

M.D.C. Holdings, Inc.
Third Quarter 2009 Home Gross Margin Reconciliation

	Three Months Ended		
	9/30/2009	6/30/2009	9/30/2008
Home Sales Revenue - as reported	\$ 186,816	\$ 185,554	\$ 336,744
Home Cost of Sales - as reported	<u>151,596</u>	<u>152,118</u>	<u>285,367</u>
Home Gross Margins - Dollars	<u>\$ 35,220</u>	<u>\$ 33,436</u>	<u>\$ 51,377</u>
Home Gross Margins - Percent	18.9%	18.0%	15.3%
Home Gross Margins - as reported	\$ 35,220	\$ 33,436	\$ 51,377
Plus - Interest in home cost of sales	7,142	8,661	9,689
Less - Warranty adjustments	<u>(10,814)</u>	<u>(10,904)</u>	<u>(3,163)</u>
Adjusted Home Gross Margins - Dollars	<u>\$ 31,548</u>	<u>\$ 31,193</u>	<u>\$ 57,903</u>
Adjusted Home Gross Margins - Percent	16.9%	16.8%	17.2%