

STRATEGIC | EXPERIENCED | DISCIPLINED



M.D.C. Holdings, Inc.

JP Morgan Third Annual Basics and  
Industrials Conference

## 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, 2007 and Form 10-Q for the quarter ended March 31, 2008, which were 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](http://www.mdcholdings.com).



# RICHMONDAMERICAN.COM

M.D.C. HOLDINGS, INC.

**RICHMOND AMERICAN HOMES**

**HOME GALLERY**  
BY RICHMOND AMERICAN

**HOMEAMERICAN**  
MORTGAGE CORPORATION

**AMERICAN HOME**  
TITLE AND ESCROW COMPANY

**AMERICAN HOME**  
INSURANCE AGENCY, INC.



# COMPANY PROFILE

M.D.C. HOLDINGS, INC.

- One of the Nation's Ten Largest Homebuilders
- Delivered More Than 155,000 Homes Since 1977
- Operating in 13 States
- 260 Active Communities at 3/31/08
- Investment Grade Rating from All Three Rating Agencies



# SEASONED, EXPERIENCED MANAGEMENT

M.D.C. HOLDINGS, INC.



Larry Mizel  
Chairman &  
CEO



David Mandarich  
President &  
COO



Gary Reece  
Executive VP  
& CFO

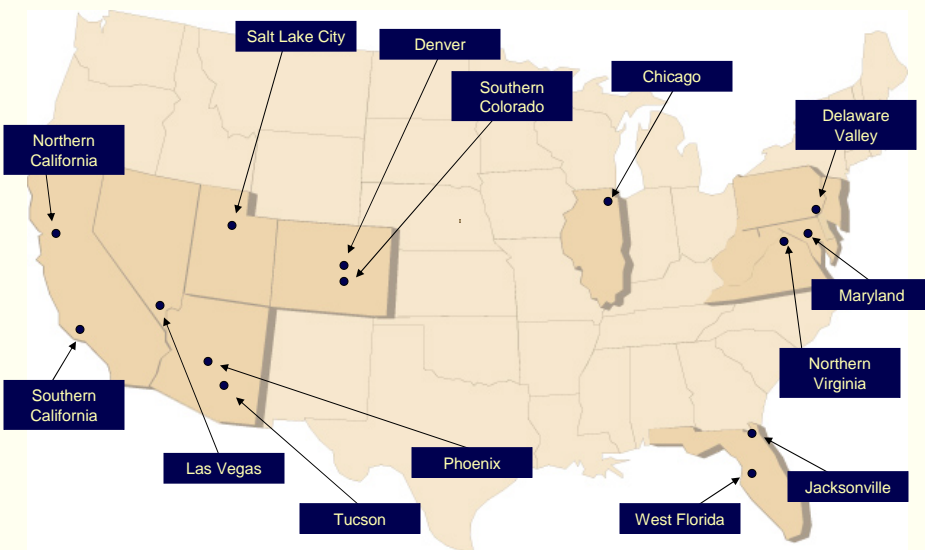


- Corporate Strategy Based on 85 Years Combined Experience Leading MDC Through Multiple Industry Cycles
- Control More Than 25% of Company Stock



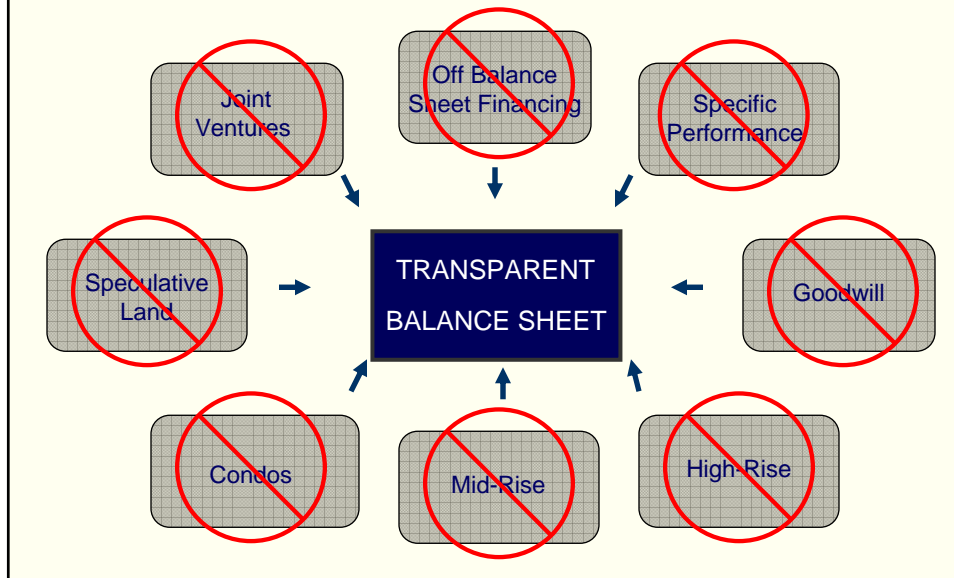
# GEOGRAPHIC FOOTPRINT

M.D.C. HOLDINGS, INC.



## A "SIMPLE" OPERATING PHILOSOPHY

M.D.C. HOLDINGS, INC.



## CONSERVATIVE INVENTORY MANAGEMENT

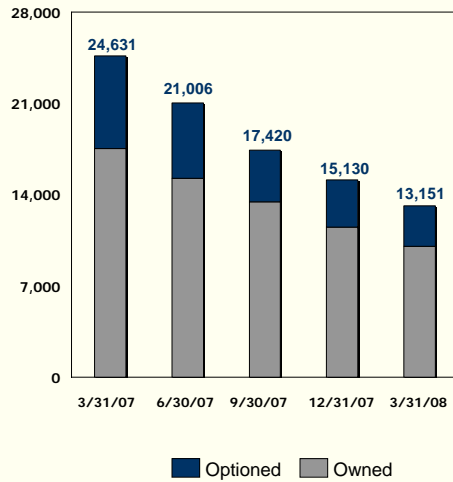
M.D.C. HOLDINGS, INC.

- Policies Designed to LIMIT RISK and ENHANCE FINANCIAL FLEXIBILITY
- No Land Speculation
- Strict Control Over Specs and Backlog
- All Land Acquisitions/Takedowns/Development and Home Starts Approved by a Senior Management Committee
  - Each Deal Subjected to Extensive Due Diligence Process
  - Purchase Only Entitled Land with Utilities Available; Must Control Ability to Obtain Building Permits and COs
  - Prefer to Purchase Finished Lots
  - Generally No Master-Planned Community Development



## LOTS CONTROLLED

M.D.C. HOLDINGS, INC.

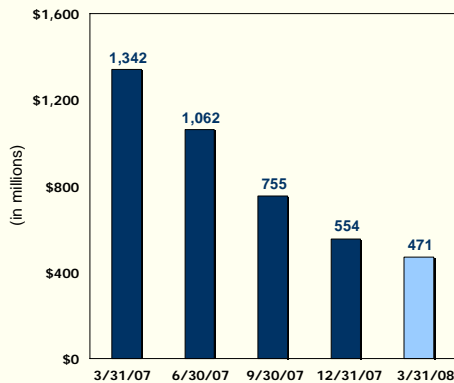


- Lot Supply Among Industry's Lowest
- 13% Sequential Decline in Controlled Lots
- 47% Y-O-Y Decrease in Controlled Lots
- Only \$11 Million in Deposits and \$2 Million in Capitalized Acquisition Costs (<1% of Equity) at Risk for 3,100 Optioned Lots
- Poised to React to Future Opportunities

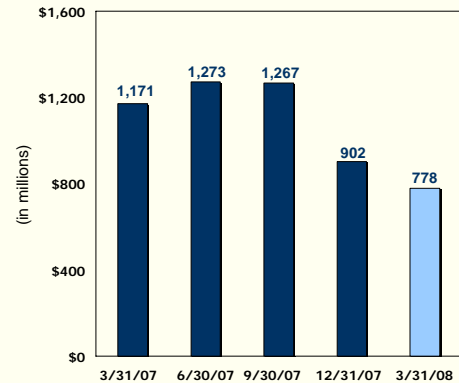
## CONTROLLING INVENTORY INVESTMENT

M.D.C. HOLDINGS, INC.

### LAND INVENTORY



### WORK IN PROGRESS INVENTORY

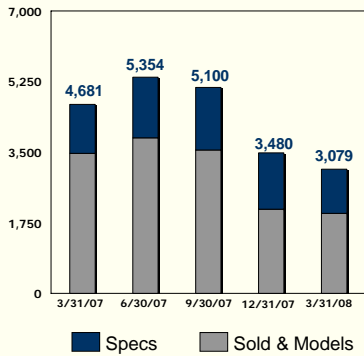


- Land Inventory Down More Than \$850 Million Y-O-Y
- WIP Inventory Down Almost \$400 Million Y-O-Y

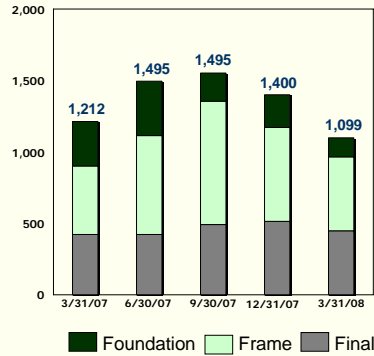
# MANAGING HOMES UNDER CONSTRUCTION

M.D.C. HOLDINGS, INC.

### WORK IN PROGRESS INVENTORY (units)



### UNSOLD HOMES INVENTORY (units)

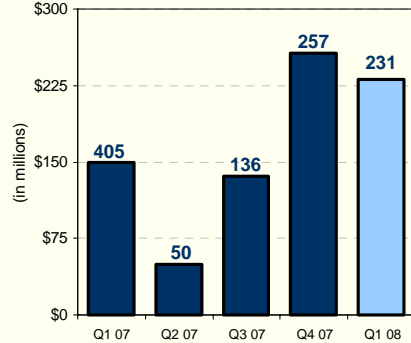


- Work in Progress Units Down 10% Y-O-Y
- 449 Finished Specs at 3/31/08

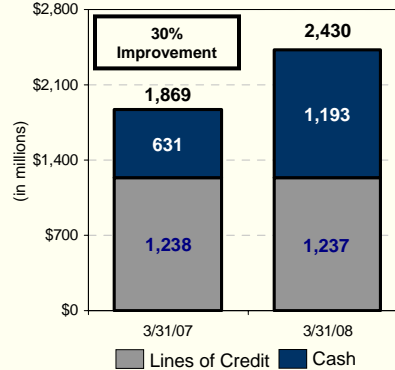
# PRESERVING CAPITAL

M.D.C. HOLDINGS, INC.

### OPERATING CASH FLOW GENERATED



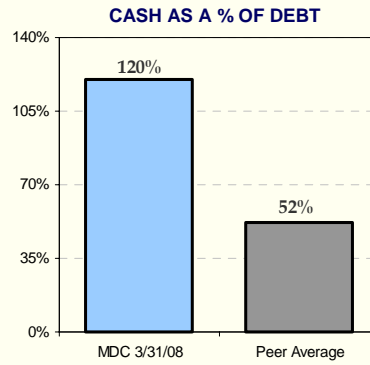
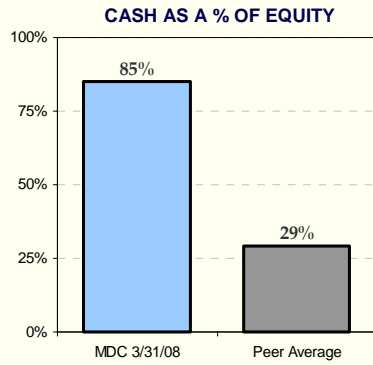
### CASH AND AVAILABLE BORROWING CAPACITY



- Generated \$674 Million Operating Cash Flow Over Last Twelve Months
- Almost \$1.2 Billion Cash on Hand – Exceeds Corporate and Homebuilding Debt
- Financial Position Among the Industry's Strongest

# INDUSTRY LEADING FINANCIAL STRENGTH

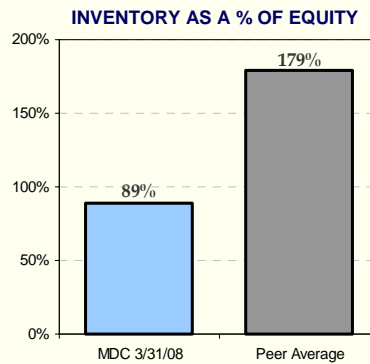
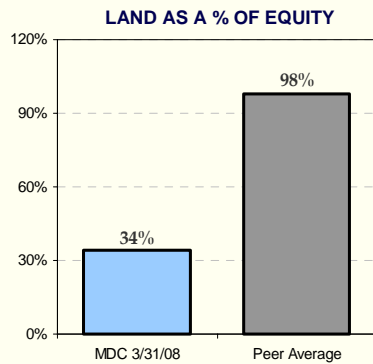
M.D.C. HOLDINGS, INC.



NOTE: Peer average is based on the latest information available as of 5/29/2008.

# INDUSTRY LEADING FINANCIAL STRENGTH

M.D.C. HOLDINGS, INC.

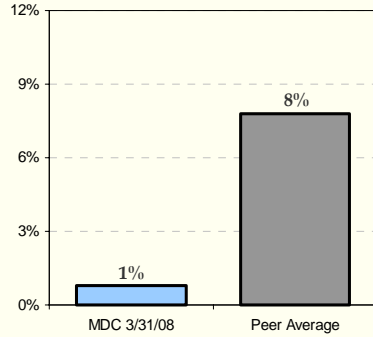


NOTE: Peer average is based on the latest information available as of 5/29/2008.

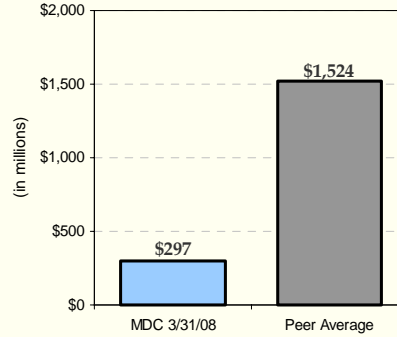
## INDUSTRY LEADING FINANCIAL STRENGTH

M.D.C. HOLDINGS, INC.

**OPTION DEPOSITS AS A % OF EQUITY**



**BONDS AND LETTERS OF CREDIT**



Estimated Cost to Complete Work Required Under Bonds and Letters of Credit is Less Than \$50 Million

NOTE: Peer average is based on the latest information available as of 5/29/2008.

## PREPARING FOR FUTURE OPPORTUNITIES

M.D.C. HOLDINGS, INC.

- **Unbundling Costs to Reduce Construction and Development Expenditures**
  - Initiatives Designed to Create a More Efficient Construction Process
  - Enhanced Control of Work Orders and Subcontractor Base
- **Enhancing Product Offerings to Match Current Homebuyer Preferences**
  - Home Gallery and Construction Options Tailored to Meet Market Demand
- **Adjusting Operating Structure While Investing in the Enterprise**
  - Formal Initiative Underway to Improve Key Processes
  - Combined Divisions and Reduced Headcount by Over 50% Since 12/31/05
  - Continue to Monitor the "Right Size" of Our Organization
- **National Roll-Out of New Customer Experience Initiative**
- **World Class Marketing and Merchandising**
  - Efforts Led by MDC's Award Winning Advertising, Interactive and Public Relations Agency



# MDC'S COMPELLING STORY

M.D.C. HOLDINGS, INC.

**POSITIONED FOR  
FUTURE OPPORTUNITIES**

**STRONG CASH FLOW -  
HIGH LIQUIDITY - LOW LEVERAGE**

**CONSERVATIVE, STRATEGIC RISK PROFILE -  
INVESTMENT GRADE COMPANY**

**LIMITED SPECULATIVE INVENTORY - LOW INVESTMENT IN LAND**

**SEASONED MANAGEMENT - SUBSTANTIAL INSIDER OWNERSHIP -  
DISCIPLINED OPERATING STRATEGY**