

PulteGroup™

First Quarter 2016 Earnings

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, 2015, 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.

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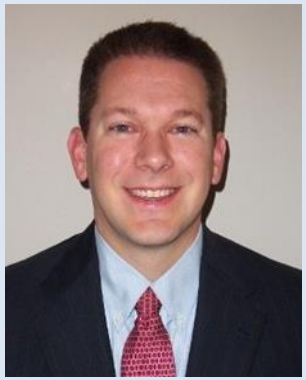
PulteGroup, Inc. Executives

				
Richard Dugas Chairman and CEO	Ryan Marshall President	Bob O'Shaughnessy Executive Vice President and CFO	Jim Ossowski Vice President, Finance and Controller	Jim Zeumer Vice President, Investor Relations



Review of Q1 2016 Results

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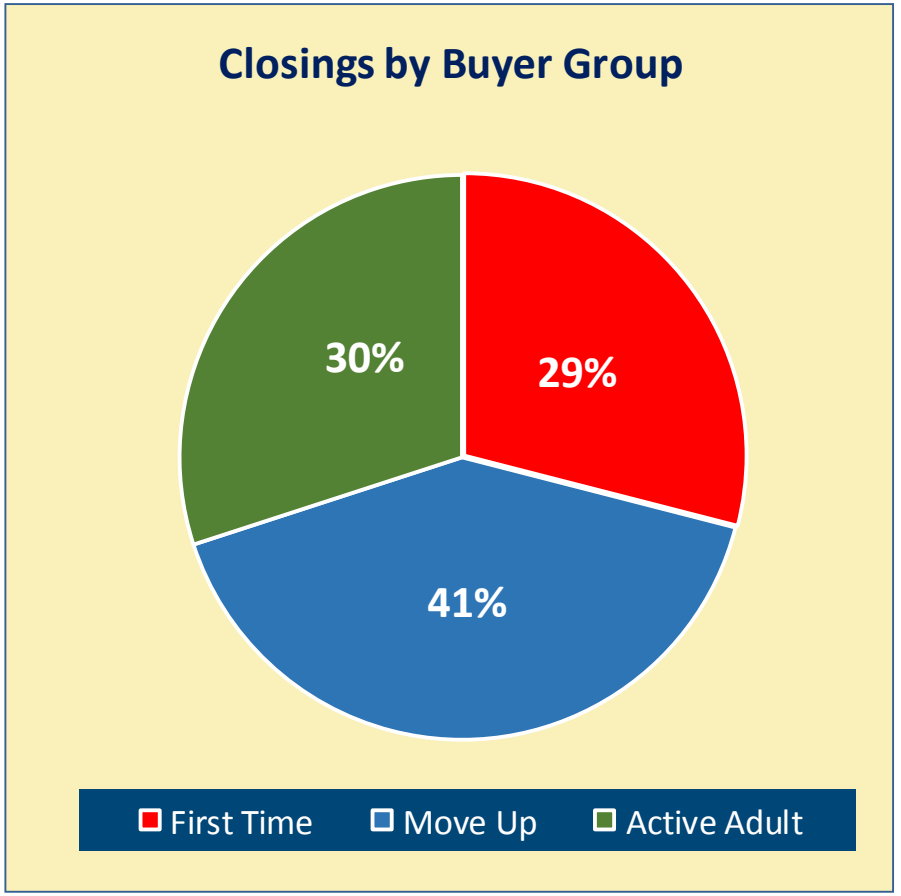
Q1 2016 Highlights

- Earnings of $0.24 per share vs. $0.15 in prior year
- Home sale revenues increased 28% to $1.4 billion
  - ✓ Q1 closings increased 17% to 3,945 homes
  - ✓ Average sales price gained 9% to $353,000, as prices move higher among all buyer groups:
    - First-time up 8% to $252,000
    - Move-up gained 7% to $425,000
    - Active adult increased 5% to $352,000



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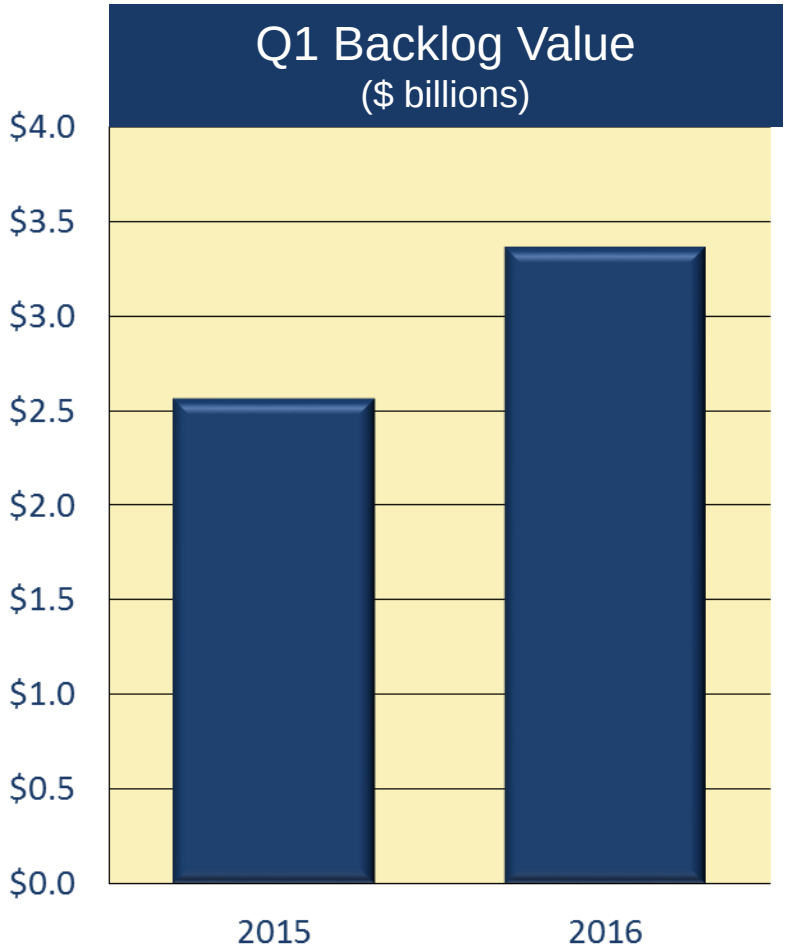
Q1 2016 Highlights

- Dollar value of net new orders increased 24% to $2.1 billion
- Net new orders higher by 10% to 5,652 homes
- Backlog increased to highest Q1 values since 2007
  - ✓ Dollar value of backlog up 31% to $3.4 billion
  - ✓ Unit backlog rises 15% to 8,755 homes



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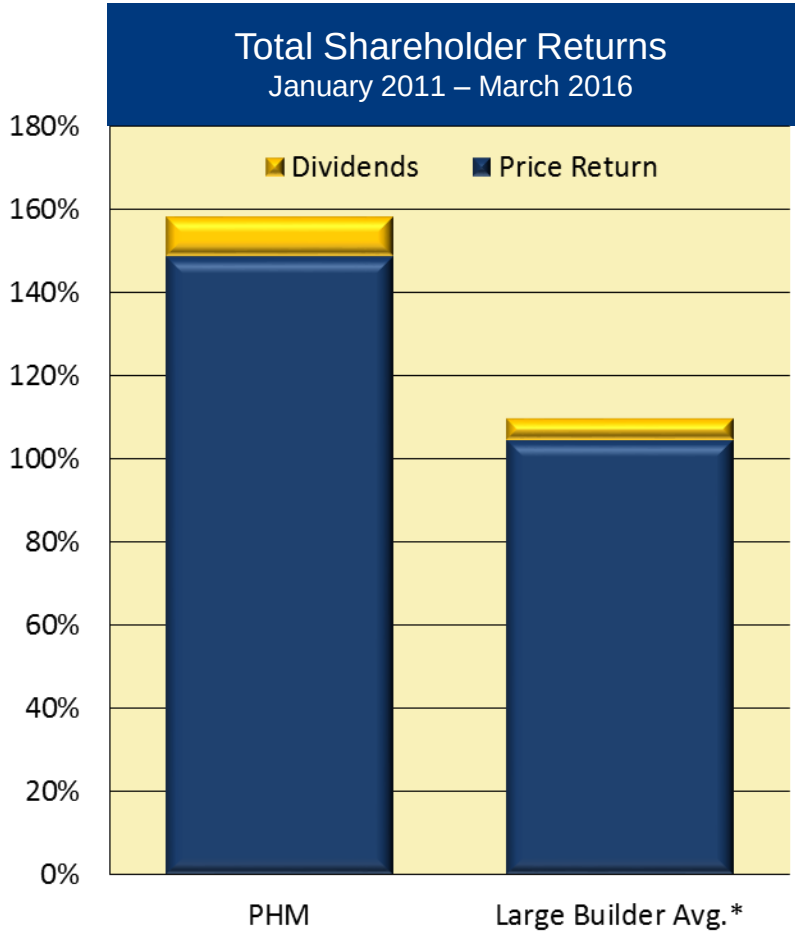
Continued Disciplined Allocation of Capital

Delivering Higher Total Shareholder Returns

- Q1 2016 investment of $262 million for land acquisition, excludes purchase of Wieland assets
  - ✓ Approved 7,000 lots for purchase with average community size of 160 homes
- Repurchased 3.1 million shares for $50 million, or $16.36 per share
- Quarter-end cash of $1.0 billion included funds raised through senior notes offering completed in Q1
  - ✓ $465 million of cash will be used to retire bonds maturing in May 2016



* Builder Group: D.R. Horton, Lennar, Toll Brothers, KB Homes, NVR

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Q1 2016 Selected Financial Data

	Three Months Ended March 31,		Change
	2016	2015	
Home Sale Revenues ($ millions)	$1,394	$1,088	28%
Homebuilding Pretax Income ($ millions)	$108	$91	19%
Backlog (Units)	8,755	7,624	15%
Backlog (Dollar Value in millions)	$3,359	$2,564	31%
Financial Services Pretax Income ($ millions)	$10	$5	93%
Income Before Income Taxes ($ millions)	$118	$96	23%
Net Income Per Share	$0.24	$0.15	60%

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Q1 2016 Balance Sheet Data

($ millions)	March 31, 2016	December 31, 2015
Cash and Equivalents (including restricted cash)	$1,018	$775
House and Land Inventory	$6,202	$5,450
Debt	$3,067	$2,075
Shareholders' Equity	$4,774	$4,759
Debt – to – Capitalization *	39%	30%

* The Company expects to use $465 million of available cash to retire bonds maturing in May 2016. On a pro forma basis, adjusting for the repayment of these bonds, the Company's debt-to- total capital ratio drops to 35% from the currently reported 39%.

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Assessing Business Performance

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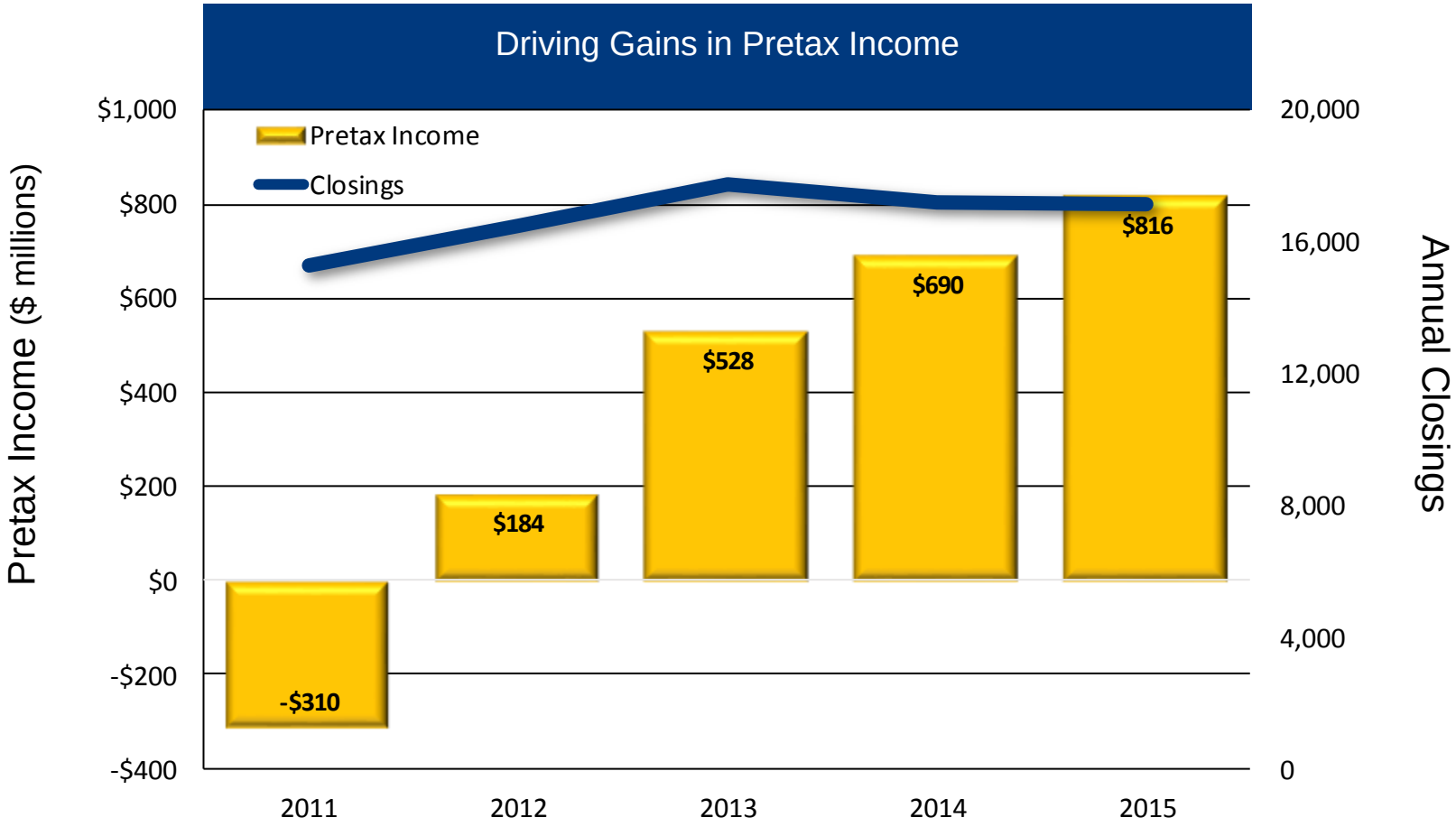
Dramatic Increase in Earnings on Modest Volume Growth



Legacy Del Webb vs. New Active Adult Investments

As of September 30, 2015

Older Del Webb Communities (opened prior to 2012)	
Adjusted GM% (YTD Sep 2015) (1)	28.7%
Average community size at start (lots)	~ 2,000
Remaining lots	36,000
Estimated remaining lot supply (years)	12

Newer Del Webb Communities (opened 2012 and later)	
Adjusted GM% (YTD Sep 2015) (1)	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 strong returns on invested capital over the life of the project

(1) Adjusted to add back capitalized interest amortization

Our Land Position Today: Capitalizing on Legacy Land While Blending in New, High Margin Investments

	2011	2012	2013	2014	2015
Total closings	15,275	16,505	17,766	17,196	17,127
Closings from legacy lots (1)	11,005	10,598	9,857	8,092	6,511
Company-wide adjusted gross margin (2)	17.6%	20.7%	25.2%	26.7%	25.7%
- Adjusted gross margin associated with unimpaired lots (2)	23.3%	22.6%	25.3%	26.4%	25.0%
- Adjusted gross margin associated with legacy lots (1) (2)	15.1%	19.6%	25.1%	27.3%	27.2%
Relative margin impact of legacy lots (3)	Negative $214 million	Negative $78 million	Negative $6 million	Positive $21 million	Positive $42 million

(1) Includes impaired Pulte lots and Centex lots marked to fair market value at time of acquisition (August 2009)
(2) Adjusted to add back capitalized interest amortization
(3) Implied impact of legacy lots on reported margin based on differential relative to unimpaired lots



Supplemental Non-GAAP Data

Reconciliation of Non-GAAP Data

This presentation contains information about home sale gross margin reflecting certain adjustments. This measure is considered a non-GAAP financial measure under the SEC's rules and should be considered in addition to, rather than as a substitute for, the comparable GAAP financial measure as a measure of our operating performance. Management and our local divisions use this measure in evaluating the operating performance of each community and in making strategic decisions regarding sales pricing, construction and development pace, product mix, and other daily operating decisions. We believe it is a relevant and useful measure to investors for evaluating our performance through gross profit generated on homes delivered during a given period and for comparing our operating performance to other companies in the homebuilding industry. Although other companies in the homebuilding industry report similar information, the methods used may differ. We urge investors to understand the methods used by other companies in the homebuilding industry to calculate gross margins and any adjustments thereto before comparing our measure to that of such other companies.

The following tables set forth a reconciliation of this non-GAAP financial measure to the GAAP financial measure that management believes to be most directly comparable.

Supplemental Non-GAAP Data – Adjusted Gross Margin

Legacy Del Webb vs. New Active Adult Investments

($ in 000's)	Nine Months Ended September 30, 2015			
	(a) Older Del Webb Communities	(b) Newer Del Webb Communities	All Other Communities	Consolidated
Home sale revenues	$ 940,744	$ 133,585	$ 2,721,037	$ 3,795,366
Home sale cost of revenues	(670,466)	(91,229)	(2,049,642)	(2,811,337)
Adjusted Gross margin	$ 270,278	$ 42,356	$ 671,395	$ 984,029
Adjusted Gross margin %	28.7%	31.7%	24.7%	25.9%
Deduct: Capitalized interest amortization				(101,962) (c)
Gross margin - As reported				$ 882,067
Gross margin % - As reported				23.2%

(a) Opened prior to 2012

(b) Opened 2012 and later

(c) Includes the amortization of capitalized interest not allocated to the operating segments

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Supplemental Non-GAAP Data – Adjusted Gross Margin

Our Land Position Today

($ in 000's)	Years Ended December 31,				
	2011	2012	2013	2014	2015
Home sale revenues - As reported	$ 3,950,743	$ 4,552,412	$ 5,424,309	$ 5,662,171	$ 5,792,675
Home sale cost of revenues - As reported	(3,444,398)	(3,833,451)	(4,310,528)	(4,343,249)	(4,440,893)
Gross margin - As reported	506,345	718,961	1,113,781	1,318,922	1,351,782
Gross margin % - As reported	12.8%	15.8%	20.5%	23.3%	23.3%
Add: Capitalized interest amortization	$ 189,382	$ 224,291	$ 255,065	$ 194,728	$ 138,141
Adjusted Gross margin	$ 695,727	$ 943,252	$ 1,368,846	$ 1,513,650	$ 1,489,923
Adjusted Gross margin %	17.6%	20.7%	25.2%	26.7%	25.7%

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