Report on 2017 Fourth Quarter Operating and Financial Results

Forward-Looking Statements

This press release 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,” “plan,” “project,” “may,” “can,” “could,” “might,” "should", “will” and similar expressions identify forward-looking statements, including statements related to the impairment charge with respect to certain land parcels and the impacts or effects thereof, 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; competition within the industries in which we operate; the availability and cost of land and other raw materials used by us in our 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 levels of our land spend; the availability and cost of insurance covering risks associated with our 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, including, but not limited to the Tax Cuts and Jobs Act which could have a greater impact on our effective tax rate or the value of our deferred tax assets than we anticipate; economic changes nationally or in our 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, 2016 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. We undertake no duty to update any forward-looking statement, whether as a result of new information, future events or changes in our expectations.

PulteGroup Call Participants

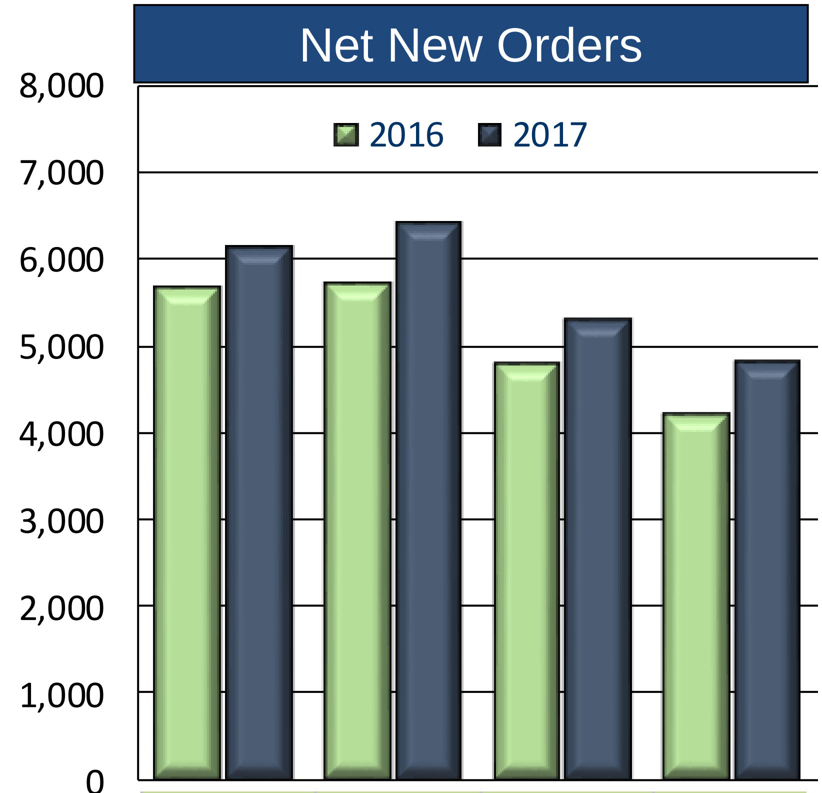



Ryan Marshall **President and CEO**	**Bob O’Shaughnessy** **Executive Vice President and CFO**	**Jim Ossowski** **Senior Vice President, Finance**	**Jim Zeumer** **Vice President, Investor Relations**

Review of Q4 2017 Results

Q4 2017 Financial Highlights

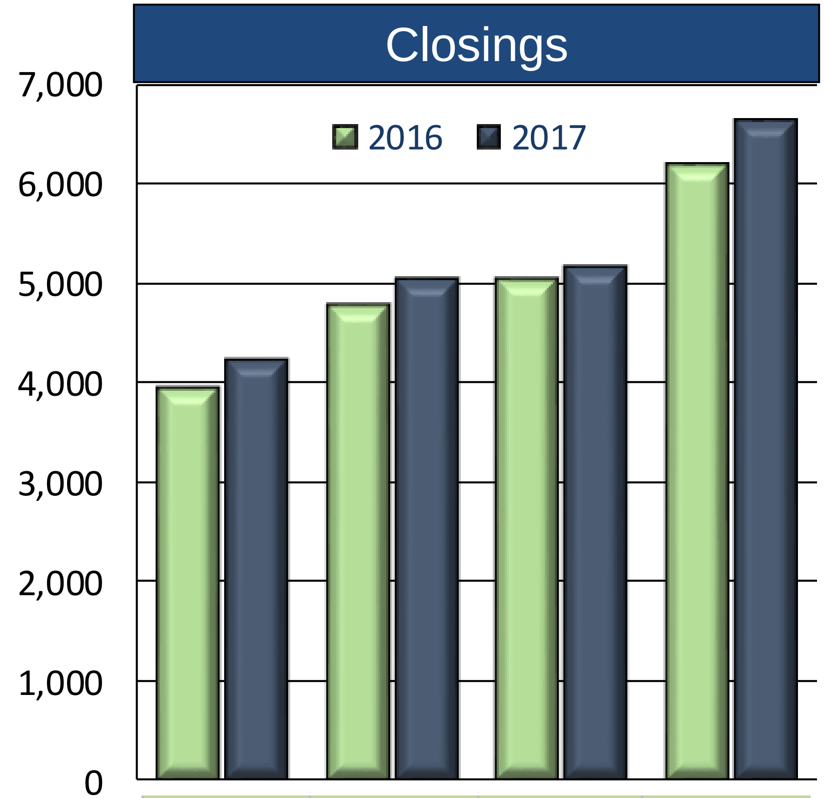
- Net new orders increased 14% to 4,805 homes
- Dollar value of net new orders gained 22% to $2.0 billion
- Closings up 7% to 6,632 homes
- Home sale revenues increased 12% to $2.7 billion
- Unit backlog increased 21% to 8,996 homes
- Backlog value increased by 35% to $4.0 billion



	Q1	Q2	Q3	Q4
2016	5,652	5,697	4,775	4,202
2017	6,126	6,395	5,300	4,805
Increase	8%	12%	11%	14%

Q4 2017 Financial Highlights

- Reported Q4 EPS of $0.26 includes:
  - a $66 million pre-tax benefit relating to insurance related adjustments
  - a $57 million pre-tax charge relating to land adjustments
  - $181 million of income tax charges relating primarily to revaluation of deferred tax assets resulting from new tax legislation
- Adjusted Q4 EPS of $0.85* up 27% over prior year

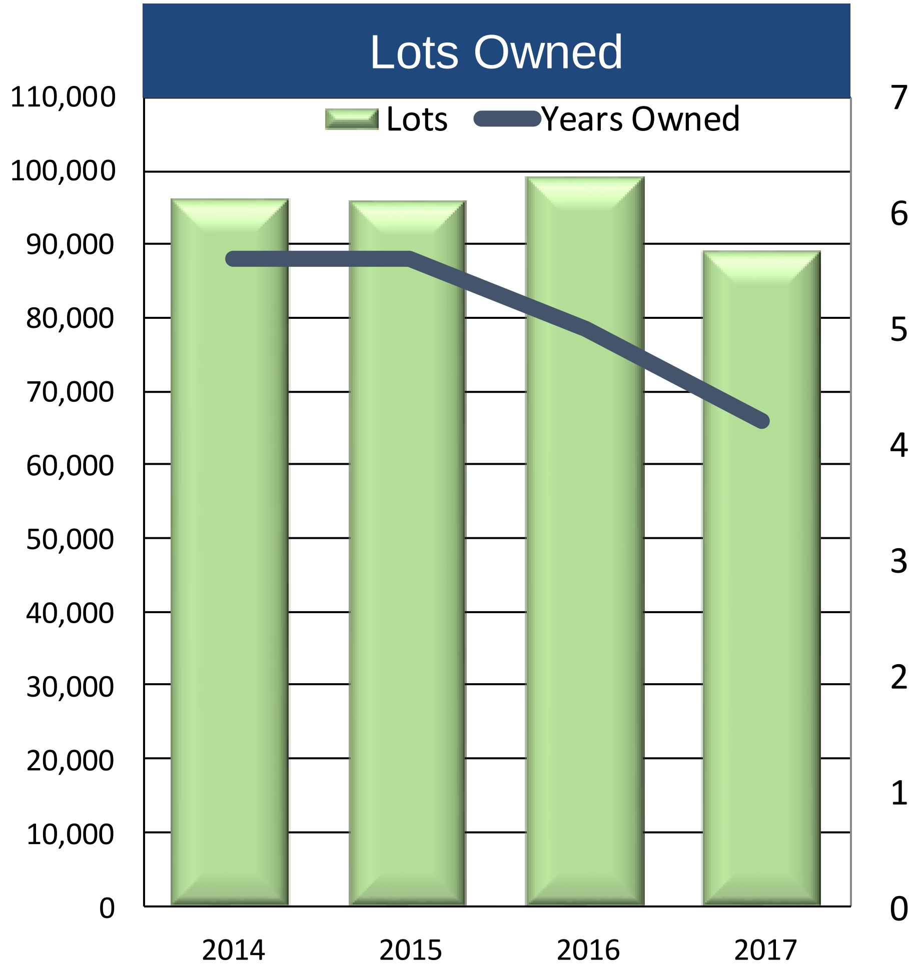


	Q1	Q2	Q3	Q4
2016	3,945	4,772	5,037	6,197
2017	4,225	5,044	5,151	6,632
Increase	7%	6%	2%	7%

* See slides 10 and 11 for non-GAAP reconciliations

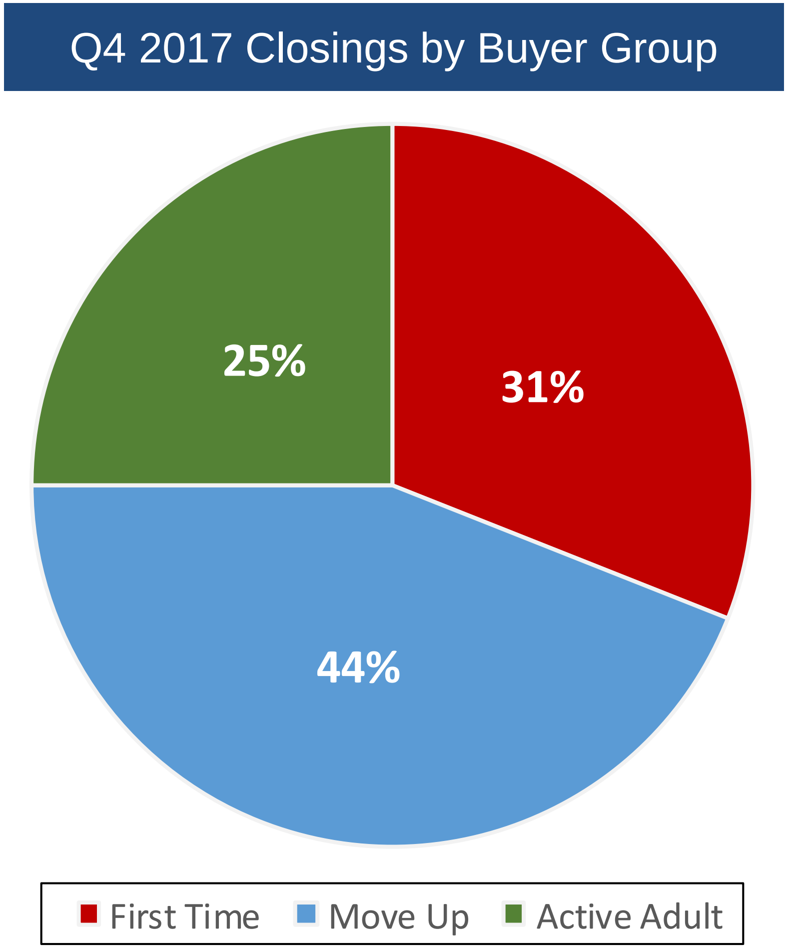
Continued Disciplined Approach to Land Investment

- Land acquisition investment in Q4 was $311 million
- Land pipeline totals ~141,000 lots of which 37% are controlled under options
  - ✓ Option percentage up 600 basis points over prior year
- Owned lot position lowered to 4.2 years based on 2017 closings
  - ✓ Continue to make steady progress toward long-term goal of owning 3 years of land



Higher Prices Drive Homebuilder Revenues

- Average sales price of homes closed increased 5%, or $19,000, to $410,000
- Average sales price gained across all buyer groups:
  - ✓ First Time increased 9% to $326,000
  - ✓ Move Up increased 2% to $478,000
  - ✓ Active Adult increased 4% to $391,000



Q4 2017 Selected Financial Data

	Three Months Ended December 31,		
	2017 *	2016 **	Change
Home Sale Revenues ($ millions)	$2,717	$2,423	12%
Backlog (Units)	8,996	7,422	21%
Backlog Dollar Value ($ millions)	$3,979	$2,942	35%
Financial Services Pretax Income ($ millions)	$23	$25	- 8%
Reported Net Income ($ millions)	$77	$273	- 72%
Reported Earnings Per Share	$0.26	$0.83	- 69%
Adjusted Net Income ($ millions)	$253	$223	13%
Adjusted Earnings Per Share	$0.85	$0.67	27%

* Adjustments to the Company's Q4 2017 results include a $66 million pre-tax benefit resulting from insurance-related adjustments, a $57 million pre-tax change relating to land adjustments, and $181 million of tax charges primarily relating to revaluation of our deferred tax assets.

** Adjustments to Q4 2016 results include a $55 million pre-tax benefit resulting from insurance-related adjustments and $17 million of income tax benefits primarily related to energy efficient home credits and a deferred tax benefit related to a legal entity restructuring

Please see the non-GAAP reconciliation tables on slides 10 and 11 for a complete review of Q4 adjustments.

Q4 2017 Selected Balance Sheet Data

($ millions)	December 31, 2017	December 31, 2016
Cash and Equivalents (including restricted cash)	$306	$723
House and Land Inventory	$7,147	$6,771
Debt	$3,007	$3,129
Shareholders' Equity	$4,154	$4,659
Debt – to – Capitalization	42%	40%

Reconciliation of Non-GAAP Financial Measures

The following tables set forth a reconciliation of the non-GAAP financial measures to the GAAP financial measures that management believes to be most directly comparable ($000's omitted):

	Three Months Ended December 31, 2017			Three Months Ended December 31, 2016		
	As Reported	Adjustments *(a)*	Adjusted	As Reported	Adjustments *(b)*	Adjusted
Revenues:						
Homebuilding						
Home sale revenues	$ 2,717,031	$ —	$2,717,031	$ 2,423,472	$ —	$ 2,423,472
Land sale revenues	20,360	—	20,360	15,431	—	15,431
	2,737,391	—	2,737,391	2,438,903	—	2,438,903
Financial Services	56,166	—	56,166	54,175	—	54,175
Total revenues	2,793,557	—	2,793,557	2,493,078	—	2,493,078
Homebuilding Cost of Revenues:						
Home sale cost of revenues	(2,128,931)	57,466	(2,071,465)	(1,821,672)	1,074	(1,820,598)
Land sale cost of revenues	(18,500)	—	(18,500)	(14,256)	—	(14,256)
	(2,147,431)	57,466	(2,089,965)	(1,835,928)	1,074	(1,834,854)
Financial Services expenses	(33,139)	—	(33,139)	(29,370)	—	(29,370)
Selling, general, and administrative expenses (SG&A)	(201,607)	(66,009)	(267,616)	(207,647)	(55,243)	(262,890)
Other expense, net	(2,613)	—	(2,613)	(6,412)	—	(6,412)
Income before income taxes	408,767	(8,543)	400,224	413,721	(54,169)	359,552
Income tax expense	(331,352)	183,871	(147,481)	(140,549)	3,865	(136,684)
Net income	$ 77,415	$ 175,328	$ 252,743	$ 273,172	$ (50,304)	$ 222,868
Earnings per share (diluted)	$ 0.26		$ 0.85	$ 0.83		$ 0.67
Home sale gross margin	21.6%		23.8%	24.8%		24.9%
SG&A as a percentage of sales	7.4%		9.8%	8.6%		10.8%
Operating margin	14.2%		13.9%	16.3%		14.0%
Effective tax rate	81.1%		36.8%	34.0%		38.0%

(a) *Includes land inventory impairments, an insurance-related benefit, and income tax charges primarily related to the revaluation of deferred tax assets resulting from the Tax Cuts and Jobs Act enacted in December 2017*

(b) *Includes land inventory impairments, an insurance-related benefit, and net income tax benefits primarily related to energy efficient home credits and a deferred tax benefit related to a legal entity restructuring*

Reconciliation of Non-GAAP Financial Measures

The following tables set forth a reconciliation of the non-GAAP financial measures to the GAAP financial measures that management believes to be most directly comparable ($000's omitted):

	Twelve Months Ended December 31, 2017			Twelve Months Ended December 31, 2016		
	As Reported	Adjustments *(a)*	Adjusted	As Reported	Adjustments *(b)*	Adjusted
Revenues:						
Homebuilding						
Home sale revenues	$ 8,323,984	$ —	$8,323,984	$ 7,451,315	$ —	$ 7,451,315
Land sale revenues	57,106	—	57,106	36,035	—	36,035
	8,381,090	—	8,381,090	7,487,350	—	7,487,350
Financial Services	192,160	—	192,160	181,126	—	181,126
Total revenues	8,573,250	—	8,573,250	7,668,476	—	7,668,476
Homebuilding Cost of Revenues:						
Home sale cost of revenues	(6,461,152)	101,058	(6,360,094)	(5,587,974)	1,074	(5,586,900)
Land sale cost of revenues	(134,449)	81,006	(53,443)	(32,115)	—	(32,115)
	(6,595,601)	182,064	(6,413,537)	(5,620,089)	1,074	(5,619,015)
Financial Services expenses	(119,289)	—	(119,289)	(108,573)	—	(108,573)
Selling, general, and administrative expenses (SG&A)	(891,581)	(65,496)	(957,077)	(957,150)	(45,213)	(1,002,363)
Other expense, net	(27,951)	8,017	(19,934)	(48,814)	26,643	(22,171)
Income before income taxes	938,828	124,585	1,063,413	933,850	(17,496)	916,354
Income tax expense	(491,607)	107,661	(383,946)	(331,147)	(17,596)	(348,743)
Net income	$ 447,221	$ 232,246	$ 679,467	$ 602,703	$ (35,092)	$ 567,611
Earnings per share (diluted)	$ 1.44		$ 2.19	$ 1.75		$ 1.66
Home sale gross margin	22.4%		23.6%	25.0%		25.0%
SG&A as a percentage of sales	10.7%		11.5%	12.8%		13.5%
Operating margin	11.7%		12.1%	12.2%		11.6%
Effective tax rate	52.4%		36.1%	35.5%		38.1%

(a) *Includes land inventory impairments, net realizable value adjustments on land held for sale, net insurance-related benefits, an impairment of an investment in an unconsolidated subsidiary, and income tax charges primarily related to the revaluation of deferred tax assets resulting from the Tax Cuts and Jobs Act enacted in December 2017*

(b) *Includes land inventory impairments, net insurance-related benefits, restructuring costs associated with a plan to reduce overhead expenses, costs relating to shareholder activities, a charge resulting from the settlement of a disputed land transaction, and net income tax benefits primarily related to energy efficient home credits and a deferred tax benefit related to a legal entity restructuring*

PulteGroup™ Fourth Quarter 2017 Earnings