

MDC HOLDINGS INC
Form 424B2
December 08, 2004

**Filed Pursuant to Rule 424(b)(2)
Registration No. 333-117319**

PRICING SUPPLEMENT NO. 1, DATED DECEMBER 6, 2004

(To Prospectus, dated September 7, 2004 and
Prospectus Supplement, dated October 6, 2004)

\$250,000,000

M.D.C. Holdings, Inc.

**Medium Term Senior Notes
(Fixed Rate Notes)**

Due 10 Years from the Original Issue Date

The following description of the terms of the Notes offered hereby supplements, and, to the extent inconsistent therewith, replaces, the descriptions included in the Prospectus and Prospectus Supplement referred to above, to which descriptions reference is hereby made.

Principal Amount: \$250,000,000.

Issue Price: 99.366% of the Principal Amount of the Notes.

Original Issue Date: December 14, 2004.

Stated Maturity: December 15, 2014.

Interest Rate: 5.375% per annum.

Interest Payment Dates: June 15 and December 15 of each year, commencing June 15, 2005.

Regular Record Dates: June 1 and December 1 of each year.

Form: Book-Entry Certificated

Method of Payment of Principal:
(Applicable only if other than immediately available funds)

Optional Redemption: The Notes cannot be redeemed prior to Stated Maturity.

 The Notes can be redeemed in whole or in part at any time prior to Stated Maturity at the option of M.D.C. Holdings, Inc. (MDC) as set forth below.

Redemption Dates: In whole at any time or in part from time to time, upon not less than 30 nor more than 60 days notice to the holders of the Notes.

Redemption Prices:

x The Redemption Price shall be the greater of (i) 100% of the principal amount of the Notes being redeemed, and (ii) the present value of the remaining scheduled payments on the Notes being redeemed on the Redemption Date, discounted to the Redemption Date, on a semiannual basis, at the Treasury Rate plus 20 basis points (0.20%), plus, in each case, accrued and unpaid interest, if any, on the Notes to the Redemption Date. In determining the Redemption Price and accrued interest, interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

o Other: The Redemption Price shall be equal to 100% of the principal amount of the Notes.

Optional Repayment: o Yes x No

Optional Repayment Dates: Not Applicable.

Optional Repayment Prices: Not Applicable.

Original Issue Discount Note: o Yes x No

Total Amount of OID: Not Applicable.

Yield to Stated Maturity: Not Applicable.

Initial Accrual Period OID: Not Applicable.

Sinking Fund: x The Notes are not subject to a Sinking Fund.

o The Notes are subject to a Sinking Fund.

Sinking Fund Dates: Not Applicable.

Sinking Fund Amounts: Not Applicable.

Amortizing Note: o Yes x No

Amortization Schedule: Not Applicable.

Net Proceeds to MDC (before expenses): 98.741% of the Principal Amount of the Notes. The Agents, out of their proceeds, will also reimburse MDC for certain of its expenses related to the offering.

Use of Proceeds: The proceeds shall be used for general corporate purposes, including the repayment of existing indebtedness of MDC.

CUSIP: 5526J0AA6

Agent's Capacity: Agent Principal

Agents:

Joint Bookrunning Managers

Citigroup JPMorgan

Co-Lead Manager

Wachovia Securities

Co-Managers

Banc of America Securities LLC BNP PARIBAS

Plan of Distribution:

Each of the Agents below has agreed to severally purchase the principal amount of Notes set forth opposite its name below.

| <u>Agent</u> | <u>Principal Amount at Maturity</u> |
|--------------------------------|--|
| Citigroup Global Markets Inc. | \$ 87,500,000 |
| J.P. Morgan Securities Inc. | 87,500,000 |
| Wachovia Capital Markets, LLC | 37,500,000 |
| Banc of America Securities LLC | 25,000,000 |
| BNP Paribas Securities Corp. | 12,500,000 |
| | <hr/> |
| Total: | \$250,000,000 |
| | <hr style="border-top: 3px solid black;"/> |

Additional Definitions:

Treasury Rate means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Comparable Treasury Issue means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

Comparable Treasury Price means, with respect to any Redemption Date, (a) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated *Composite 3:30 p.m. Quotations for U.S. Government Securities* or (b) if such release (or any successor release) is not published or does not contain such price on such business day, (i) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Primary Treasury Dealer means a primary U.S. Government securities dealer in New York City.

Reference Treasury Dealer means (a) Citigroup Global Markets Inc., J.P. Morgan Securities Inc. or one of the other Agents for the Notes, issued on the issue date (or their respective affiliates which are Primary Treasury Dealers), and their respective successors; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, MDC will substitute therefor another Primary Treasury Dealer, and (b) any other Primary Treasury Dealer(s) selected by MDC.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury

Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such Redemption Date.