



PulteGroup Investor Presentation December 2015



Forward-Looking Statements

This presentation includes “forward-looking statements.” These statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “may,” “can,” “could,” “might,” “will” and similar expressions identify forward-looking statements, including statements related to expected operating and performing results, planned transactions, planned objectives of management, future developments or conditions in the industries in which we participate and other trends, developments and uncertainties that may affect our business in the future.

Such risks, uncertainties and other factors include, among other things: interest rate changes and the availability of mortgage financing; continued volatility in the debt and equity markets; competition within the industries in which PulteGroup operates; the availability and cost of land and other raw materials used by PulteGroup in its homebuilding operations; the impact of any changes to our strategy in responding to the cyclical nature of the industry, including any changes regarding our land positions; the availability and cost of insurance covering risks associated with PulteGroup's businesses; shortages and the cost of labor; weather related slowdowns; slow growth initiatives and/or local building moratoria; governmental regulation directed at or affecting the housing market, the homebuilding industry or construction activities; uncertainty in the mortgage lending industry, including revisions to underwriting standards and repurchase requirements associated with the sale of mortgage loans; the interpretation of or changes to tax, labor and environmental laws; economic changes nationally or in PulteGroup's local markets, including inflation, deflation, changes in consumer confidence and preferences and the state of the market for homes in general; legal or regulatory proceedings or claims; our ability to generate sufficient cash flow in order to successfully implement our capital allocation priorities; required accounting changes; terrorist acts and other acts of war; and other factors of national, regional and global scale, including those of a political, economic, business and competitive nature. See PulteGroup's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and other public filings with the Securities and Exchange Commission (the “SEC”) for a further discussion of these and other risks and uncertainties applicable to our businesses. PulteGroup undertakes no duty to update any forward-looking statement, whether as a result of new information, future events or changes in PulteGroup's expectations.

Presentation Agenda

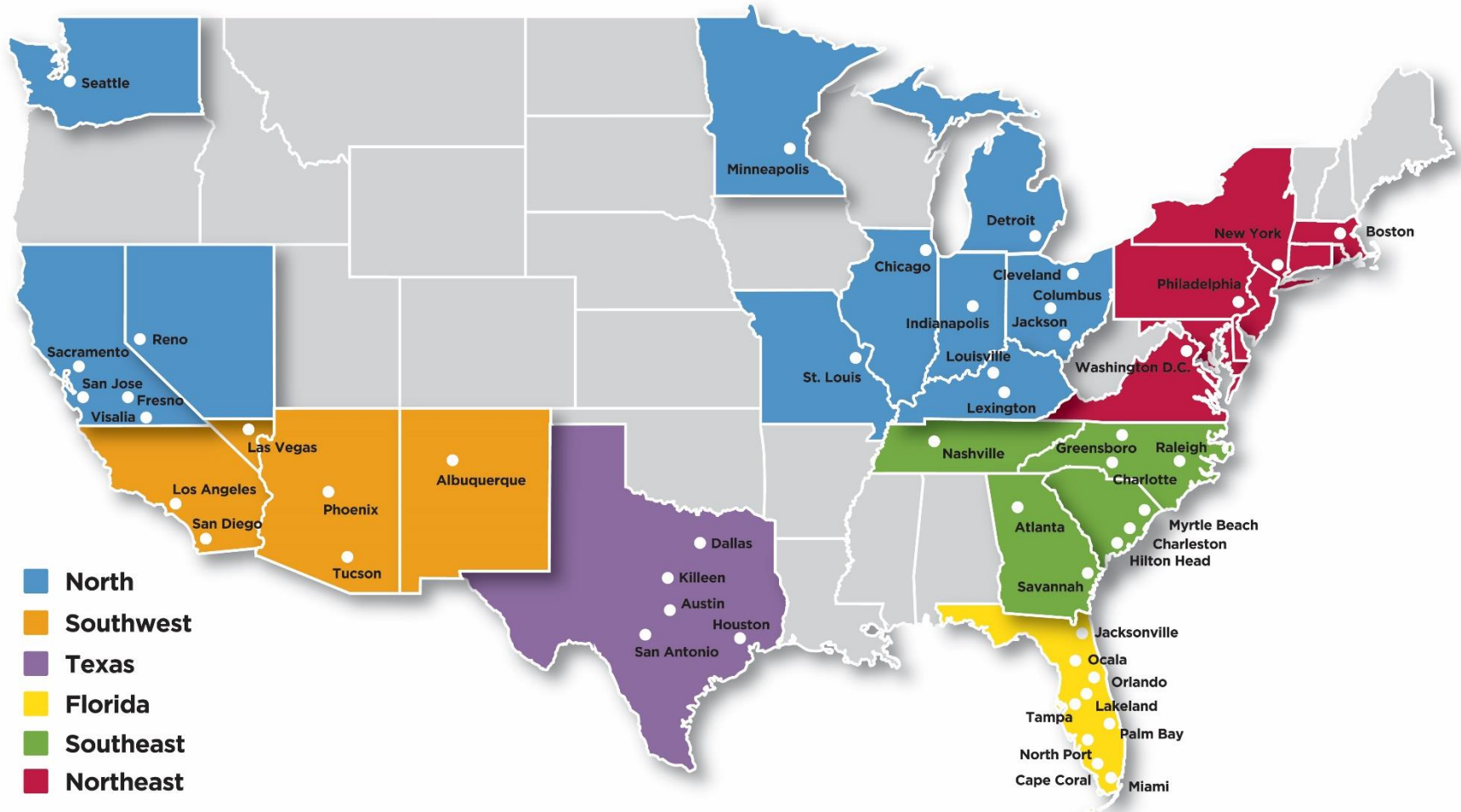
- PulteGroup
 - ✓ Company Profile and Strategic Focus
 - ✓ Review of macro conditions
- Land Strategy
- Serving Distinct Buyer Groups
- Capital Allocation Aligned with Value Creation

PulteGroup Overview

- Among the nation's largest homebuilders with operations in approximately 50 major metro markets
- Delivered over 640,000 homes since being founded in 1950
- Unique multi-brand strategy to serve all major customer groups
- Unmatched presence in active adult market through Del Webb brand



Serving the Country's Top Metro Markets



Diversified Customer Base

Centex[®]

TARGET:
Entry-Level Buyers

POSITIONING:
Bringing pride of home ownership within reach



24%

Pulte
Homes

TARGET:
Move-Up Buyers

POSITIONING:
Crafting smart, life-enhancing environments that enrich everyday life



48%

Del Webb[®]

TARGET:
Active Adults

POSITIONING:
Inspiring life's most exciting possibilities

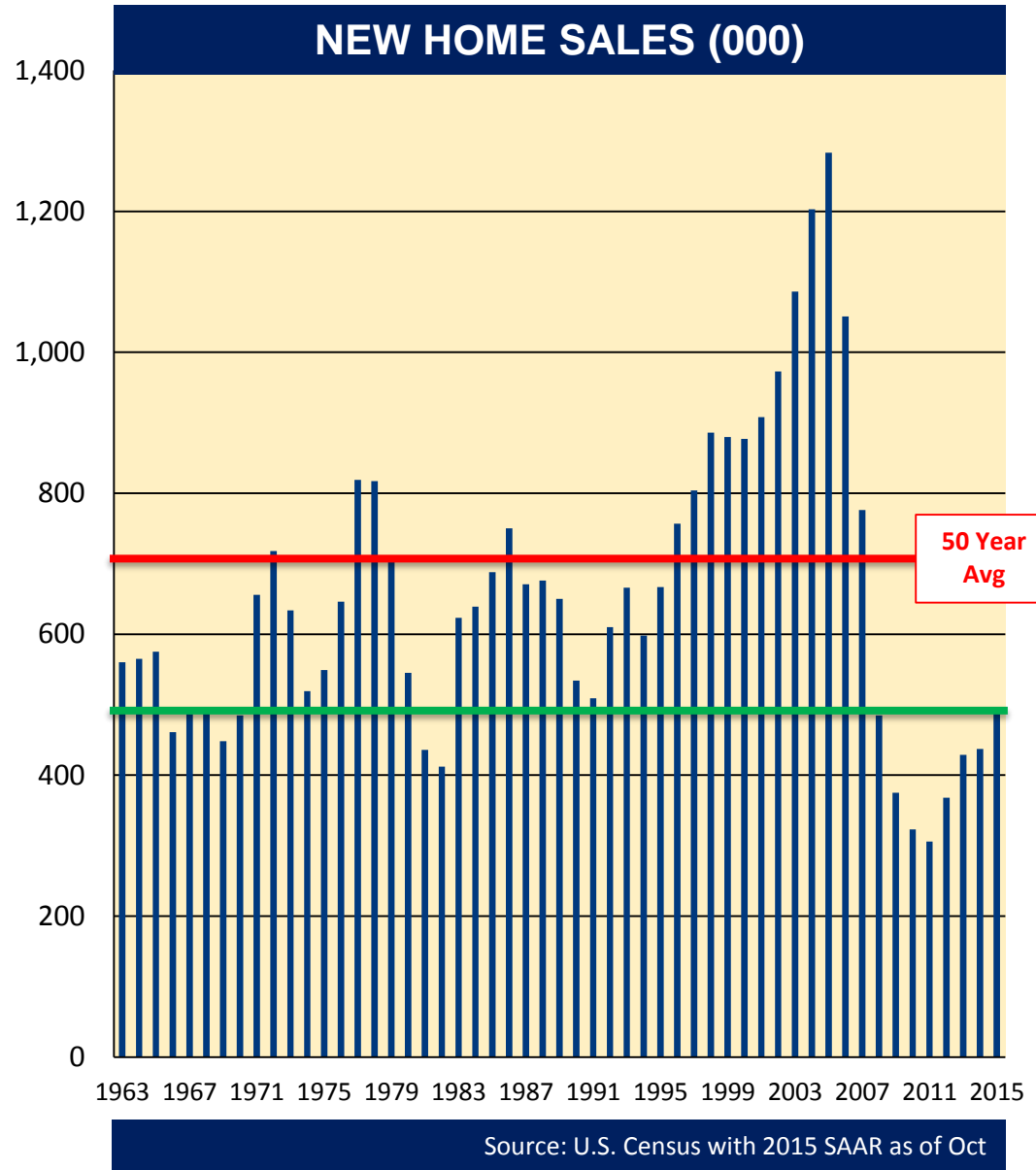


28%

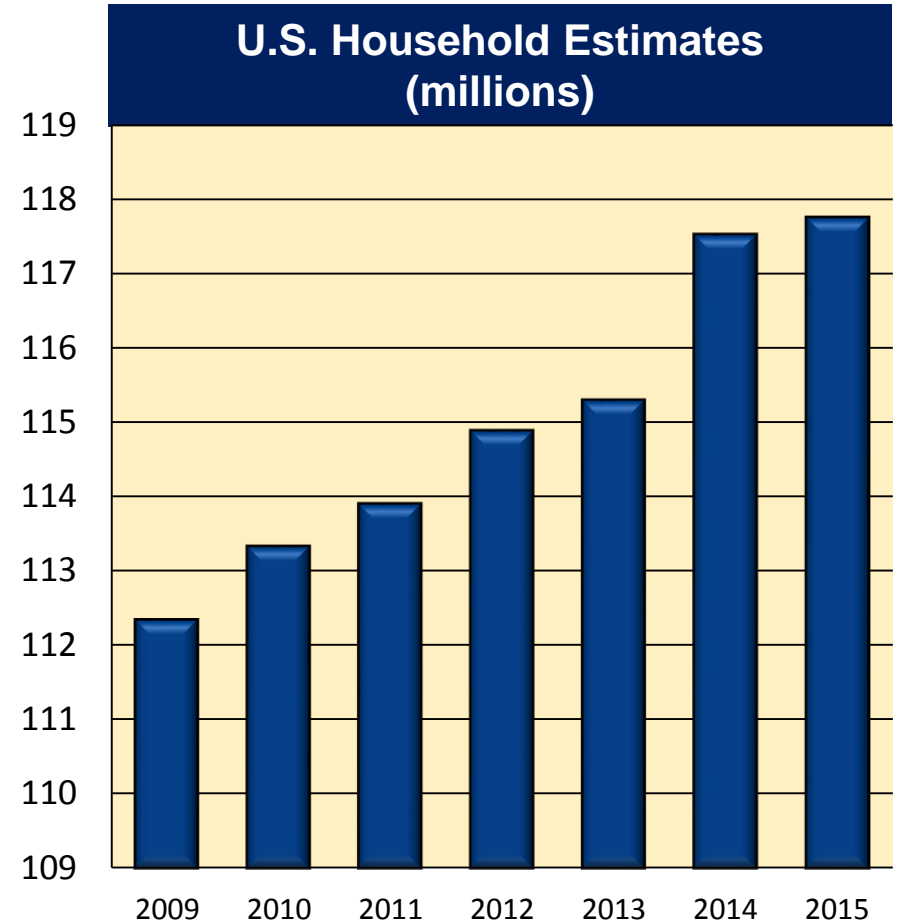
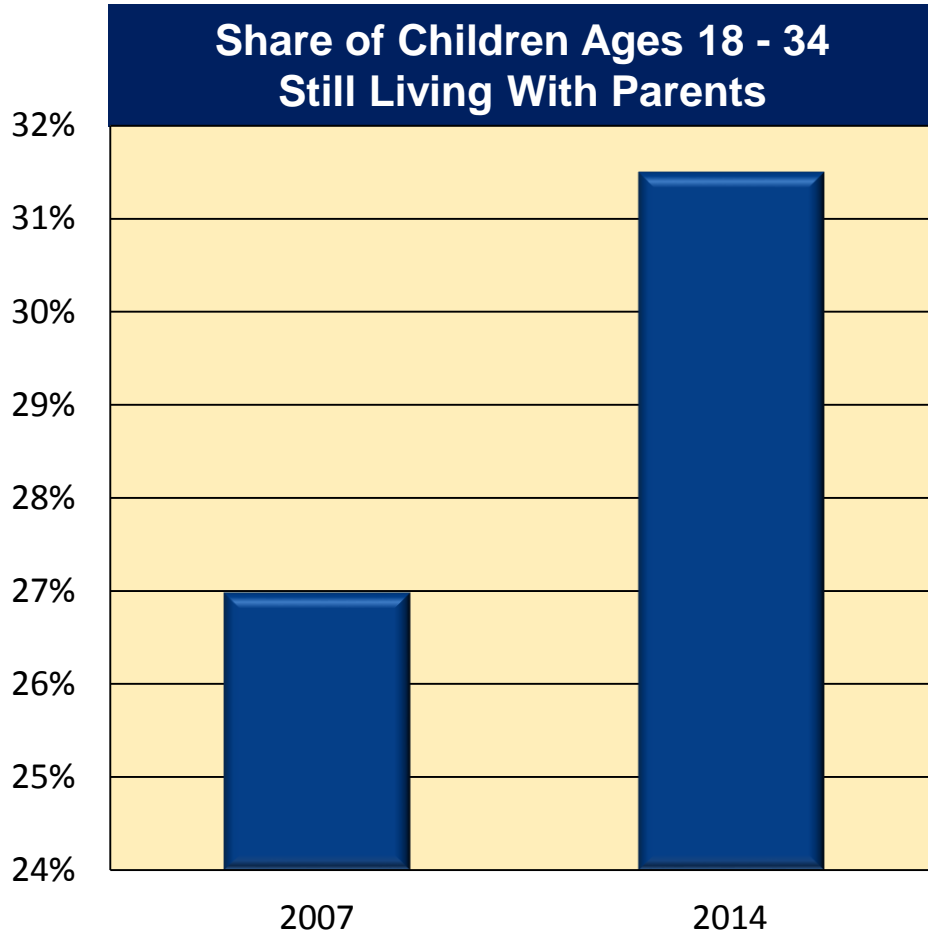
First Nine Months 2015 Closings

Housing Recovery Remains on Track

- Oct 2015 SAAR of 495K still well below historic average
- Factors continue to support sustained growth in housing demand
 - ✓ Favorable demographics and pent-up demand
 - ✓ Low inventory of new and existing homes
 - ✓ Historically low interest rates
 - ✓ Rising rental rates

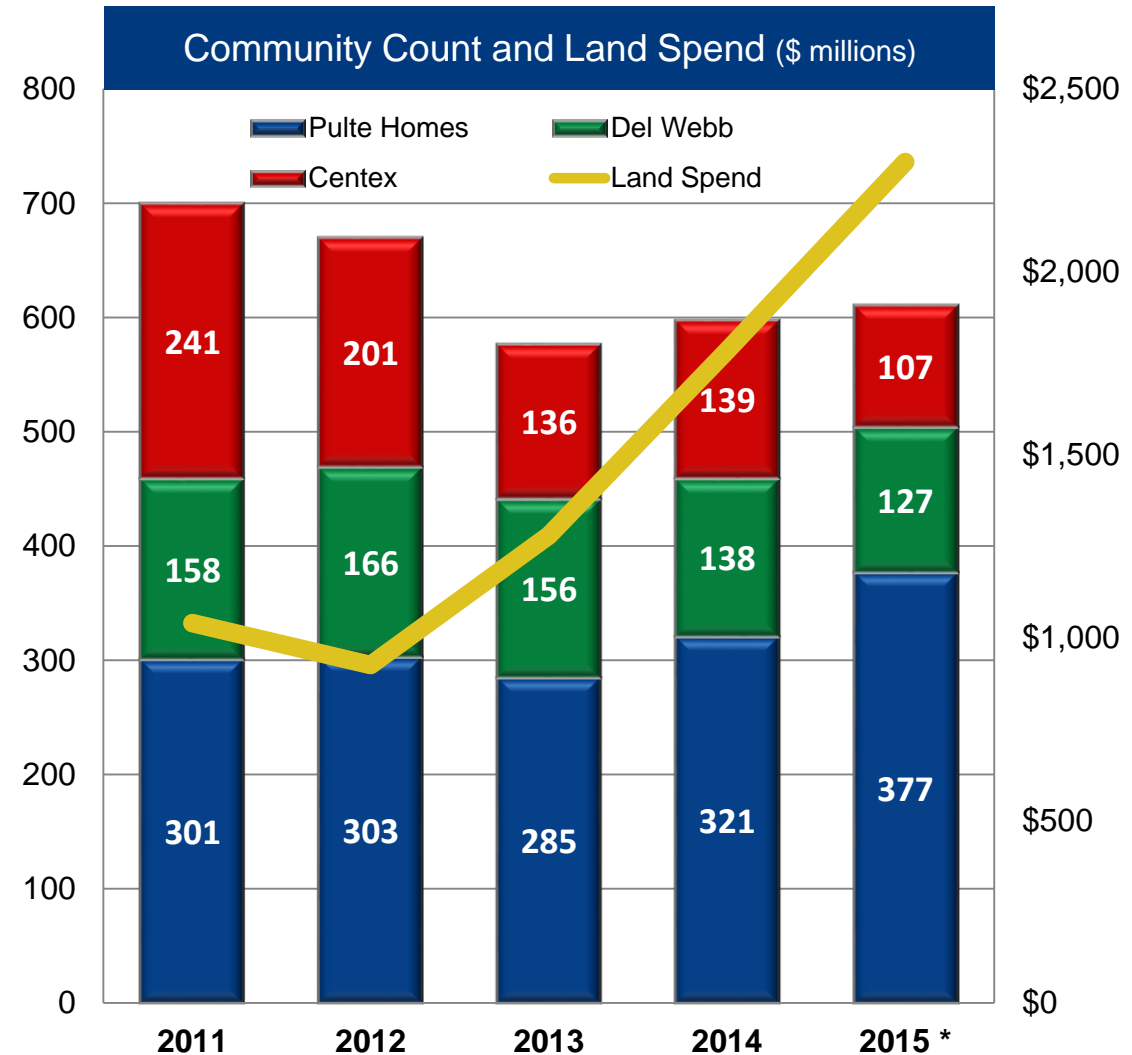


Supports for Sustained Growth in Demand



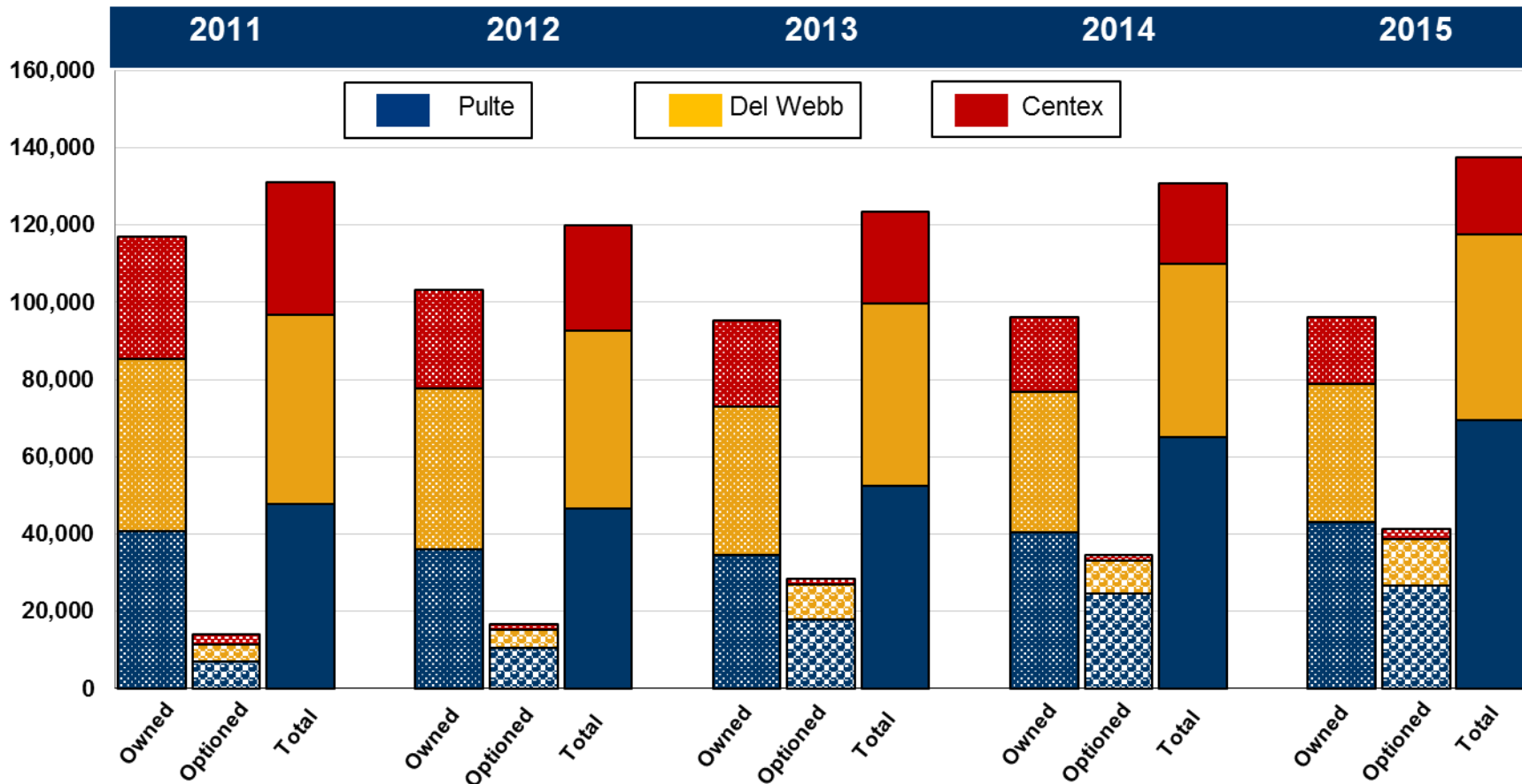
Land Investment Reflective of Demand Environment

- Land investment weighed toward serving move-up homebuyers through Pulte branded communities
- Harvesting prior investment in large Del Webb communities
 - ✓ Investing in smaller projects to serve a broader segment of the active adult market
- Difficult to find replacement entry level Centex communities as slow absorption paces hinder returns
 - ✓ Serving more affluent first-time buyers looking for a more urban location



* 2015 figures: community count as of Q3; land spend is full-year forecast as of Sept 30, 2015

Analysis of Lots by Brand



- Owned lots down 18%; optioned lots up almost 200%
- Total lots under control up less than 5% to 137,000
- Reflecting stronger demand among move-up buyers, Pulte lots up 46%, while Centex and Del Webb lots down a combined 19%
- Owned Del Webb lots reduced by 20%, or almost 9,000 lots since 2011

Breaking Down the Del Webb Land Portfolio

As of September 30, 2015

Older Communities (opened prior to 2012)

GM% (YTD Sep 2015) *	28.7%
Average community size at start (lots)	~ 2,000
Remaining lots	36,000
Estimated remaining lot supply (years)	12

Newer Communities (opened after 2012)

GM% (YTD Sep 2015) *	31.7%
Average community size at start (lots)	~ 600
Remaining lots	12,000
Estimated remaining lot supply (years)	5

- Good gross margins
- Positive cash flows
- Strong returns on today's investment dollars

- Higher gross margins
- Shorter lives
- Project profiles expected to deliver higher returns on invested capital over the life of the project

* Gross margin excludes capitalized interest



Serving Distinct Homebuyer Groups

First-Time Buyer Strategy

- Potentially a long-term opportunity, but headwinds remain
 - ✓ Lack of jobs/higher wage jobs
 - ✓ Increased student loan debt
 - ✓ Constrained mortgage availability
- Sustained buyer demand realized in closer-in communities
- Centex Q3 2015 ASP of \$219,000 targets the higher end of the category
- Absorption pace is critical driver of ROIC
 - ✓ Business can deliver high returns, but margins are lower



Centex[®] First-Time Buyer Strategy

- Investing in entry level projects that generate acceptable returns
 - ✓ Not targeting the bottom of the buyer range as Centex ASP \$219,000
 - ✓ Focus on closer-in communities; not betting on outlying, albeit lower cost, land positions
- Areas of investment focus: Texas, the Midwest, Florida, the Carolinas and California
- Ongoing work to lower overall product costs, but not targeting the lower price points of the segment



Pulte Homes First-Time Buyer Strategy

- Serving first-time buyers looking for a more urban location
 - ✓ Older Millennials seeking closer-in locations and willing to accept attached product
 - ✓ Better financial profile with greater access to mortgage market than entry-level buyer
- Entitlement/development is challenging, but higher ASP's and margins make this an attractive product category
- Currently represents about 10% of PulteGroup communities
 - ✓ Opportunities to target this buyer in most markets across the country



Georgia



Massachusetts



California



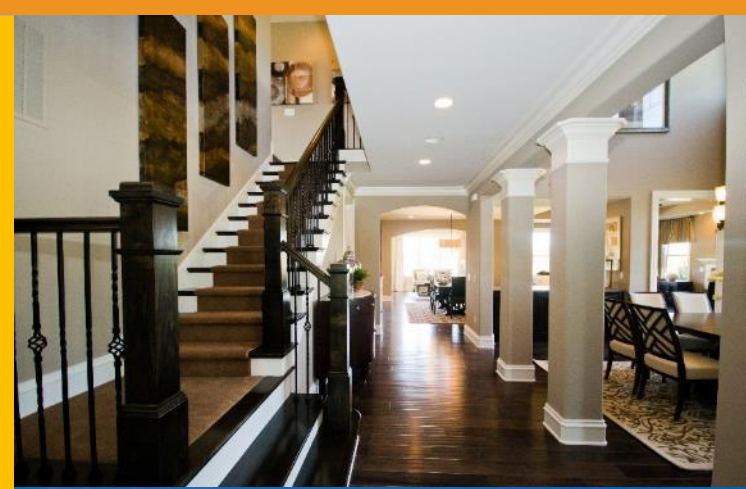
Sustained Strength of the Move-Up Buyer

- Move-up buyers have driven the first leg of the housing recovery and currently accounts for majority of housing demand
 - ✓ Higher likelihood of children and need for more space
 - ✓ Financially capable and benefitting from recovery in stock market
 - ✓ Greater access to mortgage financing
 - ✓ May be capturing some older first-time buyers
- Recent Census data showed home ownership among individuals age 35 to 54 exceeded 65%



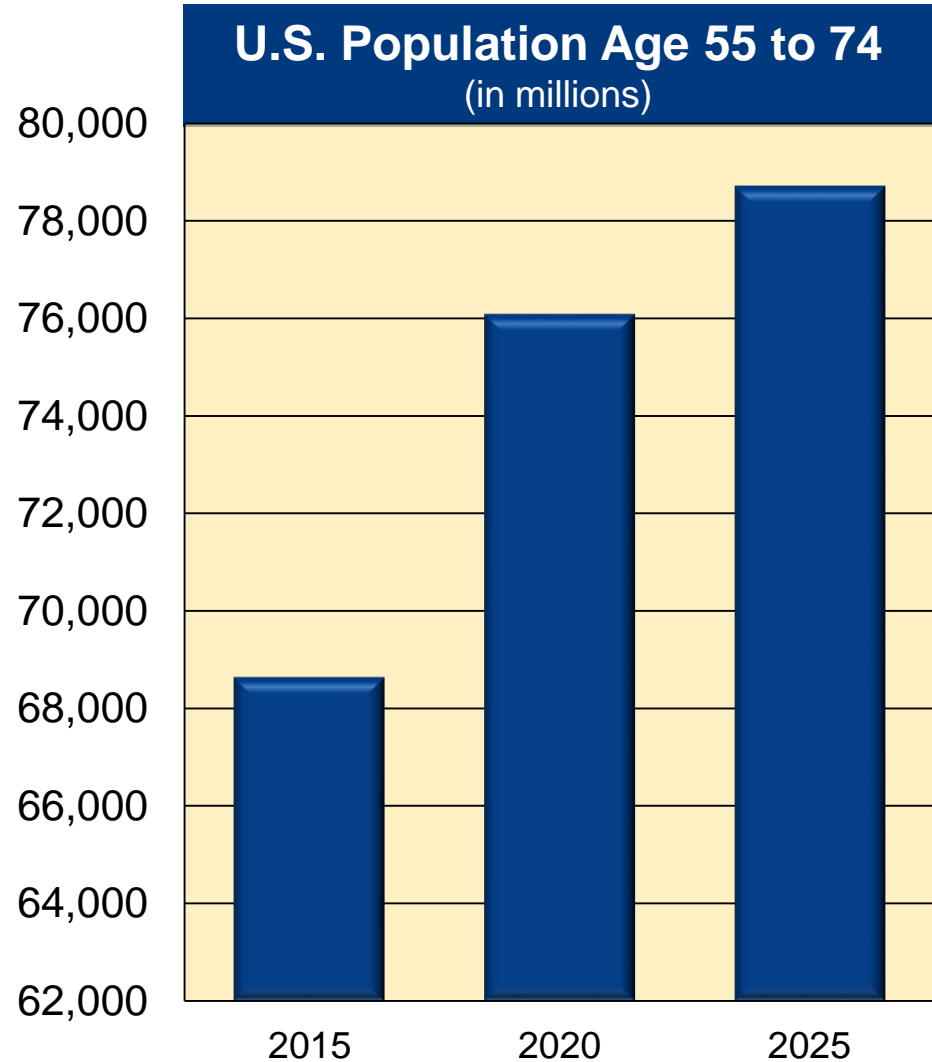
Business Strategy

- Experienced multiyear strength as buyer group has realized better wage growth and credit availability
- Over past 3 years majority of our land investment allocated to Pulte Homes
 - ✓ Prior period investment will result in ongoing mix shift toward the move-up buyer in the future
- Average size of recent projects is 100 lots
 - ✓ Closer-in projects with an expected cycle time of 24 to 36 months for development and build out
- Continue to develop innovative new floor plans and product features



Del Webb® Continued Growth of the Active Adult Market

- 76 million baby boomers; 50% between the ages of 50 to 58
- Considered the wealthiest generation in the country
 - ✓ Financially the most capable home buyers with 43% of Del Webb customers paying cash
- Viewed as later-cycle buyer
 - ✓ Benefitting from recovery in demand for, and price of, move-up homes



Del Webb® Business Strategy

- Legacy investment in large, highly amenitized Del Webb communities
 - ✓ Continue to work down investment and redeploy capital to other opportunities
 - ✓ 36,000 owned Del Webb lots as of Q3 2015, down from 47,000 as of 12/31/11
- Company's highest gross margins, so keeping paces high is important
- Changing profile of Webb projects;
 - ✓ 1,000 to 1,500 lots with right-sized amenity
 - ✓ Closer-in projects with good returns/less risk
 - ✓ Faster turning and less capital intensive communities

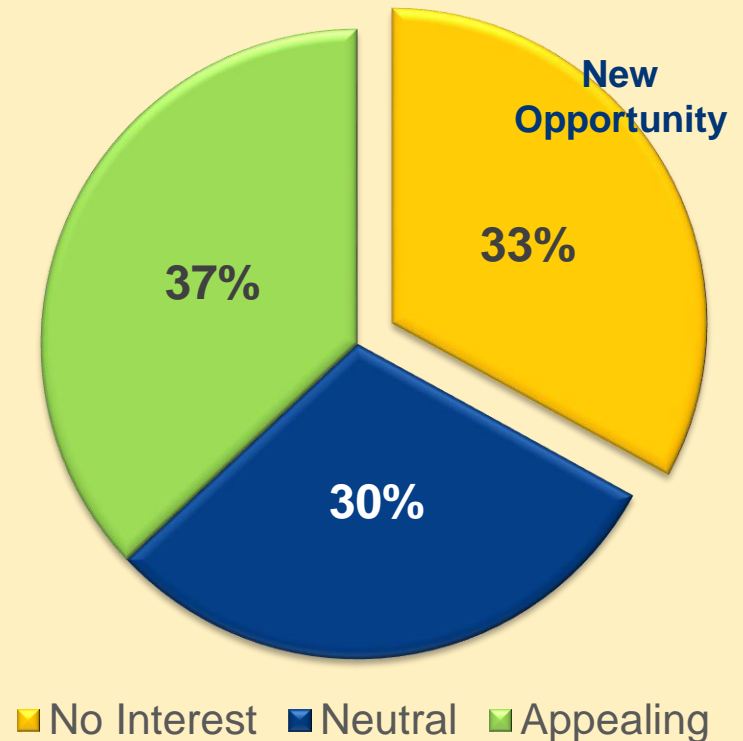
Carolina Arbors in North Carolina



Expanding Penetration of Active Adult Market

- Assessing opportunities to expand penetration of active adult market
 - ✓ Potential to offer smaller, non-age restricted communities
 - ✓ Focus on product with “lite” or no amenity package
 - ✓ Would not carry the Del Webb brand
 - ✓ Municipalities often more receptive to community profile given lower impact on local infrastructure: roads, schools, water
 - ✓ Test communities have demonstrated the concept resonates with the consumer group

Interest in Age Restricted Lifestyle Communities





Capital Allocation Aligned with Value Creation

Priority #1: Invest in Core Business to Maintain or Grow Relative Market Share

Amount will fluctuate with market

Reinvest a percentage of net income assuming long-term market growth

- Through cycle average investment targeting long-term growth (population growth plus housing inflation)

However, this varies significantly based on point in the cycle

- Going into a downturn, would shrink or maintain inventory level to match market outlook
- Emerging from a downturn, reinvestment can be ~3-4x+ net income (net income may be low, but forward growth rates could be substantial)

Therefore, objective is to maintain or grow competitive position through cycle

- Through cycle, seek to match land investment to market growth outlook in order to maintain or grow share
- Requires maintaining discipline and keeping close eye on market developments

Priority #2: Our Dividend Policy

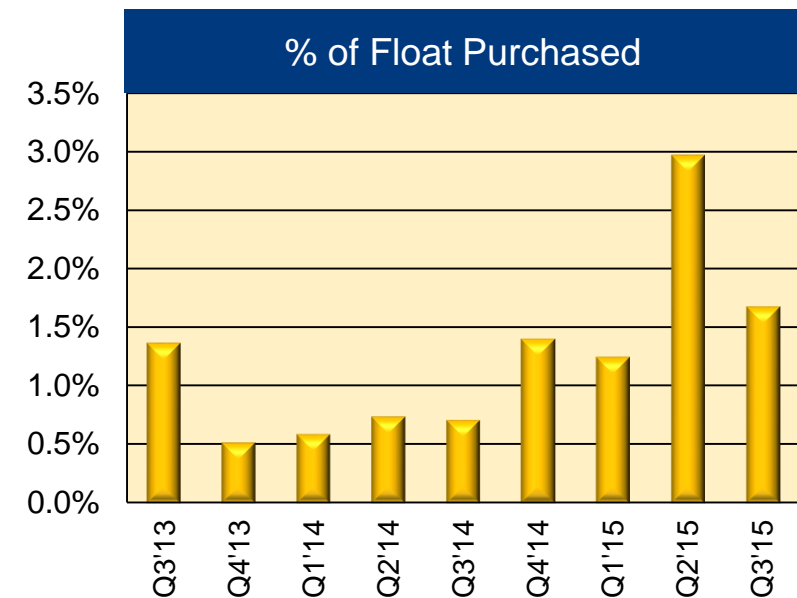
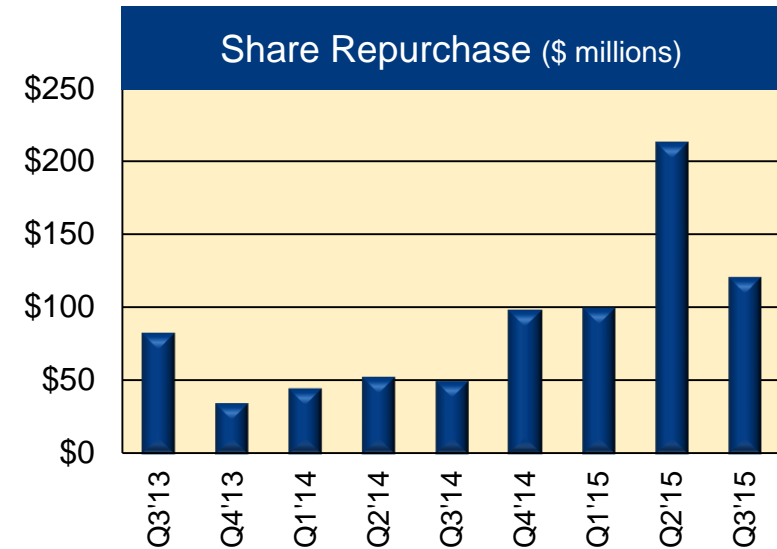
- Research indicates companies paying a larger dividend realize higher P/E multiples as long as the dividend is deemed sustainable
- We ultimately target a dividend equivalent to ~2.0% to 3.0% yield
 - ✓ Endeavor to maintain sufficient liquidity to continue funding our dividend through normal market downturns
- We declared an \$0.08 per share dividend payable in January 2015
 - ✓ 60% increase over then existing dividend
 - ✓ Approximately \$115 million aggregate annualized dividend stream
- Future dividend declarations subject to Board of Director approval which will depend on market conditions, expected cash flows and other variables

Priority #3: Opportunistic M&A

- Continue to evaluate available opportunities as land transactions – we will not chase growth for growth's sake
- Interested in transactions that:
 - ✓ Provide depth/fill a production gap in markets where we operate today
 - ✓ Offer an opportunity to access attractive markets
- Willing to flex above 40% leverage for the right opportunities – provided there is a plan to return to desired range in a reasonable timeframe
- Only pursue if accretive to earnings and returns

Priority #4: Routinely Return Excess Capital to Shareholders via Share Buybacks

- Continually evaluate capital needs of the business, including: investment in the business; dividends; and acquisition opportunities
 - ✓ Consider macro market conditions, projected earnings, and leverage
- Use excess capital to routinely repurchase shares
- Plans designed to acquire pre-determined amounts
 - ✓ No intention to time the market
 - ✓ Will contemplate changes that may occur in the market
- Likely more significant until deferred tax assets are realized



In Summary

- Articulated strategy focused on long-term success
- Unmatched ability to serve all major buyer groups
- Value Creation strategy goal to deliver better ROIC over the housing cycle and top quartile TSR over time
- Return excess capital to shareholders



***We Build Consumer Inspired
Homes and Communities to
Make Lives Better***