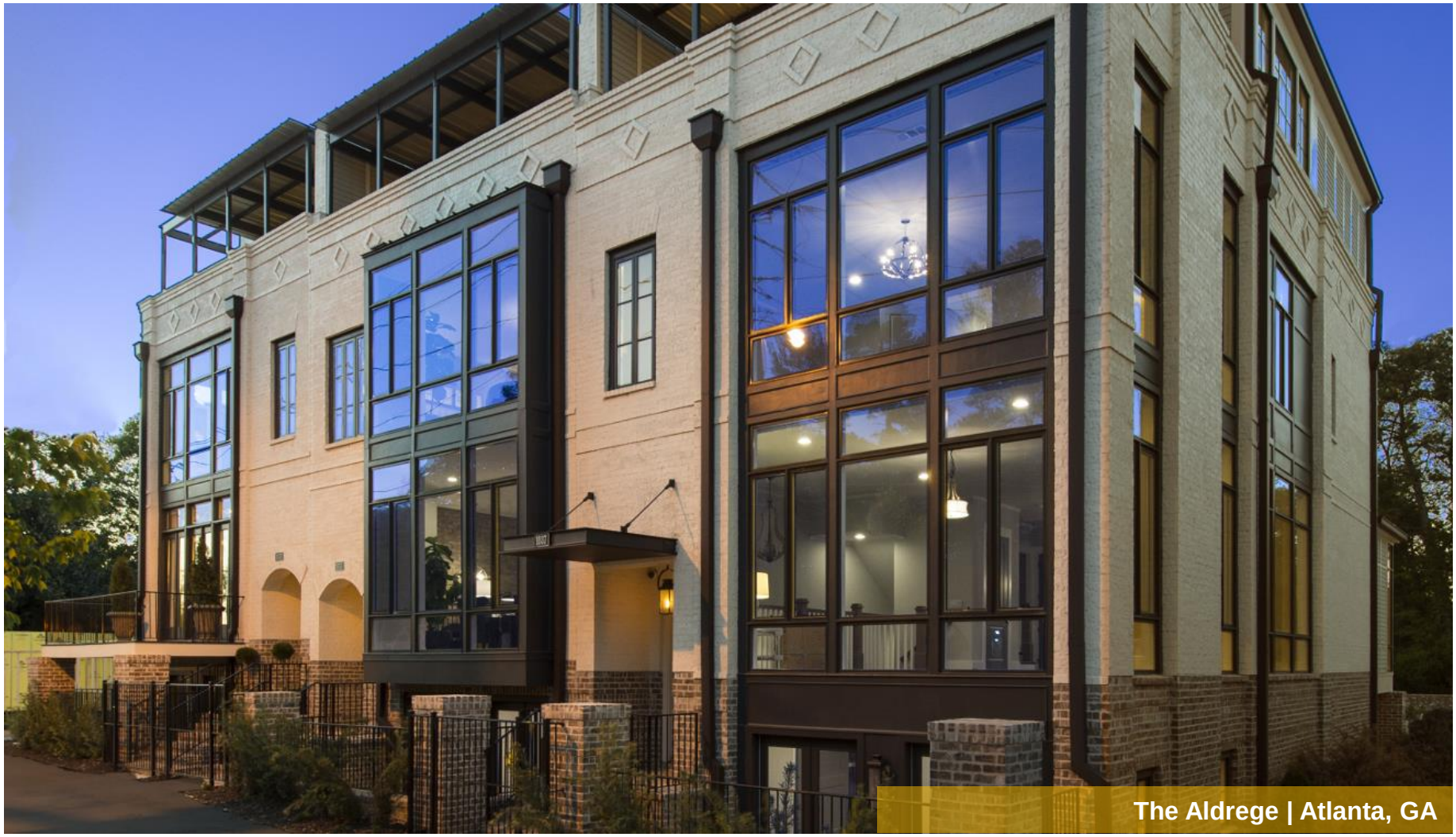

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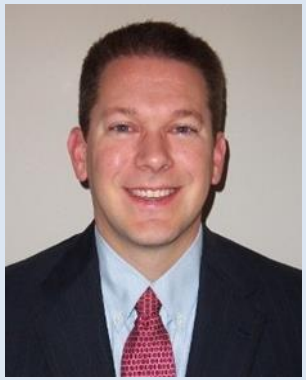
Second Quarter 2016 Earnings

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 and the rate of growth in land spend; 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.

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 Q2 2016 Results

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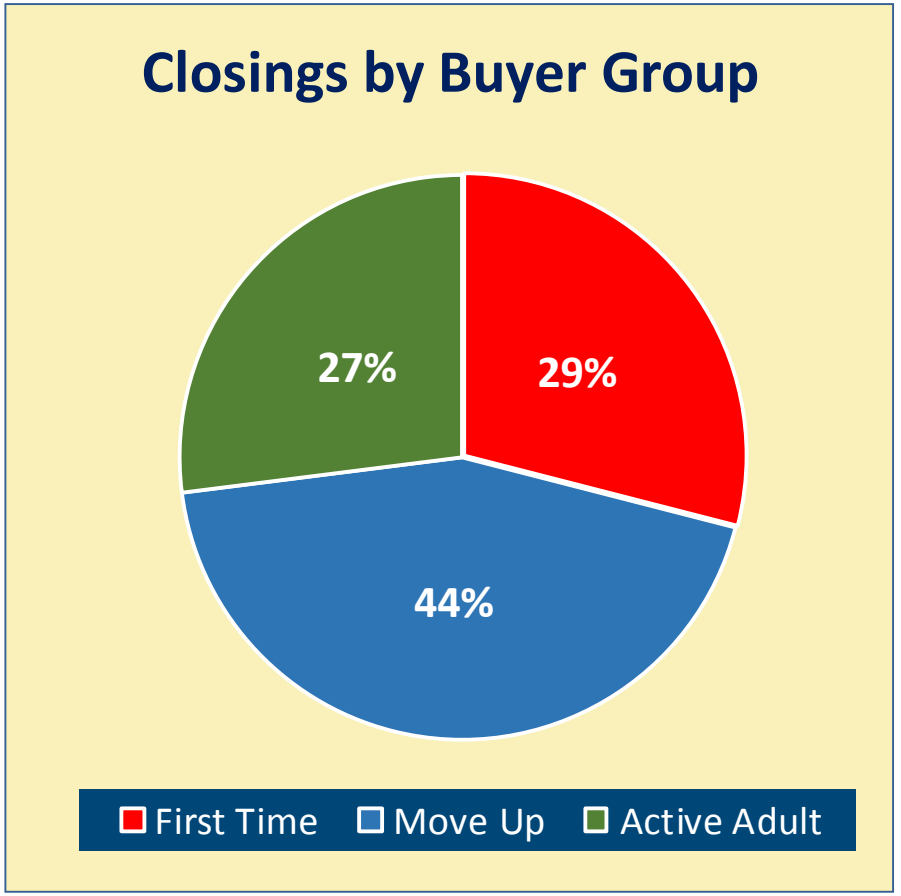
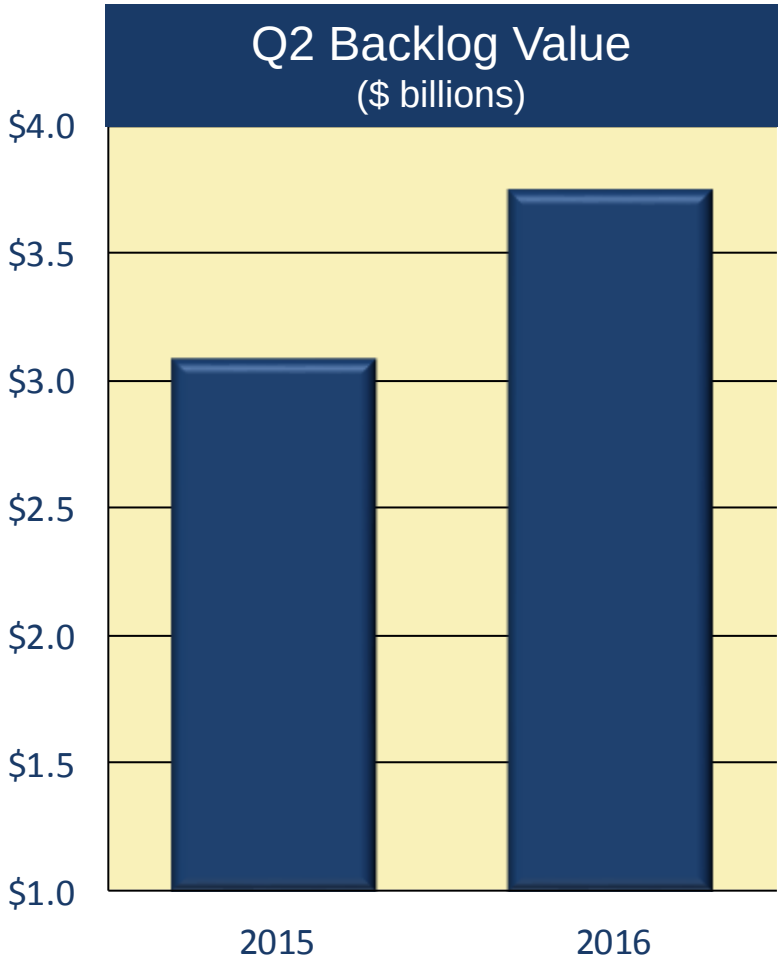
Q2 2016 Highlights

- EPS of $0.34, inclusive of $0.03 per share of land and corporate office relocation charges; prior year EPS of $0.28 included a benefit of $0.05 relating to a legal settlement
- Q2 home sale revenues increased 41% to $1.8 billion; closings were up 27% to 4,772 homes
- Year-over-year ASP up 11% as Company realized higher prices across all buyer groups:
  - ✓ First-time up 5% to $270,000
  - ✓ Move-up increased 11% to $438,000
  - ✓ Active-adult up 4% to $357,000



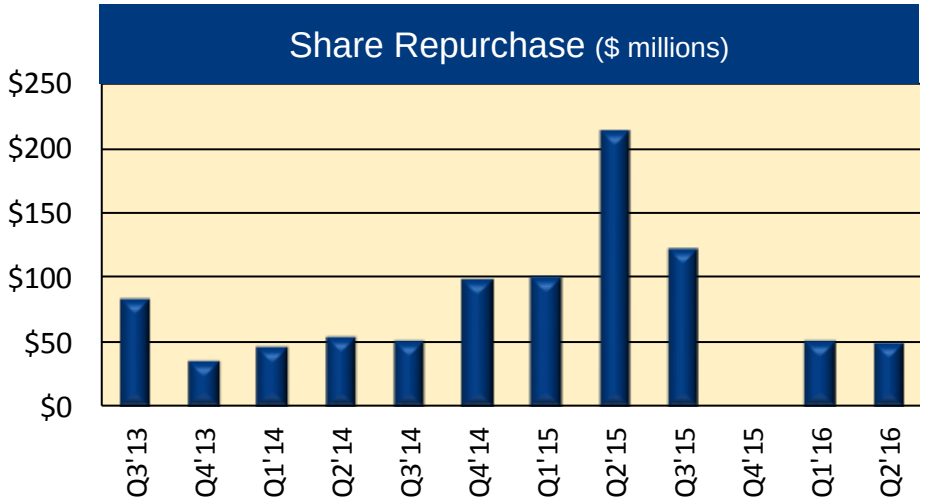
Q2 2016 Highlights

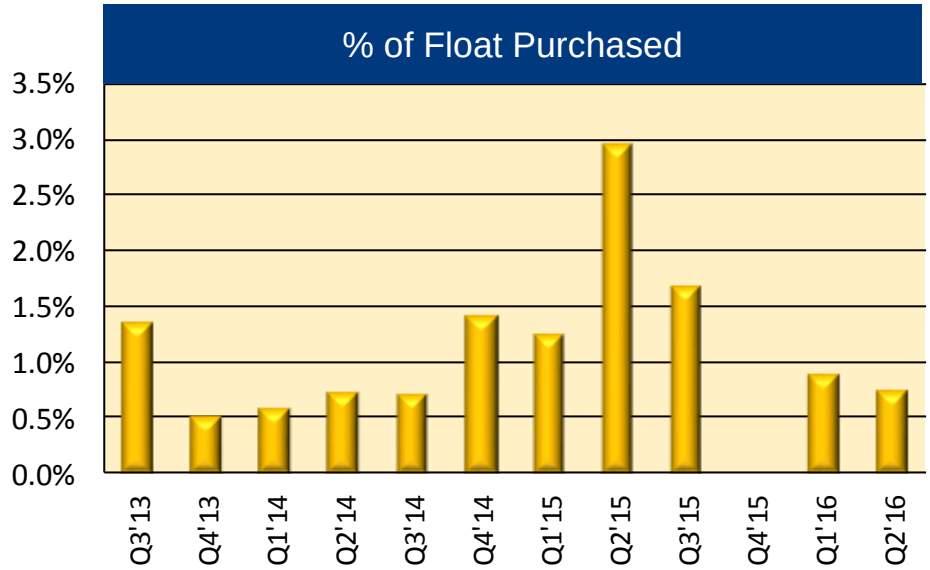
- Dollar value of net new orders increased 21% to $2.1 billion
- Net new orders higher by 11% to 5,697 homes
- Backlog value of $3.7 billion up 21% over prior year
  - ✓ Unit backlog up 8% to 9,679 homes



Allocation of Capital Consistent with Stated Priorities

- Q2 2016 investment of $379 million for land acquisition
  - ✓ Approved 5,800 lots for purchase with average community size of 150 homes
- Repurchased 2.6 million shares for $48 million, or $18.53 per share
- Retired $465 million of bonds that matured in the quarter





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Q2 2016 Selected Financial Data

	Three Months Ended June 30,		
	2016	2015	Change
Home Sale Revenues ($ millions)	$1,752	$1,243	41%
Homebuilding Pretax Income ($ millions) (1)	$173	$158	9%
Backlog (Units)	9,679	8,998	8%
Backlog (Dollar Value in millions)	$3,749	$3,088	21%
Financial Services Pretax Income ($ millions)	$17	$10	71%
Income Before Income Taxes ($ millions)	$189	$167	13%
Net Income Per Share (1)	$0.34	$0.28	21%

(1) Q2 2016 includes pretax charges of $15 million, or $0.03 per share, of land and corporate relocation charges; Q2 2015 includes a pretax benefit of $27 million, or $0.05 per share, relating to a legal settlement

Q2 2016 Balance Sheet Data

($ millions)	June 30, 2016	December 31, 2015
Cash and Equivalents (including restricted cash)	$256	$775
House and Land Inventory	$6,629	$5,450
Debt	$2,603	$2,075
Shareholders' Equity	$4,818	$4,759
Debt – to – Capitalization	35%	30%



Next Phase of Value Creation

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Company Announces Actions in Support of Next Phase of Value Creation

- As part of its Q2 earnings release, PulteGroup announced the following actions as it advances to the next phase of its Value Creation strategy
  - ✓ Company to slow the rate of growth in land spend and use expected strong cash flows to help fund the repurchase of $1.5 billion of shares over the next 6 quarters
    - Board approved a $1.0 billion increase in share repurchase authorization to $1.5 billion
  - ✓ Company is taking actions to lower SG&A from an expected 10% of home sale revenues in 2016 to a targeted rate of 9% or lower in 2017
  - ✓ Company added 3 new independent directors to its Board
    - John Peshkin: 30 years of direct homebuilding experience including CEO of Taylor Woodrow Homes
    - Joshua Gotbaum: served in senior private and public sector roles
    - Scott Powers: over 30 years in financial asset management including having served as President and CEO of State Street Global Advisors



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