Deutsche Bank 20th Annual Leveraged Finance Conference

October 10, 2012

Meritage Homes Corporation

Setting the standard for **energy-efficient homebuilding**

Forward-Looking Statements

This presentation and accompanying comments contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include those regarding the Company's outlook and expectations for 2012, including home price appreciation, cost increases and their impact on margins; plans to address cost and scheduling pressures; expectations to grow net margin and net income as closings and revenue increase; expectations for strong closings and revenue growth in the second half of 2012; community count growth in 2012 and 2013; and expectations for a deferred tax reserve reversal in the next few quarters; all of which are subject to significant risks and uncertainties.

Such statements are based upon the current beliefs and expectations of Company management, and current market conditions, which are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The Company makes no commitment, and disclaims any duty, to update or revise any forward-looking statements to reflect future events or changes in these expectations.

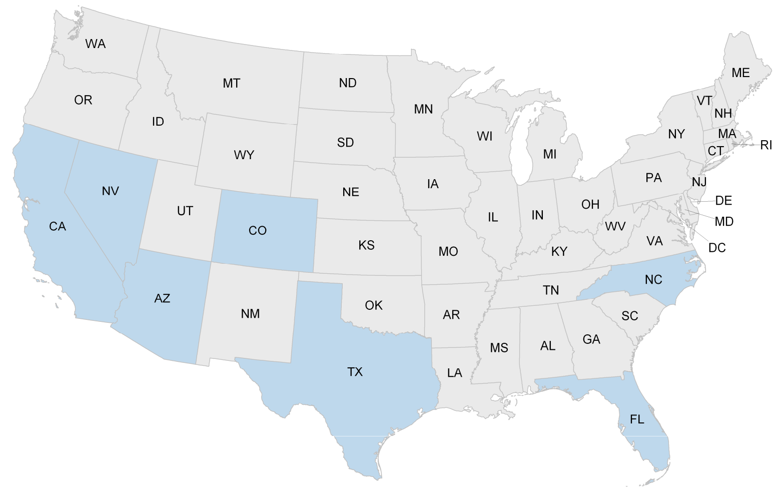
Meritage's business is subject to a number of risks and uncertainties. As a result of those risks and uncertainties, the Company's stock and note prices may fluctuate dramatically. The risks and uncertainties include but are not limited to the following: weakness in the homebuilding market resulting from the current economic downturn; interest rates and changes in the availability and pricing of residential mortgages; adverse changes in tax laws that benefit our homebuyers; the ability of our potential buyers to sell their existing homes; cancellation rates and home prices in our markets; inflation in the cost of materials used to construct homes; the adverse effect of slower orders absorption rates; potential write-downs or write-offs of assets, including pre-acquisition costs and deposits; the availability of finished lots and undeveloped land; our potential exposure to natural disasters; the liquidity of our joint ventures and the ability of our joint venture partners to meet their obligations to us and the joint venture; competition; the success of our strategies in the current homebuilding market and economic environment; the adverse impacts of cancellations resulting from small deposits relating to our orders contracts; construction defect and home warranty claims; our success in prevailing on contested tax positions; the impact of deferred tax valuation allowances and our ability to preserve our operating loss carryforwards; our ability to obtain performance bonds in connection with our development work; the loss of key personnel; our failure to comply with laws and regulations; the availability and cost of materials and labor; our lack of geographic diversification; fluctuations in quarterly operating results; the Company's financial leverage and level of indebtedness; our ability to take certain actions because of restrictions contained in the indentures for the Company's senior and senior subordinated notes and our ability to raise additional capital when and if needed; our credit ratings; successful integration of future acquisitions; government regulations and legislative or other initiatives that seek to restrain growth or new housing construction or similar measures; acts of war; the replication of our "Green" technologies by our competitors; our exposure to information technology failures and security breaches; and other factors identified in documents filed by the Company with the Securities and Exchange Commission, including those set forth in our Form 10-K for the year ended December 31, 2011 under the caption "Risk Factors" and updated in our recent Quarterly Report on Form 10Q, all of which can be found on our website.

MeritageHomes CORPORATION

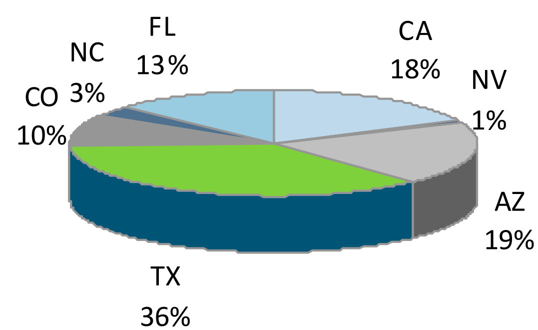
Company Profile

- Founded in 1985 – 27 years of continuous operation
- Headquartered in Scottsdale, AZ
- Listed on NYSE:MTH since 1996
- As of June 30, 2012:
  - Delivered 70,000+ homes
  - 9th largest U.S. homebuilder by LTM closings
  - 15 markets - 7 states
  - 151 actively-selling communities
  - >60% move-up, >35% first time buyers, <5% other

Geographic Footprint



Q2 2012 Revenue by State



National builder with top-5 market share in some of the best long-term housing markets

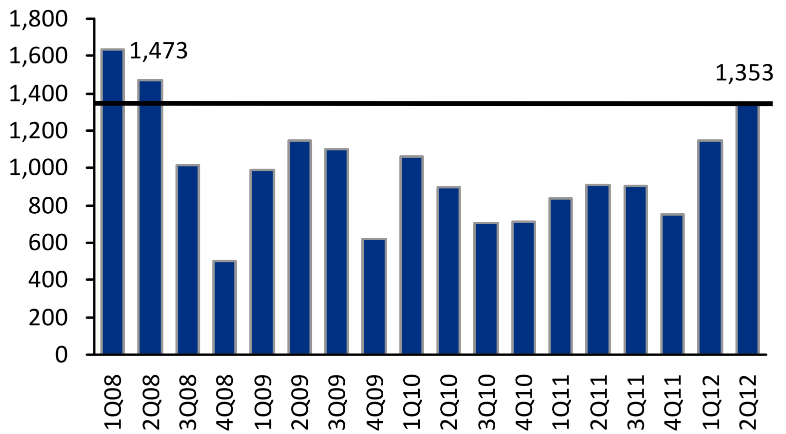
State of the Housing Market

- Recovery began in earnest in February 2012
- Record high affordability
- Buyer confidence improving
- Employment / unemployment improving
- Pent-up demand has begun to be unleashed
- Inventories of new and existing homes listed for sale low and declining
- Non-distressed home prices stabilizing or rising
- New home permits and starts increasing
- Homebuilders’ sentiment improving

2012 started much stronger than expected; results vary between location, builder and market segment

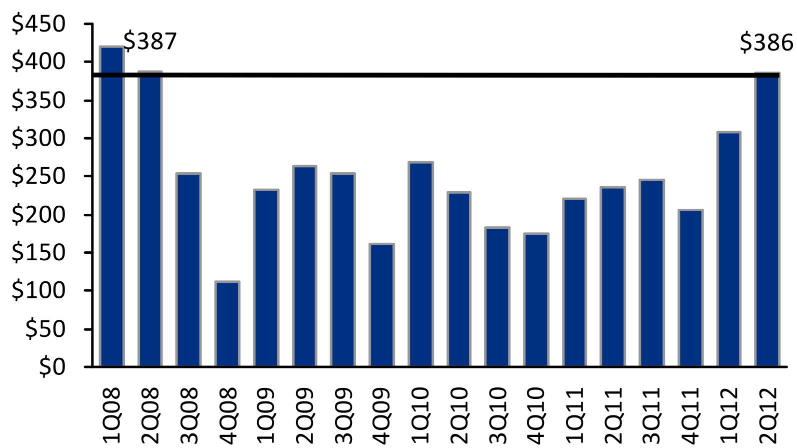
Strongest Orders in Four Years

Highest Net Orders Since 2Q08 (+49% y/y)



Highest Order Value Since 2Q08 (+63% y/y)

($millions)



- Sold 9.0 homes/community in 2Q12 – highest pace since 1Q 2007
- July - August orders up 33% YoY
- **August was 10th consecutive month of YoY order growth**

Highest orders and order value in four years, demonstrating beginning of market recovery

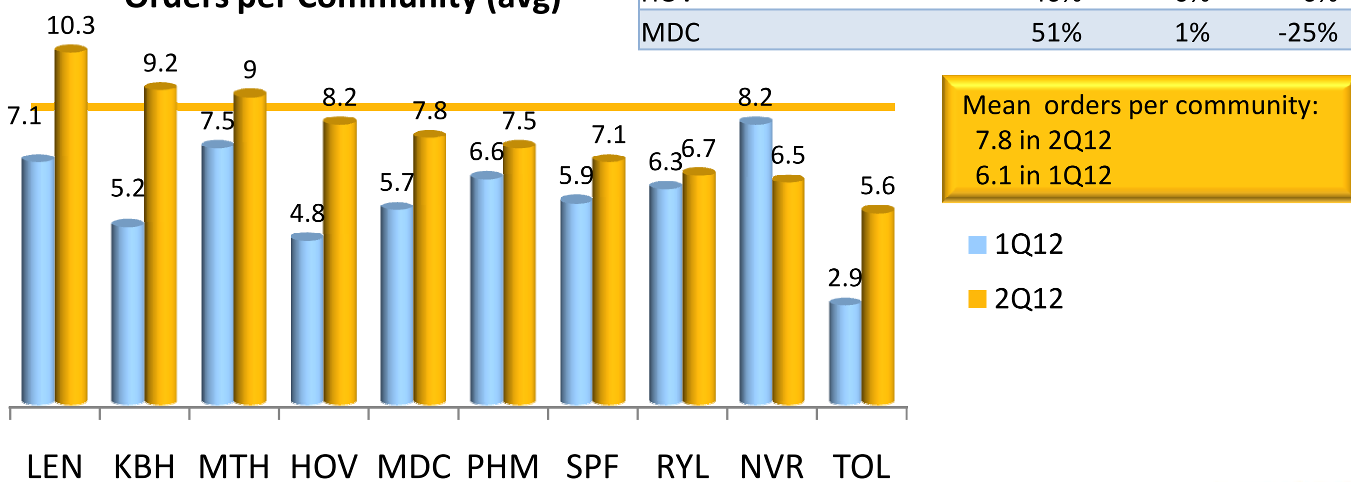
MeritageHomes CORPORATION

MTH Reported Highest Order Growth in 2Q12

Orders Pace Increased for Most HB's in Second Quarter

Net Order Growth (y/y)	2Q12	1Q12	4Q11	3Q11	2Q11	1Q11
MTH	**49%**	**36%**	**5%**	**28%**	**1%**	**-21%**
SPF	45%	43%	44%	38%	6%	-14%
LEN	41%	34%	21%	11%	0%	-13%
RYL	33%	36%	18%	26%	11%	-15%
PHM	32%	15%	1%	0%	0%	1%
MHO	30%	17%	10%	20%	5%	-15%
Median	**30%**	**34%**	**18%**	**15%**	**2%**	**-18%**
Mean	**29%**	**30%**	**17%**	**14%**	**6%**	**-17%**
BZH	28%	27%	31%	26%	17%	-29%
TOL	25%	47%	19%	15%	2%	7%
DHI	24%	19%	13%	7%	-1%	-23%
NVR	6%	31%	22%	3%	-4%	-18%
KBH	3%	-8%	38%	40%	-11%	-32%
HOV		46%	0%	-6%	43%	-20%
MDC		51%	1%	-25%	5%	-24%

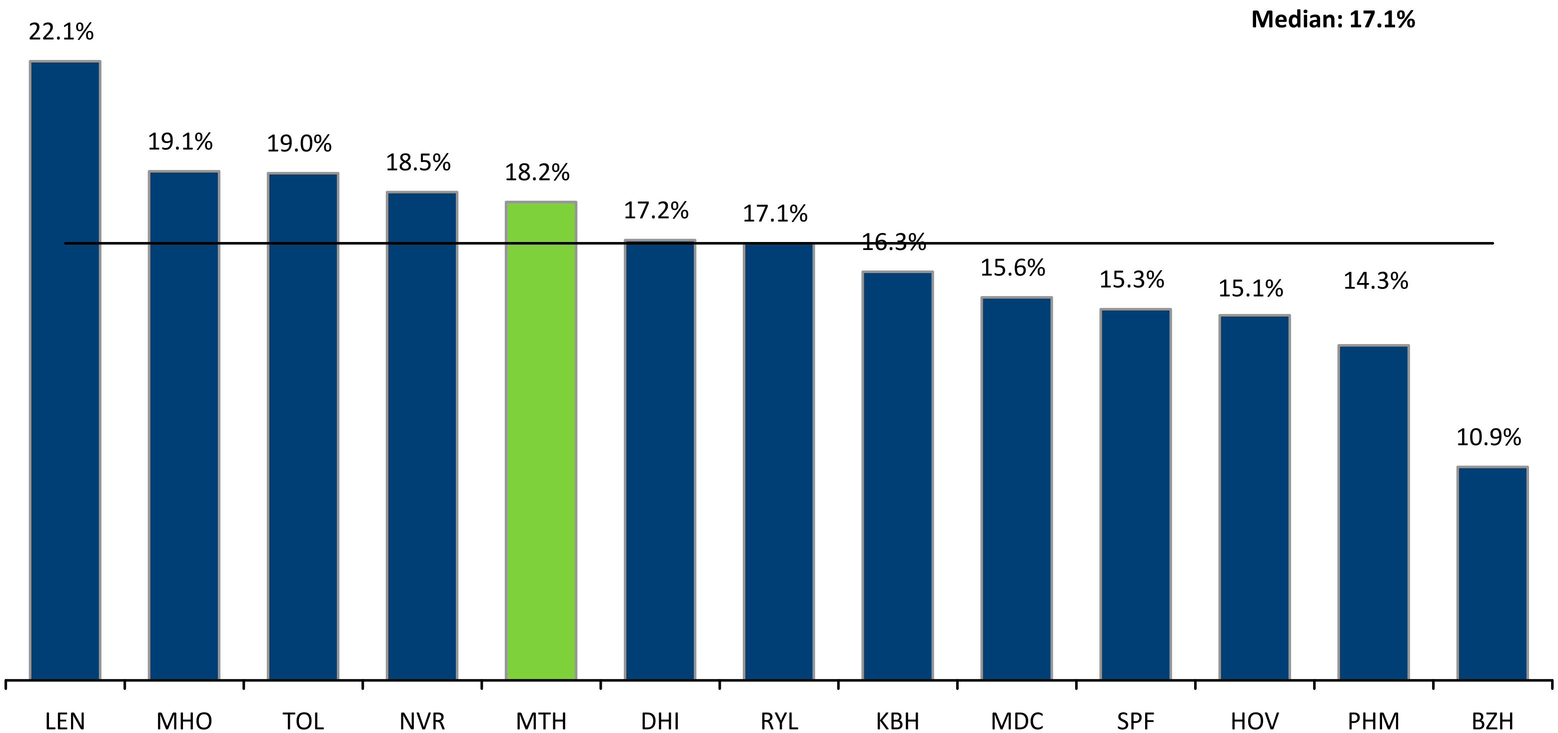
Orders per Community (avg)



Meritage has outperformed the mean & median homebuilder's net order growth 3 of the last 4 quarters

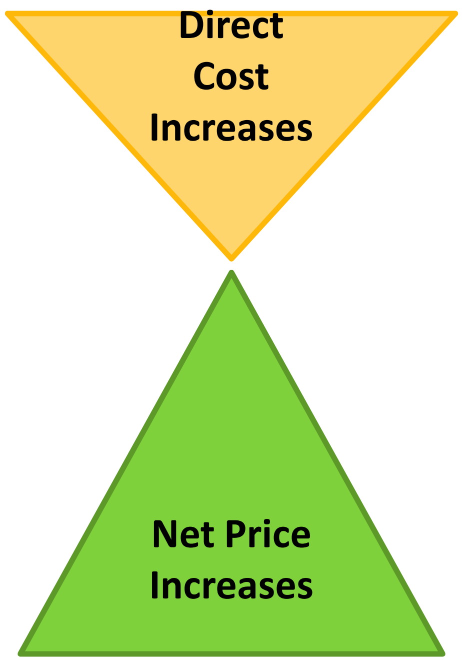
LTM Gross Margin Above Industry Median

LTM Adj. Gross Margin (1)



Source: Citigroup Global Markets (Most recent public quarterly filings as of Sep-10-2012.)
(1) Adjusted to exclude impairments and one-time items.

Margin Expansion Being Moderated by Costs



- All markets had positive 2Q12 home price appreciation
  - Majority of markets >**2%** appreciation
  - Companywide average 3% base price appreciation
- Land and construction cost increases offsetting a portion of home price appreciation
  - Estimate 1-2% cost creep in 2Q12 (on base home price)
  - Land/lot costs increasing as markets improve
  - Temporary supply/demand imbalances caused by rapid increases in home sales this year – should diminish in coming quarters
- Shortages also stretching out cycle times in some areas

Expecting gradual margin improvement toward 20% target over time with price increases covering forecasted increases in costs

MeritageHomes CORPORATION

Overhead Leverage Increases Earnings Growth

	2Q12	2Q11	Change
Home closing revenue	$281,340	$220,131	*28%*
Commissions and other sales costs	23,118	18,853	*23%*
-- as a percent of home closing revenue	*8.2%*	*8.6%*	*-40 bps*
General and administrative expenses	16,516	14,990	*10%*
-- as a percent of total revenue	*5.9%*	*6.8%*	*-90 bps*
Interest expense*	6,338	7,496	*-15%*
-- as a percent of total revenue	*2.2%*	*3.4%*	*-120 bps*

Increased revenue leverages:

- **Fixed components of selling expenses**
- **Mostly fixed G&A expenses**
- **Interest expense**

* Interest expense decreased due to a greater portion of interest incurred capitalized to assets under production

Expecting to continue to grow net margin and net income as closings and revenue increase

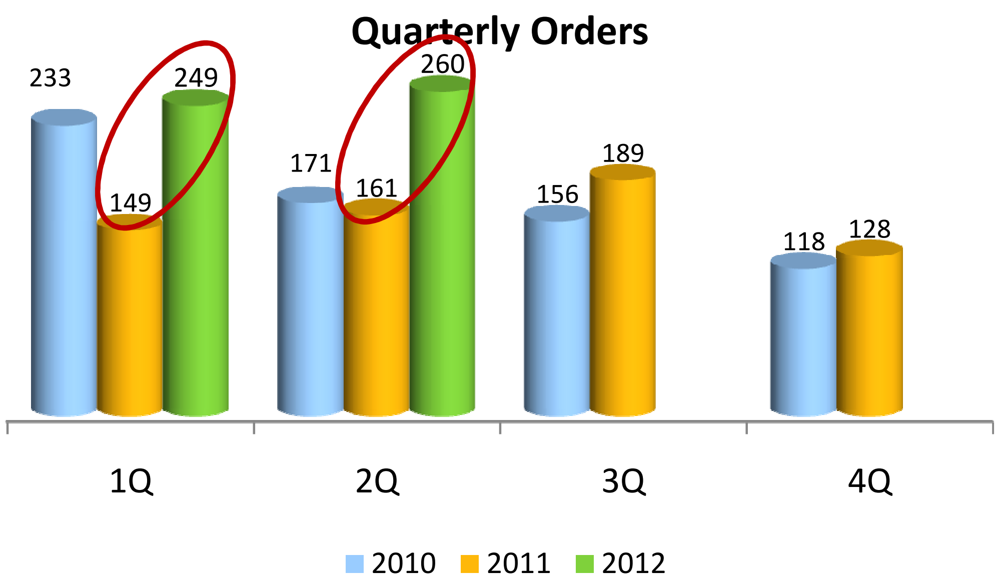
MeritageHomes CORPORATION

Hottest Growth Markets: Arizona

3rd largest homebuilder in Phoenix/Mesa/Scottsdale market (on 2011 closings)

Phoenix market conditions (Aug-2012 John Burns Real Estate Consulting)

- Median resale prices +24% y/y – still very high affordability
- SF permits +54% y/y
- Listings -30% y/y -- 2.2 mos. resale supply
- Employment growth (45K new jobs, +2.7% y/y) -- 7.5% unemployment
- Land market "on fire" as builders with short land positions scramble
- Tucson & Active Adult markets not as robust but improving



MTH 2Q12 or as of 6/30/12:

- 32 active communities
- 8.1 orders/community
- 5,167 lots (+2,247 Active Adult)
- 663 ttm closings
- $270K ASP on orders

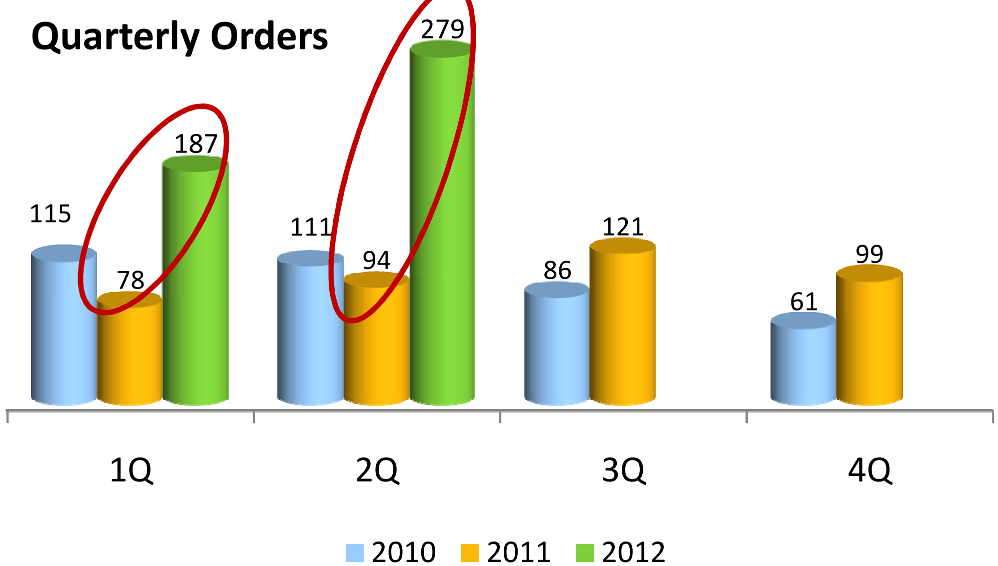
One of our hottest markets in terms of orders and prices, best land locations are very competitive

Hottest Growth Markets: California

9th largest homebuilder in NoCal, 8th in SoCal (on 2011 closings)

California market conditions (Aug-2012 John Burns Real Estate Consulting)

- NoCal: SF permits +30-49% y/y; listings -40-43%; very low inventories pushing prices up on new homes; strong job growth, especially near tech companies
- SoCal: SF permits -24% y/y; listings -34%; 3.7 mos supply; prices +5.7% y/y; job growth 1.8% -- builders building significantly larger homes than in previous years
- Many homeowners still underwater on mortgages, but affordability is very high for new buyers



MTH 2Q12 or as of 6/30/12:

- 20 active communities
- 13.6 orders/community
- 1,286 lots
- 455 ttm closings
- $360K ASP on orders

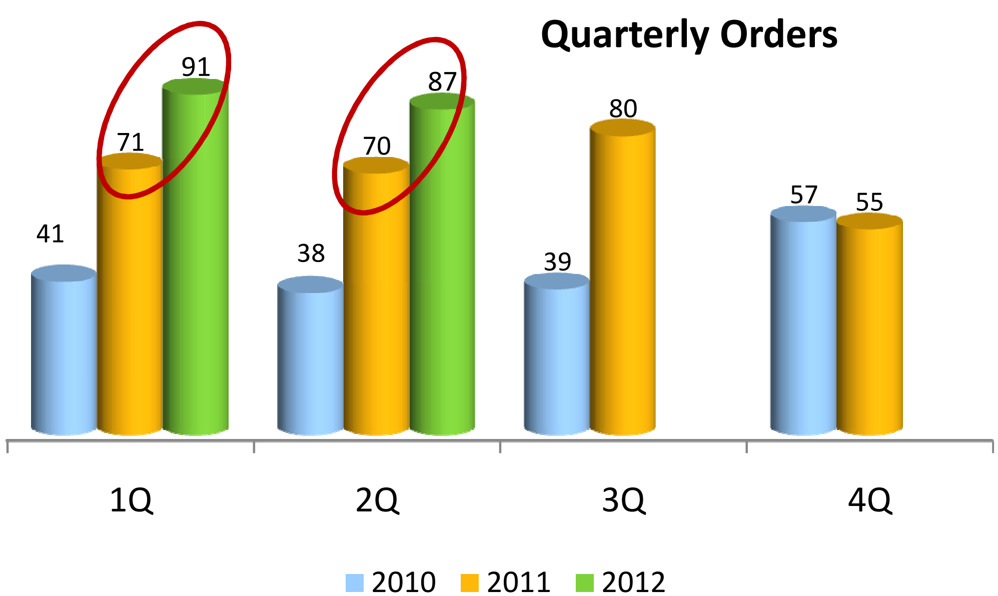
Northern markets stronger than southern, high affordability resulting in demand for larger homes

Hottest Growth Markets: Colorado

8th largest homebuilder in Denver/Aurora market (on 2011 closings)

Denver market conditions (Aug-2012 John Burns Real Estate Consulting)

- Median resale prices +10% y/y – still very high affordability
- SF permits +28% y/y
- Listings -23% y/y – 4.4 mos supply
- Employment growth (27K new jobs, +2.2% y/y) – 8.3% unemployment



MTH 2Q12 or as of 6/30/12:

- 8 active communities
- 10.9 orders/community
- 813 lots
- 295 ttm closings
- $331K ASP on orders

Strengthening economy driving job growth and demand for new homes

MeritageHomes CORPORATION

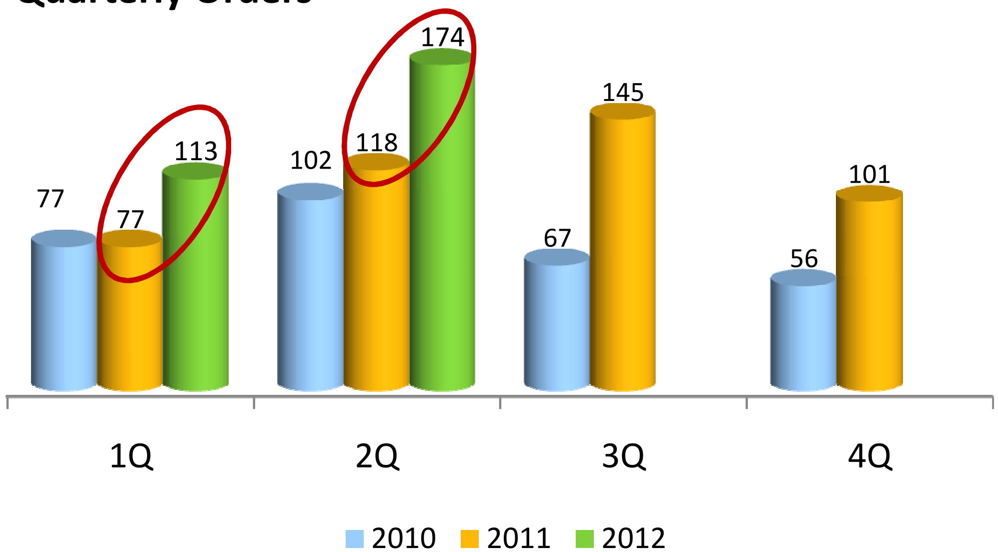
Hottest Growth Markets: Florida

4th largest homebuilder in Orlando market (on 2011 closings) – just entered Tampa market

Orlando market conditions (Aug-2012 John Burns Real Estate Consulting)

- Median resale prices +8.8% y/y – very high affordability
- SF permits +41% y/y
- Listings -18% y/y – 3.8 mos. resale supply
- Employment growth (10K new jobs, +1.0% y/y) – 8.7% unemployment
- Tampa not as strong but steady, lowest mos supply of listings in 6 yrs

Quarterly Orders



MTH 2Q12 or as of 6/30/12:

- 16 active communities
- 10.9 orders/community
- 1,250 lots
- 445 ttm closings
- $285K ASP on orders

Grade A locations leading MTH to outperform general market in Orlando, expecting the same in Tampa

Expanding into North Carolina

Raleigh & Charlotte are new expansion markets for MTH since 2011/2012 – we are outperforming the markets in general

Raleigh & Charlotte market conditions (Aug-2012 John Burns Real Estate Consulting)

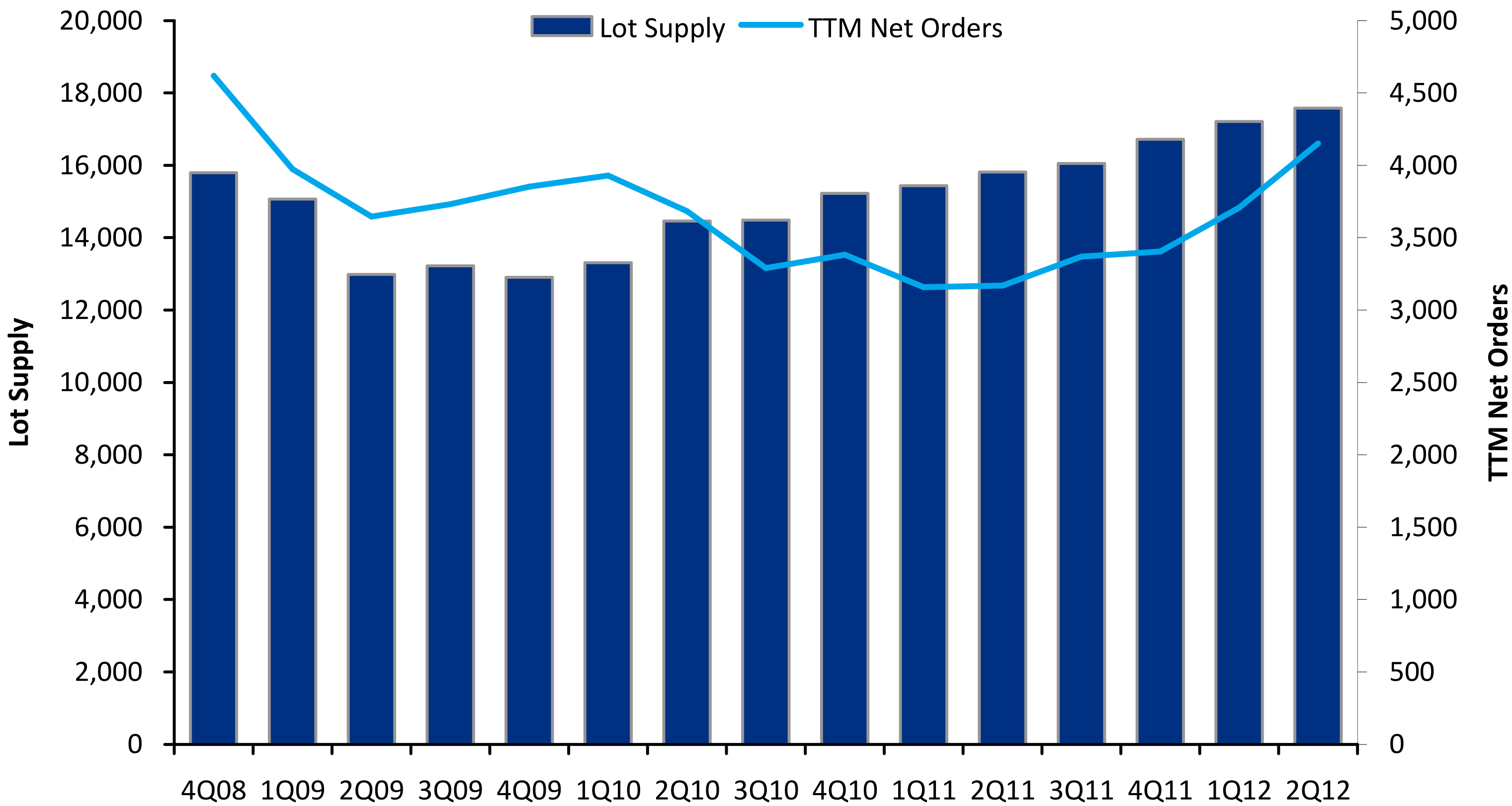
- Raleigh: SF permits +25% y/y; 10.1 mos supply; prices +3.3% y/y; job growth 3.2%
- Charlotte: SF permits +36% y/y; listings -16% y/y; prices +7.8% y/y; job growth 1.3%
- Very high affordability

MTH 2Q12 or as of 6/30/12:

- 5 active communities
- 8.9 orders/community
- 495 lots
- 44 closings YTD2012
- $351K ASP on orders

Very promising expansion markets with better than expected initial success

Growing Lot Supply to Support Orders Opportunity

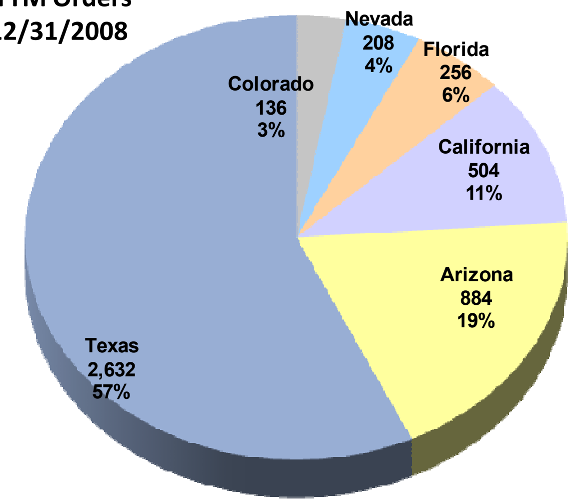


Contracted for ~2,100 lots in 36 communities during 2Q12 to refill the pipeline as sales increased

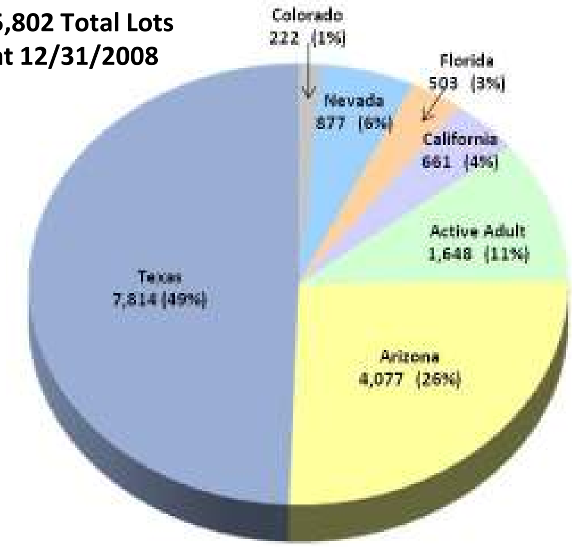
MeritageHomes CORPORATION

Land Positions Rebalanced Based on Order Trends

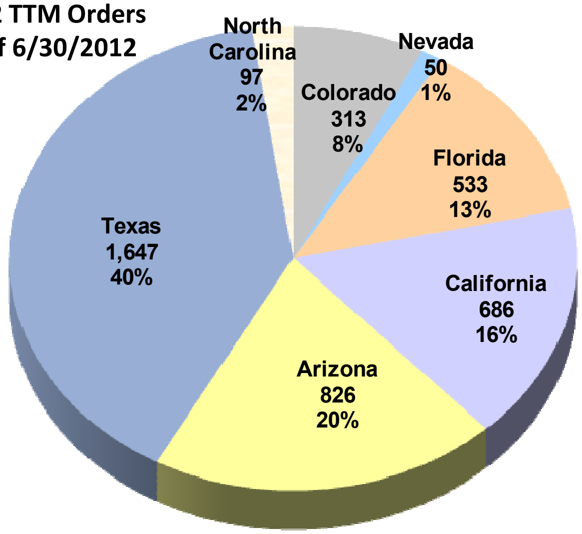
4,620 TTM Orders
as of 12/31/2008



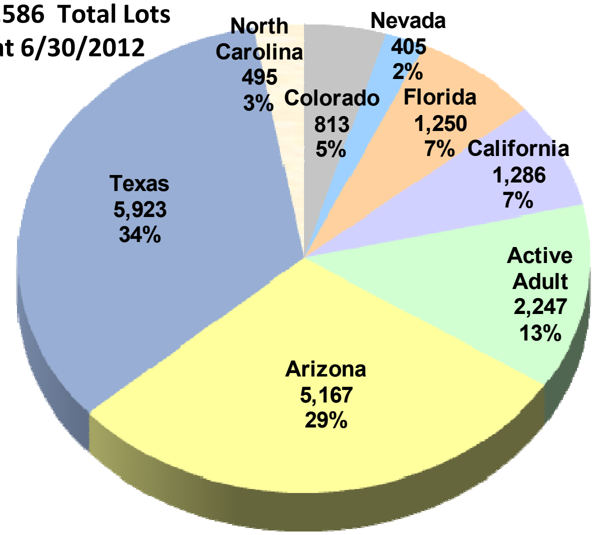
15,802 Total Lots
at 12/31/2008



4,152 TTM Orders
As of 6/30/2012



17,586 Total Lots
at 6/30/2012



We have secured solid land positions in the areas of highest demand and are focusing more attention there

MeritageHomes CORPORATION

Acquiring Land to Fuel Growth

- Certain markets very tight, land prices up >20% – Arizona, California
  - Stocked up on land in Phoenix before steep appreciation
  - Secured many new positions in California last year, with several more deals in the pipeline for 2H12
  - Buying more undeveloped lots
- Land prices have appreciated less in Texas & Southeast markets – focusing on new markets (Raleigh, Charlotte and Tampa)
- Targeting 165 communities by Y-E 2012 and ~200 by Y-E 2013
  - 100 communities under control to be opened over next couple years – enough to get to 165 – more needed to get to 200
  - Continuing strong sales causing early close-out of communities, partially offsetting net growth in community count

Land available to buy – have to be careful to choose the right deals

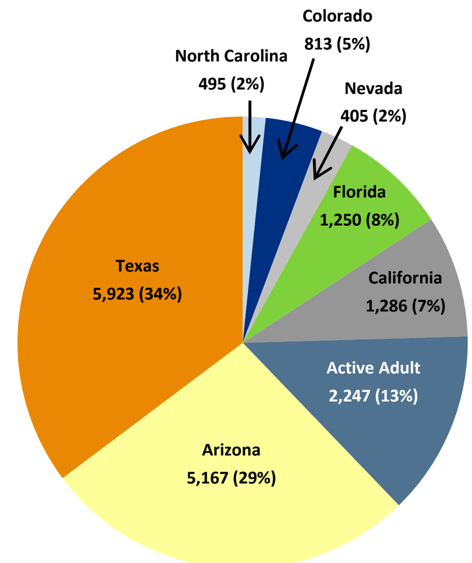
MeritageHomes CORPORATION

Maintaining a Strong Balance Sheet

$ in millions	6/30/12 Pro Forma [1]	6/30/12 Reported	12/31/11	6/30/11
Total Cash & Securities	**$414.9**	**$204.7**	$333.2	$377.1
Total Outstanding Debt	**722.6**	**596.1**	606.4	606.1
Equity	**583.8**	**496.7**	488.9	498.8
Net Debt to Capital	**34.5%**	**44.1%**	35.8%	31.5%
Total Lots Controlled	**17,586**	**17,586**	16,722	15,817
Years of Lot Supply	**5.0**	**5.0**	5.1	4.9
Real Estate	**$955.2**	**$955.2**	$815.4	$776.2

Total Lots Controlled at 6/30/2012

17,586 lots



(1) Pro forma for 2012 includes equity follow-on offering completed in July 2012 as well as convertible notes offering completed in September 2012.

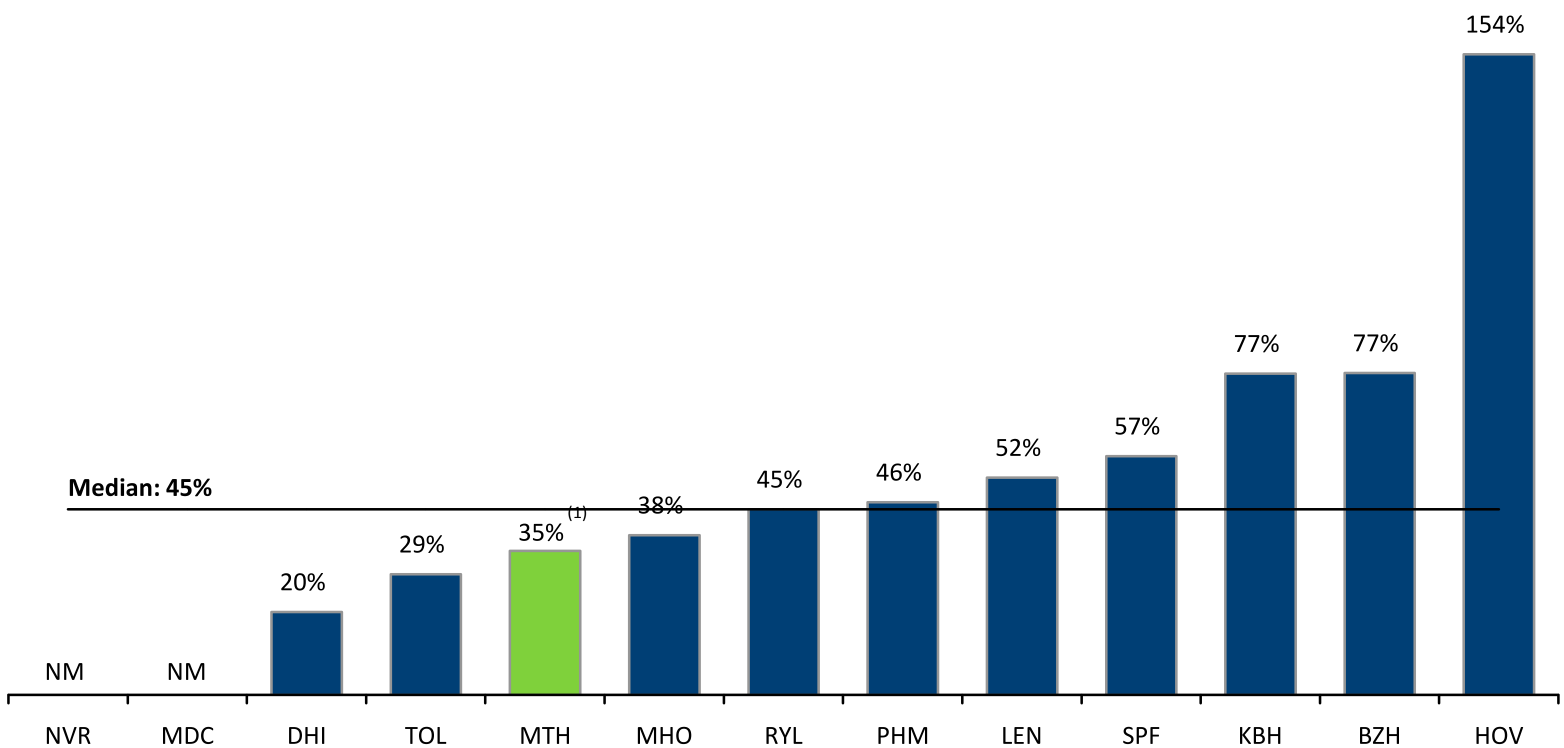
-- issuance of 2.645M shares of common stock at $34.75, net of commissions and other costs related to such offering of approximately $4.8M.
-- net of unamortized discount of $3.8 million at June 30, 2012.

High liquidity and low net debt/capital ratio; redeploying capital to areas where best growth opportunities identified

MeritageHomes CORPORATION

Relatively Low Leverage Provides Flexibility

Net Debt / Net Capitalization



Source: **Citigroup Global Markets (Most recent public quarterly filings, as of Sep-10-2012, pro forma for recent capital markets deals.)**

(1) **Pro forma for 2012 includes equity follow-on offering completed in July 2012 as well as convertible notes offering completed September 2012.**

Deferred Tax Assets Expected to be Rebooked

2Q12 Tax Activity	$millions
Florida DTA allowance reversed	$7.2
Other tax items, net	(2.0)
Net tax benefit – 2Q 2012	$5.2

DTA Analysis as of June 30, 2012 ($millions)	Federal	State	Total
Total DTA* before allowance reversed	$68.1	$26.9	$95.0
Florida DTA allowance reversed 2Q12		($7.2)	($7.2)
Other state DTA changes		(0.5)	(0.5)
Remaining DTA balance reserved	$68.1	$19.2	$87.3

* excludes $3M of deferred tax liability

With continued profitability over the next few quarters, DTA allowance is likely to be reversed onto balance sheet

Strategies for Success

Maintain strong balance sheet

- Ended 2Q 2012 with strong liquidity position and positive orders momentum
- Well inventoried to capitalize on future orders opportunities
- Balance sheet flexibility to invest prudently as market recovers

Target 'A' & 'B' submarkets

- Focus on quality vs. quantity to drive profitable orders
- Leverage strong position in Florida to expand in new markets in the Southeast (Raleigh, Charlotte, Tampa entered late 2011 / early 2012)

Compete with existing homes

- Standardize energy-efficient features and construction for savings to differentiate new homes vs. existing homes
- Improve value proposition via prime locations and new designs

Focus on profitability

- Overhead leverage drives significant earnings as closings & revenue increase
- Highly efficient and experienced regional field organization

Strategies designed to give Meritage a competitive advantage over new and resale homes to deliver superior shareholder value

MeritageHomes CORPORATION

Conclusion

- Market conditions more positive – orders growth since August 2011
- Expectations for remainder of 2012:
  - Continued orders growth over 2011
  - Higher closings & revenue from larger backlog and orders
  - Profitable for the full year
  - Finding lots in high-quality locations at reasonable prices
  - Maximizing margins in each community
  - Controlling and better leveraging overhead costs
  - Growing within existing and new markets
  - Pursuing operational excellence

Meritage Green
Extreme Energy Efficiency
Spectacular Savings

MeritageHomes CORPORATION