

PulteGroup, Inc.

Summary of Financial Results Fourth Quarter 2010



Forward-Looking Statement

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, and potential further deterioration of, 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 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; 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, 2009, 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.

Certain statements in this presentation contain references to non-GAAP financial measures. A reconciliation of the non-GAAP financial measures to the comparable GAAP numbers is included in this presentation.



Q4 2010 Consolidated Results

- Q4 2010 loss of \$165 million reflects \$196 million for land-related charges, restructuring, and debt redemption and financing costs partially offset by \$35 million in tax benefits and an insurance reserve reversal
- Home sales revenue of \$1.2 billion
- Home sale gross margin of 16.6% before impact of impairments, interest expense and merger-related expenses, up from 14.2% last year
- Homebuilding SG&A costs, excluding impact of severance charges and an insurance reserve reversal, were 12.1% of homes sales revenue
 - ✓ Company restructuring of operations, in addition to previous cost reduction efforts, expected to trim full year 2011 SG&A by approximately \$100 million on a year-over-year basis
- Backlog of 3,984 homes valued at \$1.1 billion
- Company paid down \$1.0 billion in debt and other bond obligations
 - ✓ Quarter-end cash balance of \$1.5 billion



Financial Results



Q4 2010 Financial Results

- Home sales revenue of \$1.2 billion reflects a decrease of 29% in unit closings partially offset by a 2% increase in average sale price
- Home sale gross margin, excluding impairments, interest expense and merger-related costs of 16.6%
 - ✓ YOY gross margin increase of 240 basis points
- Pretax land charges of \$122 million decrease from \$280 million in the prior year
- Homebuilding SG&A, excluding impact of severance charges and an insurance reserve reversal, was 12.1% of homes sales revenue
 - ✓ Q4 2010 results include favorable insurance reserve adjustments of \$10 million
- Net new home orders of 3,044 homes, a decrease of 19% from prior year and decrease of 15% from prior quarter (Q3 2010)

4Q10 Financial Results: Adjusted Margin Analysis

	PulteGroup Reported				
	4Q '10	3Q '10	2Q '10	1Q '10	4Q '09
Reported Home Sale Gross Margin %	4.9%	7.0%	12.6%	13.0%	1.6%
Home Sale Gross Margin % Before Impairments & Interest Expense	16.6%	16.6%	17.2%	16.1%	12.9%
Home Sale Gross Margin % Before Impairments, Interest Expense & CTX WIP Impact	16.6%	16.7%	17.2%	16.3%	14.2%

Q4 2010 Selected Financial Data

	Three Months Ended <u>December 31,</u>	
	2010	2009
Homebuilding House Sale Revenues (\$ millions)	\$ 1,155	\$1,597
Homebuilding Pretax Income (Loss) (\$ millions)	\$ (148)	\$ (867)
Homebuilding SG&A Expenditures (\$ millions)	\$ 141	\$ 188
Backlog (Units)	3,984	5,931
Backlog (Dollar Value in millions)	\$ 1,057	\$ 1,577
Financial Services Pretax Income (Loss) (\$ millions)	\$ 5	\$ (36)
Income (Loss) Before Income Taxes (\$ millions)	\$ (190)	\$ (917)
Net Income (Loss) Per Share	\$ (0.44)	\$ (0.31)

Balance Sheet

	Dec. 31, 2010	Dec. 31, 2009
Debt – to – Cap	61%	57%
Net Debt – to – Cap	47%	43%
Shareholders' Equity (\$ billions)	\$2.1	\$3.2

Summary of Changes in Cash

(excluding restricted cash)

(\$ in millions)

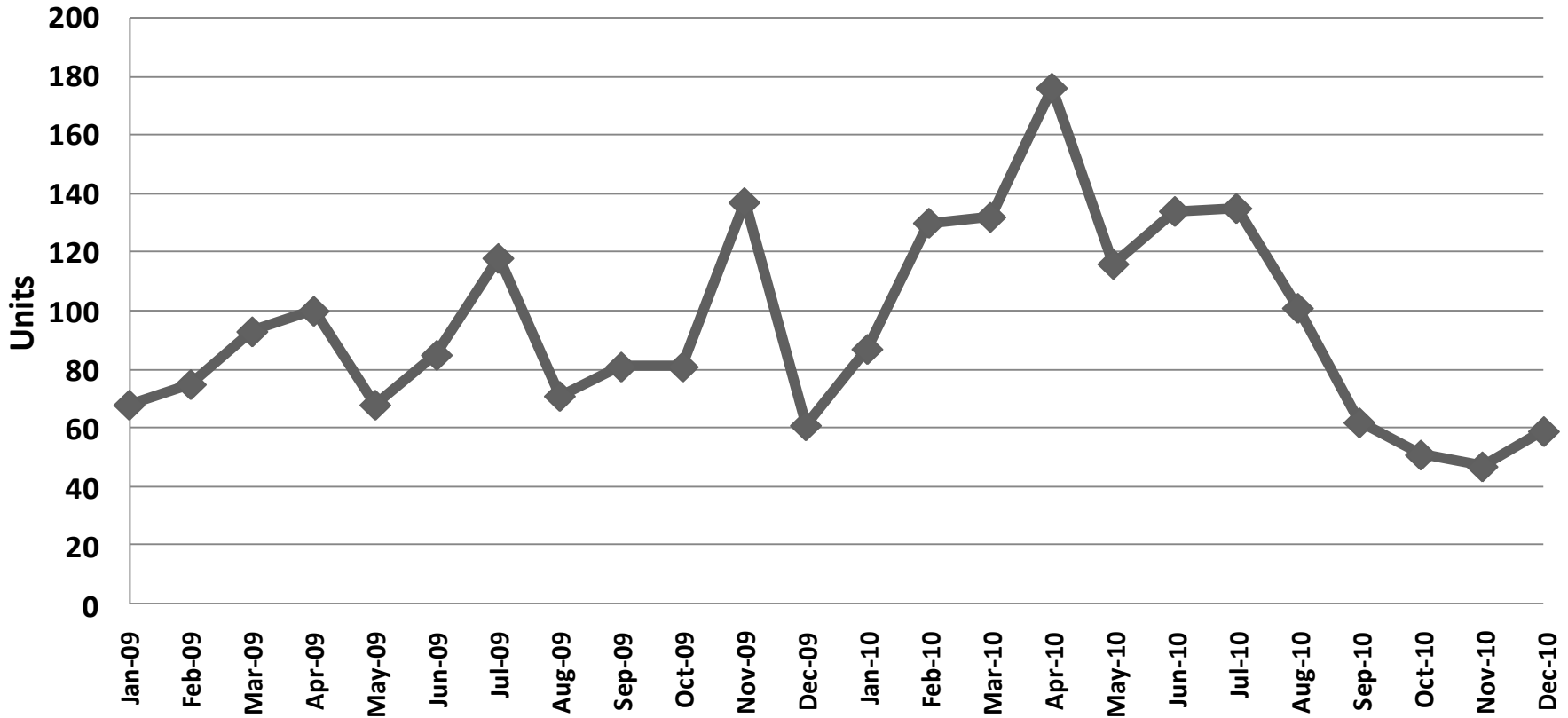
	Q4 2010	YTD Dec. 2010
Cash at Beginning of Period	\$ 2,623	\$ 1,858
Federal Income Tax Refunds	53	935
Debt Repurchases	(933)	(933)
CDD Obligation Retirements	(112)	(112)
Cash Flow, Net	(160)	(277)
Cash at December 31, 2010	\$ 1,471	\$ 1,471



Supplemental Mortgage Data

Initial Mortgage Put-Back Requests Per Month

- Approximately half of initial put-back requests are immediately refuted by Pulte Mortgage
- Requests not immediately refuted undergo extensive analysis to confirm exposure, attempt to correct underlying issue and, when needed, confirm liability





Supplemental Non-GAAP Data

Reconciliation of Non-GAAP Data

This presentation contains information about home sale gross margin before impairments, interest expense, and merger-related costs as well as information about Homebuilding selling, general and administrative expenses excluding severance, insurance reserve adjustments, and merger-related costs. These measures are considered non-GAAP financial measures under the SEC's rules and should be considered in addition to, rather than as a substitute for, home sale gross margin (which we define as home sale revenues less home cost of revenues) and Homebuilding selling, general and administrative expenses as measures of our operating performance. Management and our local divisions use these measures 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 they are relevant and useful measures to investors for evaluating our performance through (1) gross profit generated on homes delivered during a given period and (2) the efficiency of our overhead cost structure 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 Homebuilding selling, general and administrative expenses and any adjustments thereto before comparing our measures to that of such other companies.

The following tables set forth reconciliations of these non-GAAP financial measures to home sale gross margin and Homebuilding selling, general and administrative expenses, GAAP financial measures, which management believes to be the GAAP financial measures most directly comparable to these non-GAAP financial measures.

Supplemental Non-GAAP Data - Adjusted Margin Analysis

	Three Months Ended					
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009	
(\$ thousands)						
Home sale revenues	\$ 1,155,169	\$ 1,024,847	\$ 1,262,990	\$ 976,806	\$ 1,597,066	
Home cost of revenues	(1,099,046)	(952,788)	(1,104,456)	(850,095)	(1,571,389)	
Home sale gross margin	56,123	72,059	158,534	126,711	25,677	
Add:						
Impairments (a)	67,880	49,838	20,354	3,518	139,676	
Capitalized interest amortization (a)	67,489	48,501	37,928	27,000	40,859	
Merger-related costs (b)	282	893	514	2,444	20,684	
Home sale gross margin before impairments, interest expense, and merger-related costs	\$ 191,774	\$ 171,291	\$ 217,330	\$ 159,673	\$ 226,896	
Home sale gross margin as a percent of home sale revenues	4.9%	7.0%	12.6%	13.0%	1.6%	
Home sale gross margin before impairments and interest expense	16.6%	16.6%	17.2%	16.1%	12.9%	
Home sale gross margin before impairments, interest expense, and merger-related costs	16.6%	16.7%	17.2%	16.3%	14.2%	

(a) Write-offs of capitalized interest related to impairments is reflected in capitalized interest amortization.

(b) Home sale gross margin was adversely impacted by the amortization of a fair value adjustment to homes under construction inventory acquired with the Centex merger. This fair value adjustment is being amortized as an increase to cost of sales over the related home closings.



Supplemental Non-GAAP Data - Adjusted SG&A Analysis

	Three Months Ended December 31,		
	2010		2009
Home sale revenues	\$ 1,155,169		\$ 1,597,066
Homebuilding selling, general and administrative expenses	\$ 140,853		\$ 187,765
Less:			
Homebuilding severance	(11,268)		(7,097)
Insurance reserve adjustments (a)	10,221		-
Merger-related costs (excluding severance) (b)	-		(1,299)
Homebuilding selling, general and administrative expenses excluding severance, insurance reserve adjustments, and merger-related costs	<u>\$ 139,806</u>		<u>\$ 179,369</u>
Homebuilding selling, general and administrative expenses as a percent of home sale revenues	12.2%		11.8%
Homebuilding selling, general and administrative expenses excluding severance, insurance reserve adjustments, and merger-related costs as a percent of home sale revenues	12.1%		11.2%
(a) Adjustments to recorded insurance reserves			
(b) Transaction and integration costs directly related to the Centex merger consisting primarily of investment banking and other professional fees; excludes all severance costs			