



STRENGTH AND VISION

SINCE 1972



July 26, 2007 – 2nd QUARTER 2007 WEBCAST

Forward Looking Statements

M.D.C. HOLDINGS, INC.

Certain statements in this Conference Call and Webcast, 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; (2) changes in interest rates and mortgage lending programs; (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, 2006 and Form 10-Q for the quarter ended March 31, 2007, which was filed with the Securities and Exchange Commission. All forward-looking statements made in this Conference Call and Webcast 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.

It should also be noted that SEC Regulation G requires that certain information accompany the use of non-GAAP financial measures. Any information required by Regulation G will be posted on our web site, www.mdcholdings.com.



Difficult Homebuilding Environment Continues

M.D.C. HOLDINGS, INC.

- Little or No Improvement in Homebuilding Market Conditions
- Increased Incentives and Lowered Sales Prices to Drive Sales and Preserve Backlog
- Substantial Additional Impairments in Current Operating Results
- Bottom to Cycle Not Yet Apparent



Primary Focus on Strengthening Balance Sheet

M.D.C. HOLDINGS, INC.

- 15% Reduction in Number of Lots Controlled
- Cash Flow from Operations of \$50 Million During Q207
 - \$675 Million During Last Twelve Months
- \$1.9 Billion in Cash and Available Borrowing Capacity
- \$668 Million in Cash on Hand
- Positioned to React to Changing Market Conditions



Ongoing Preparation for Future Opportunities

M.D.C. HOLDINGS, INC.

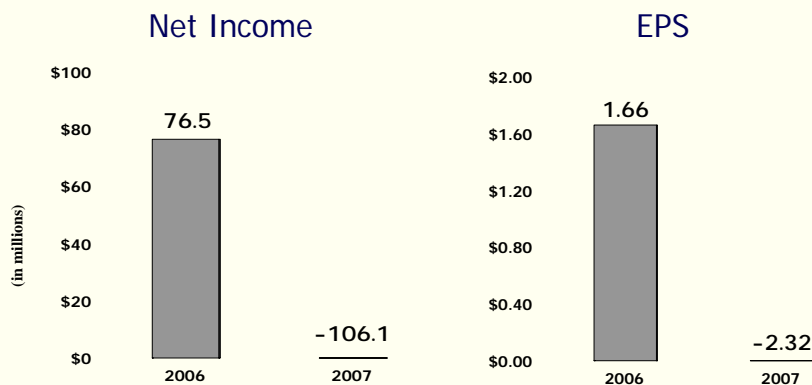
- Adjusting Operating and Administrative Infrastructure
 - General & Administrative Expense Down \$35 Million Year-Over-Year
- Unbundling Construction Costs
- Examining Construction Processes
- Enhancing Systems, Processes and Procedures
- Training Employees
- Customer Focus
 - Home Gallery Concept
 - Customer Experience Initiative



Net Income and Earnings Per Share

M.D.C. HOLDINGS, INC.

2nd Quarter



✓ \$161.1 Million in Inventory Impairments and \$6.4 Million in Project Write-Offs

✓ Decrease in Home Closings, Average Selling Prices and Home Gross Margins; Partially Offset by Reduced Selling, General and Administrative Expenses

✓ Lower Mortgage Volume and Change in Strategy for Selling Loans

Impairments by Segment

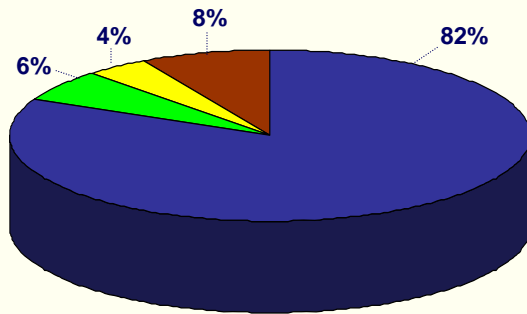
M.D.C. HOLDINGS, INC.

2nd Quarter

Percentage of Total

Impairment Amount

(in millions)



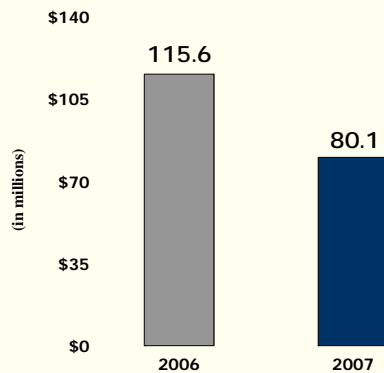
West	\$ 132.7
Mountain	\$ 9.1
East	\$ 5.9
Other	\$ 13.4
Total	\$ 161.1

■ West ■ Mountain ■ East ■ Other

Total Company G&A

M.D.C. HOLDINGS, INC.

2nd Quarter



✓ *Adjusting Operational and Administrative Infrastructure to Changes in Demand Levels*

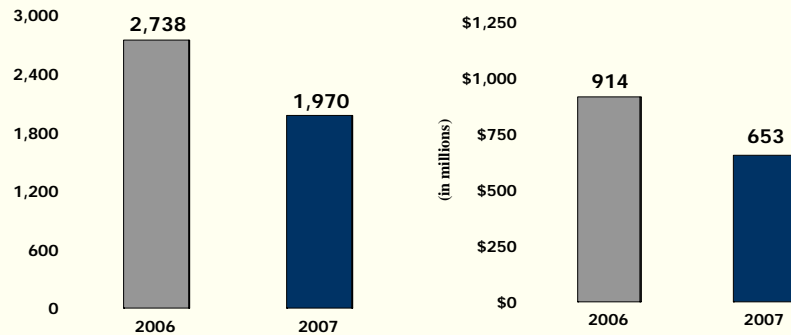
Net Home Orders

M.D.C. HOLDINGS, INC.

2nd Quarter

Units

Estimated Value



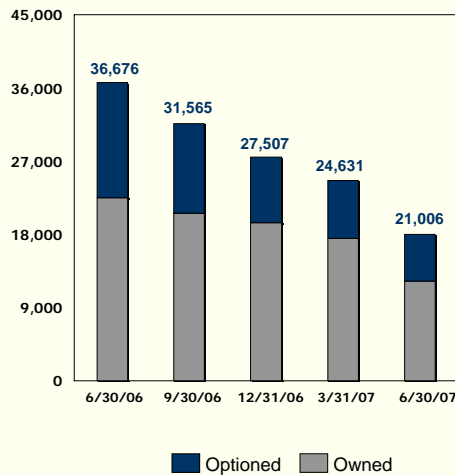
✓ Average Selling Price of Net Orders Declined 1% Year-Over-Year to \$331.7K

✓ Q2 2007 Cancellation Rate of Approximately 44%

Lots Controlled

M.D.C. HOLDINGS, INC.

2nd Quarter



- Lot Supply Among Industry's Lowest
- 15% Sequential Decline in Controlled Lots
- 43% Y-O-Y Decrease in Controlled Lots
- Only \$23 Million in Deposits and \$4 Million in Capitalized Acquisition Costs (<1% of Equity) at Risk for 5,700 Optioned Lots
- Poised to React to Future Opportunities

Free Cash Flow

M.D.C. HOLDINGS, INC.

2nd Quarter

(in millions)

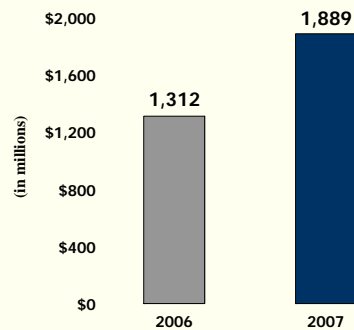
	<u>2nd Quarter</u>		<u>YTD June 30,</u>	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
Net Income	\$ 76.5	\$ (106.1)	\$ 171.9	\$ (200.5)
Operating Activities				
Housing Completed or Under Construction	(132.1)	(140.0)	(191.9)	(158.9)
Land and Land Under Development	77.4	157.0	(82.1)	275.3
Mortgage Loans in Inventory	27.1	24.6	74.0	87.2
Payables and Other	(52.7)	114.5	(84.2)	196.2
Net Cash Provided by (Used in) Operating Activities	<u>\$ (3.8)</u>	<u>\$ 50.0</u>	<u>\$ (112.3)</u>	<u>\$ 199.3</u>
Net Purchase of Property and Equipment	(2.7)	(1.4)	(4.3)	(2.0)
Dividend Payments	<u>(11.2)</u>	<u>(11.4)</u>	<u>(22.5)</u>	<u>(22.9)</u>
Free Cash Flow (After Dividends)	<u><u>\$ (17.7)</u></u>	<u><u>\$ 37.2</u></u>	<u><u>\$ (139.1)</u></u>	<u><u>\$ 174.4</u></u>

Strong Financial Position

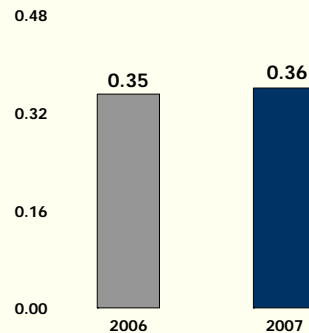
M.D.C. HOLDINGS, INC.

2nd Quarter

Cash and Available Borrowing Capacity



Ending Debt-to-Capital



✓ 44% Increase Y-O-Y in Cash and Available Borrowing Capacity

✓ Debt-to-Capital Among Industry's Lowest

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