Third Quarter 2012
Analyst Call



October 25, 2012




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

Forward-Looking Statements

This presentation and the associated press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include those regarding the Company's expectations for a continued rebound in the homebuilding industry, its projected closings in 2012 and 2013, and its ability to use additional capital to grow, all of which are subject to significant risks and uncertainties. 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 an unexpected setback in the current economic recovery; 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 order 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 sales 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 and most recent 10-Q under the caption "Risk Factors," which can be found on our website.

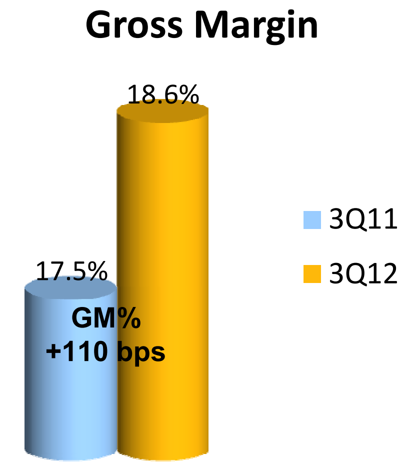
MeritageHomes CORPORATION

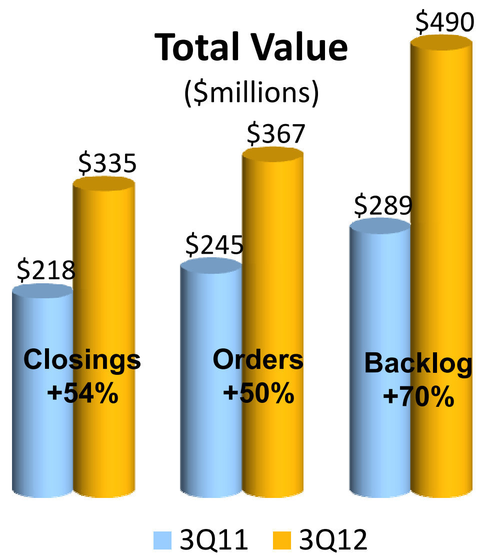
Speakers

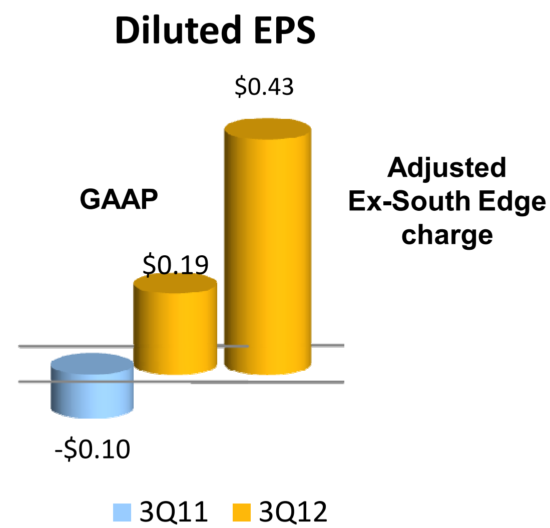
Steven J. Hilton, Chairman/CEO

Larry W. Seay, EVP/CFO

Summary of Selected Operating Results







Significant growth in key metrics across the board as housing market strengthened over last year

MeritageHomes CORPORATION

Order Trends by State

Third Quarter Yr/Yr Growth

State*	Net Orders	Orders/ Community	ASP ($000)	Total Order Value ($000)
California	248	12.7	$383.0	$94,974
Y/Y change%	*105%*	*108%*	*13%*	*131%*
Arizona	229	6.9	$307.1	$70,315
Y/Y change%	*21%*	*30%*	*10%*	*33%*
Texas	425	6.3	$249.7	$106,116
Y/Y change%	*18%*	*17%*	*9%*	*28%*
Colorado	88	11.0	$328.7	$28,925
Y/Y change%	*10%*	*17%*	*(2%)*	*8%*
Florida	156	10.1	$316.2	$49,329
Y/Y change%	*8%*	*(10%)*	*15%*	*24%*

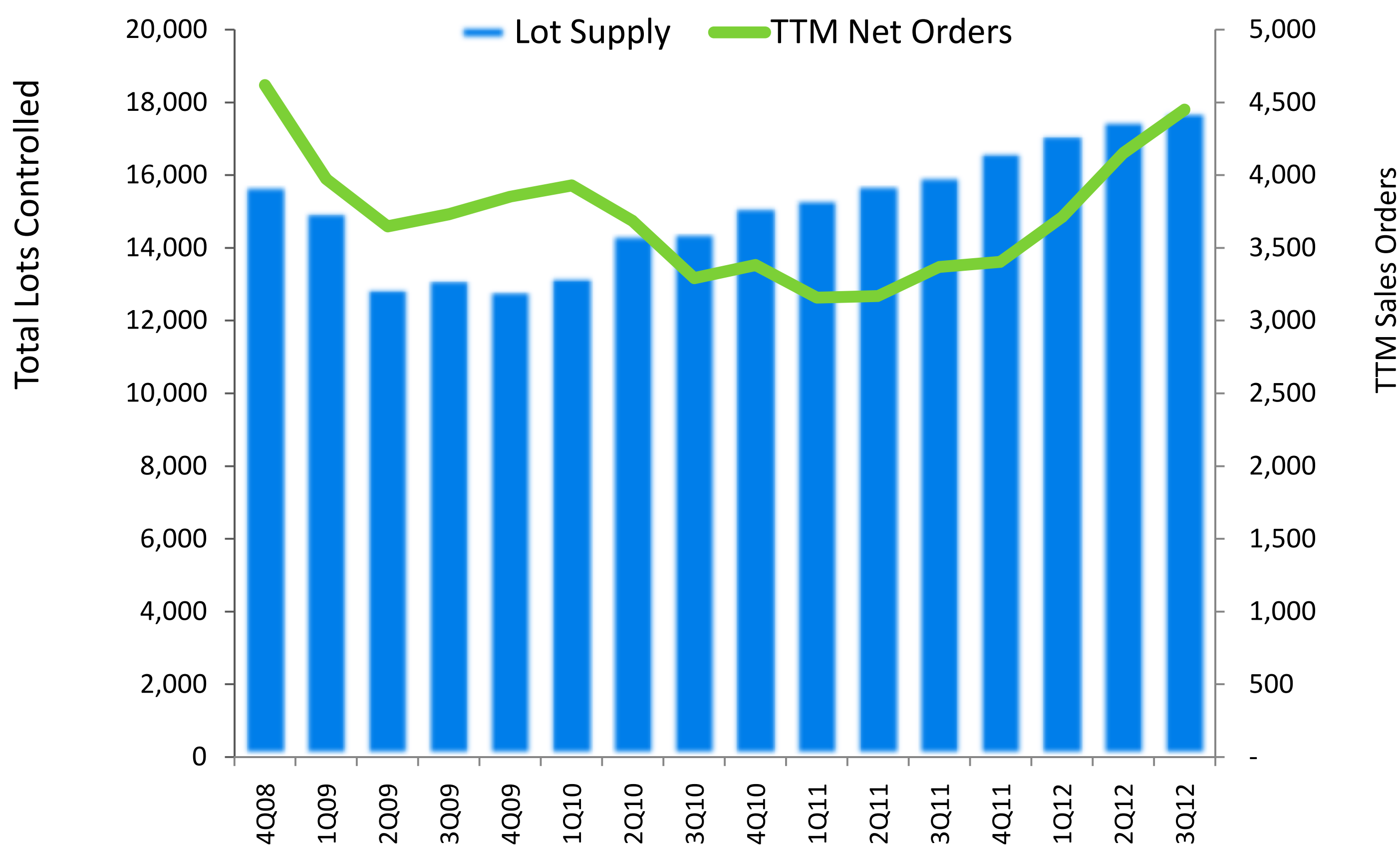
* *Excludes Nevada, where we are winding down operations, and North Carolina, which opened in 4Q 2012*

Broad strength across markets – orders improved or remained strong in 3Q12

MeritageHomes CORPORATION

Growing Lot Supply to Support Orders Growth

Highest Lot Count in Four Years



Contracted for 2,129 lots during 3Q12 to backfill and grow our land pipeline as sales increased

MeritageHomes CORPORATION

Leveraging Increased Closings for Greater Earnings Growth

	3Q12	3Q11	Change
Home closing revenue	$334,880	$217,534	*54%*
Gross profit	$62,154	$38,070	*63%*
Gross margin	18.6%	17.5%	*110 bps*
Commissions and other sales costs	$25,855	$19,708	*31%*
-- as a percent of home closing revenue	*7.7%*	*9.1%*	*-140 bps*
General and administrative expenses	$19,209	$16,466	*17%*
-- as a percent of total revenue	*5.6%*	*7.6%*	*-200 bps*
Interest expense*	$5,009	$7,517	*-33%*
-- as a percent of total revenue	*1.5%*	*3.5%*	*-200 bps*
Pretax income (excl South Edge charge)	*$16,123*	*($2,028)*	*n/m*

Increased closings drive higher earnings due to:

- **Price increases**
- **Gross margin increases**
- **Overhead growth slower than revenue growth**
- **Greater portion of interest capitalized**

* Interest expense decreased due to a greater portion of interest incurred capitalized to assets under development (land and homes in construction)

Higher home closings leveraged with price and margin increases, managed overhead growth and interest capitalized to assets under development

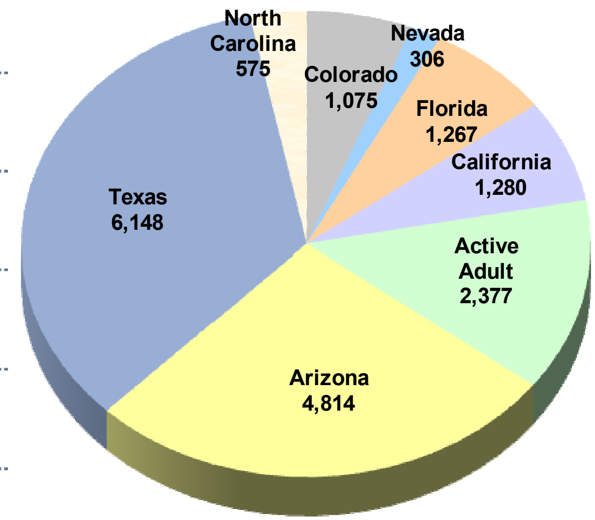
MeritageHomes CORPORATION

Maintaining a Strong Balance Sheet

$ in millions	9/30/12	6/30/12	12/31/11	9/30/11
Total Cash & Securities	**$386.9**	**$204.7**	$333.2	$357.2
Total Outstanding Debt	**722.7**	**596.1**	606.4	606.3
Equity	**596.1**	**496.7**	488.9	497.7
Net Debt to Capital	**36.0%**	**44.1%**	35.8%	33.4%
Total Lots Controlled	**17,842**	**17,586**	16,722	16,049
Years of Lot Supply	**4.6**	**5.0**	5.1	5.0
Real Estate	**$1,004.8**	**$955.2**	$815.4	$798.1

Total Lots Controlled at 9/30/2012

17,842 lots



Reinvested approximately $114M of capital into land and development in 3Q12, in areas where best growth opportunities identified

MeritageHomes CORPORATION

Summary

- Results improved across the board:
  - Closings, ASPs, revenue, gross margin
  - Overhead & interest expense leverage
  - Orders, backlog
  - Lot supply, balance sheet
- Expectations for remainder of 2012:
  - Continued orders growth over 2011
  - 4,100-4,300 closings for FY2012
  - Yr/Yr improvement in gross margin
  - Profitable for the full year
- Expecting continued growth in homebuilding market

Growth in homebuilding could serve as a catalyst for economic growth for several more years

MeritageHomes CORPORATION

Non-GAAP Reconciliations

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Earnings/(loss) before income taxes	$ 6,986	$ (3,075)	$ 5,254	$ (8,772)
Add: Real estate-related & JV impairments				
Terminated lot options	263	98	346	100
Land Sales	-	127	669	127
Impaired Projects	154	822	558	2,074
Litigation reserve related to South Edge	8,720	-	8,720	0
Loss on early extinguishment of debt	-	-	5,772	0
Adjusted pretax income/(loss)	$ 16,123	$ (2,028)	$ 21,319	$ (6,471)