Citi 2012 North American Credit Conference

November 14 - 15, 2012

Citi North American Credit Conference

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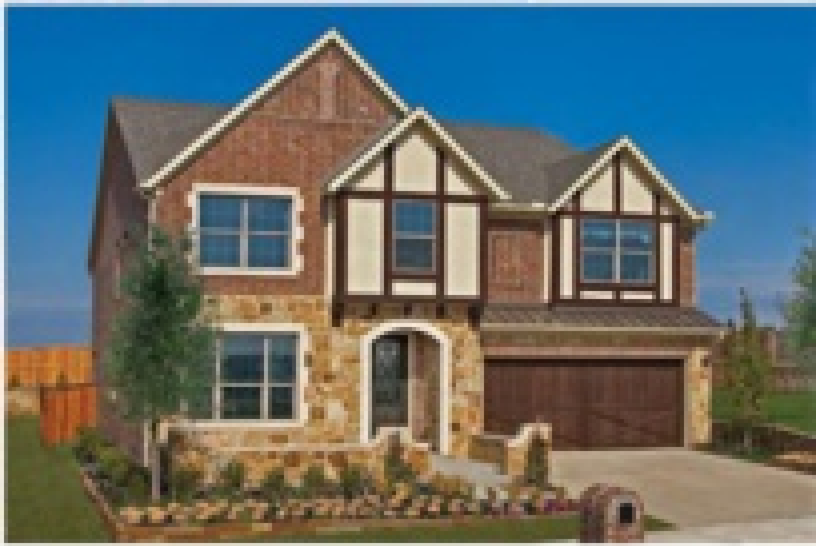

Meritage Homes CORPORATION

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 and 2013, 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 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.

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State of the Housing Market

- Recovery underway in 2012
- Record high affordability
- Buyer confidence improving – sales up, cancellations down
- Employment / unemployment improving – job creation is positive
- Pent-up demand has begun to be unleashed – shifting from rent to own
  - Household formations 1.145M in 3Q12 vs 811K in 2Q12 and +78% vs 3Q11 -- highest level since 2Q06
- Inventories of new and existing homes listed for sale are low / declining
- Non-distressed home prices stabilizing or rising
- New home permits and starts increasing
  - Sept-2012 Housing Starts 872K, +15.0% m/m; Total Permits 894K, +11.6% m/m -- strongest report YTD
- Homebuilders' sentiment improving
  - NAHB HMI at 41 in Oct-2012 -- highest level in 6+ years

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

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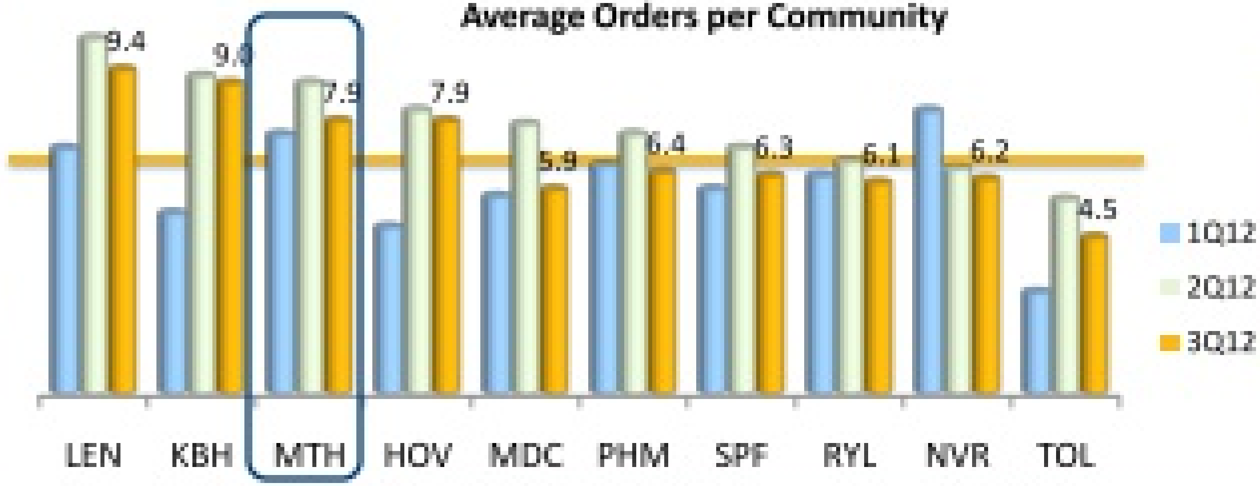
Higher Sales Pace Driving Y/Y Order Increases

Net Order Growth (y/y)	3Q12	2Q12	1Q12	4Q11	3Q11
MTH	**33%**	**49%**	**36%**	**5%**	**28%**
Median homebuilder	29%	30%	34%	18%	15%



Industry average

orders per community:

6.1 in 1Q12

7.8 in 2Q12

7.0 in 3Q12

What's driving higher sales pace for Meritage:

- ✓ Better community locations in best submarkets
- ✓ Greater energy efficiency
- ✓ Fresh and improved home designs

Meritage has outperformed the median homebuilders' net order growth 4 of the last 5 quarters

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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*

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

Increased closings drive higher earnings due to:

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

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

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Meritage in Many of the Best Markets

Market	Aug-2012 SF Permit Rank (TTM*)	2011 SF Permit Rank	SF Permits Past 12 Months	SF Permits YOY Change
Houston, TX	1	1	26,727	24.6%
Dallas, TX	2	2	11,460	10.1%
Phoenix, AZ	3	4	10,962	62.7%
Washington D.C.	4	3	8,682	10.6%
Atlanta, GA	5	6	8,031	34.4%
Austin, TX	6	5	7,519	27.5%
Orlando, FL	7	11	6,181	49.1%
Raleigh-Cary, NC	8	8	5,822	31.2%
Charlotte, NC	9	7	5,785	35.6%
Seattle, WA	10	9	5,394	20.1%
Las Vegas, NV	11	15	5,345	44.7%
Tampa, FL	12	12	5,219	19.7%
Fort Worth, TX	13	10	5,074	13.8%
Nashville, TN	14	14	4,915	26.3%
San Antonio, TX	15	13	4,886	11.0%
Denver, CO	16	17	4,871	37.2%
Minneapolis, MN	17	16	4,806	35.6%
Oklahoma City, OK	18	26	4,632	55.0%
Portland, OR	19	25	4,107	33.1%
Jacksonville, FL	20	24	3,865	26.5%

Source: John Burns Real Estate Consulting, LLC; Pub: Oct 2012

*TTM = trailing twelve months

Meritage is in 11 of the top 20 markets with the most new homes permit activity over the last year

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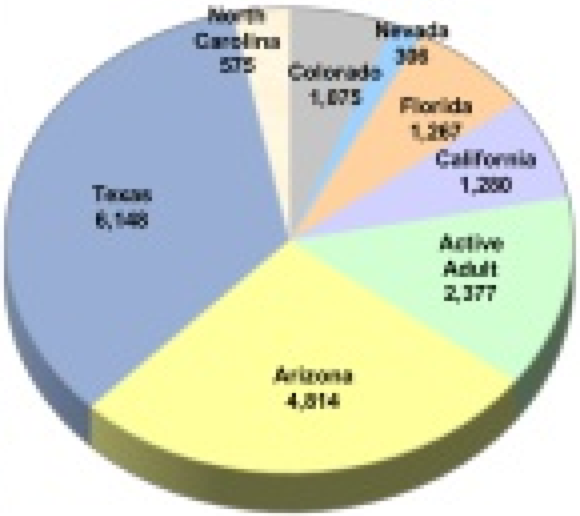
Lots Predominantly in Better Submarkets

Total Lots Controlled at
9/30/2012
17,842 lots



Meritage Homes - Total Lot Inventory by Submarket Rank					
Submarket Rank	Finished Lots	Under Development	Controlled	Total	Percent of Total
A	3,096	3,840	1,947	8,883	50%
B	1,731	3,782	611	6,124	34%
C	712	525	84	1,321	7%
D	626	888	0	1,514	9%
Total	6,165	9,035	2,642	17,842	100%

84% of total lot inventory is in A & B submarkets – less than 20% of our lot inventory was purchased before the market bottom (pre-2009)

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Strong Balance Sheet Supporting Growth

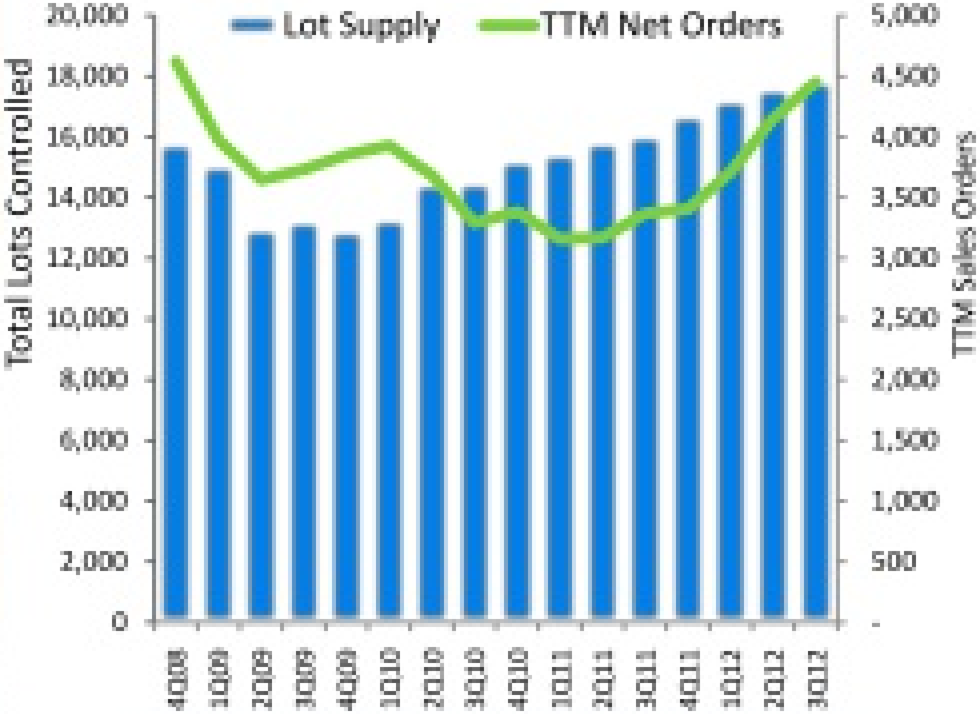
$ in millions	9/30/12	6/30/12	12/31/11	9/30/11
Total Cash & Securities	**$386.9**	$204.7	$333.2	$357.2
Total Outstanding Debt	**722.7**	596.1	606.4	606.3
Equity	**596.1**	496.7	488.9	497.7
Net Debt to Capital	**36.0%**	44.1%	35.8%	33.4%
Real Estate	**$1,004.8**	$955.2	$815.4	$798.1

As of Sep-30, 2012 *($millions)*	**Federal**	**State**	**Total**
Remaining DTA balance reserved	$70.1	$18.5	$88.6

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

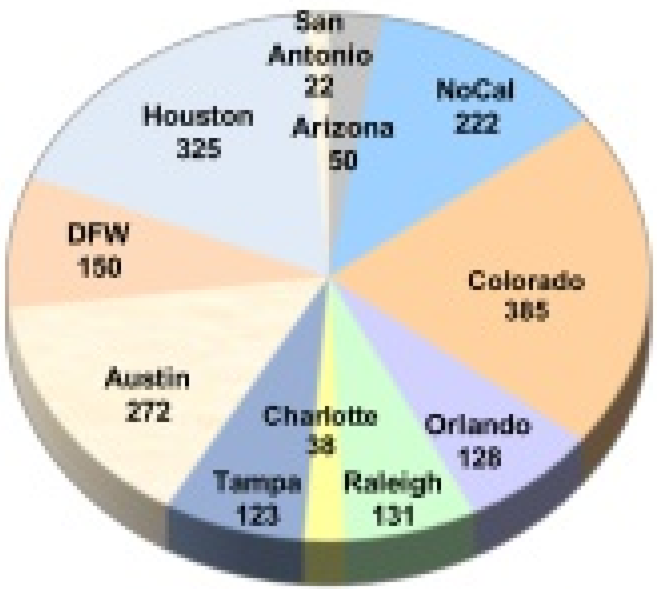
Growing Lot Supply to Support Orders Growth

Highest Lot Count in Four Years



Yrs Lot Supply (ttm closings)				
12/31/08	12/31/09	12/31/10	12/31/11	9/30/12
2.8	3.2	4.1	5.1	4.6

1,846 Total Lots Approved in 3Q12
for 27 communities
($78M investment)



Contracted for 1,846 lots during 3Q12 to backfill and grow our land pipeline as sales increased

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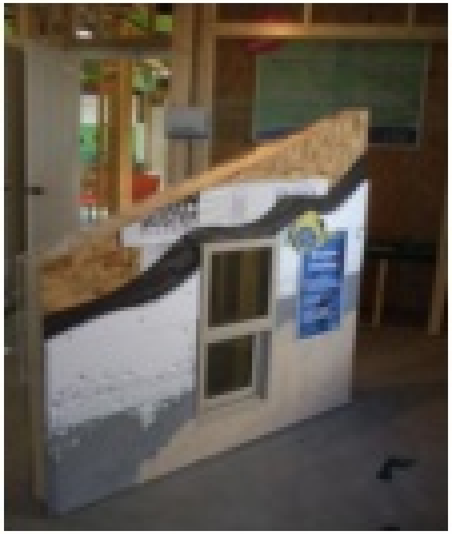
Integrated Suite of Extreme Energy-Efficient Features



Features designed to work in concert to deliver maximum efficiency at lowest cost

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Why Invest in Meritage?

Market Position	• Operating in 11 of top 20 homebuilding markets in U.S. • Located predominantly in the best submarkets with few legacy lots
Industry Leadership	• Setting the standard for energy-efficient homebuilding • Cutting edge Strategic Market Research • Improved home designs and features
Organizational Capabilities	• Employee focus – hiring, training, benefits • Sales management systems • Marketing – online, local and sales offices
Earnings Growth	• Among the highest sales growth & orders/community • Increasing margins • Fixed cost leverage
Strong Balance Sheet	• High liquidity • Low net debt/capital • No near-term debt maturities

Many opportunities to grow, with a history of outperforming the industry as a whole

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