | | | |
| ACTIVE SUBDIVISIONS | | | |
| Arizona | 67 | 67 | 65 |
| California | 41 | 45 | 46 |
| Nevada | 41 | 41 | 37 |
| West | 149 | 153 | 148 |
| Colorado | 52 | 47 | 45 |
| Utah | 25 | 22 | 21 |
| Mountain | 77 | 69 | 66 |
| Maryland | 16 | 19 | 17 |
| Virginia | 21 | 19 | 19 |
| East | 37 | 38 | 36 |
| Delaware Valley | 4 | 8 | 7 |
| Florida | 23 | 30 | 29 |
| Illinois | 7 | 6 | 7 |
| Texas | - | 2 | 2 |
| Other Homebuilding | 34 | 46 | 45 |
| Total | 297 | 306 | 295 |
| Average for Quarter Ended | 303 | 299 | 296 |

M.D.C. HOLDINGS, INC.
Reconciliation of Non-GAAP Financial Measures
(Dollars in thousands)
(Unaudited)

| | September 30, 2007 | December 31, 2006 | September 30, 2006 |
|---|---|---|---|
| CORPORATE AND HOMEBUILDING DEBT-TO-CAPITAL, NET OF CASH | | | |
| Total Debt | $1,038,943 | $1,127,149 | $1,148,952 |
| Less Mortgage Line of Credit | (41,957) | (130,467) | (152,369) |
| Total Corporate and Homebuilding Debt | 996,986 | 996,682 | 996,583 |
| Less Cash (Including Restricted Cash) | (731,112) | (510,588) | (137,926) |
| Total Corporate and Homebuilding Debt, Net of Cash | 265,874 | 486,094 | 858,657 |
| Stockholders' Equity | 1,802,404 | 2,161,882 | 2,167,132 |

| | | | |
|---|---|---|---|
| Total Corporate and Homebuilding Capital, Net of Cash | $2,068,278 | $2,647,976 | $3,025,789 |
| Ratio of Corporate and Homebuilding Debt to Capital, Net of Cash | 0.13 | 0.18 | 0.28 |

NOTE: From time to time, MDC discloses selected non-GAAP financial measures. While non-GAAP financial measures are not a substitute for the comparable GAAP measures, we believe that certain non-GAAP information is useful to investors and management in comparing current results to historical periods and to competitor results, and that it provides additional information on the performance of MDC's businesses. The above is a presentation of and reconciliation of a selected non-GAAP measure with the most directly comparable GAAP financial measure.

"Ratio of corporate and homebuilding debt to capital, net of cash" is a non-GAAP financial measure. MDC's management and investors use this ratio to help assess the risk associated with debt in the Company's capital structure. It excludes debt incurred under MDC's mortgage line of credit from both the numerator and denominator, as this debt is directly collateralized by mortgage loans held in inventory, which are typically liquidated within 45 days of origination, thereby reducing the risk associated with this type of debt. The ratio's numerator and denominator are also reduced by MDC's cash position, as this balance could be used to reduce MDC's exposure to debt outstanding.

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