



FOR IMMEDIATE RELEASE

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PULTEGROUP REPORTS SECOND QUARTER 2015 FINANCIAL RESULTS

- **Reported Q2 Net Income of \$103 Million, or \$0.28 Per Share, Inclusive of a \$0.05 Per Share Benefit Relating to a Legal Settlement in the Period**
- **Home Sale Gross Margin of 23.3%, Up 60 Basis Points From Q1 2015**
- **Dollar Value of Net New Orders Increased 11% to \$1.8 Billion; Units Up 7% to 5,118 Homes**
- **Q2 Backlog of 8,998 Homes Valued at \$3.1 Billion, Highest Values Since 2007**
- **Company Repurchased \$213 Million of Stock and Retired \$238 Million of Debt in the Quarter**

ATLANTA - July 23, 2015 - PulteGroup, Inc. (NYSE: PHM) announced today financial results for its second quarter ended June 30, 2015. For the quarter, the Company reported net income of \$103 million, or \$0.28 per share, including a pretax benefit of \$27 million, or \$0.05 per share, resulting from a legal settlement in the period. Prior year net income of \$42 million, or \$0.11 per share, included pretax charges of \$88 million, or \$0.14 per share, for insurance reserves and office relocation costs.

“We are very pleased with market conditions as solid buyer demand helped to drive an 11% increase in the value of new orders to \$1.8 billion, our highest quarterly order value since 2007,” said Richard J. Dugas, Jr., Chairman, President and Chief Executive Officer of PulteGroup. “Within this positive demand environment, we continue to demonstrate disciplined capital allocation consistent with our Value Creation strategy by growing our land and community pipeline, while simultaneously paying down \$238 million of debt and returning \$243 million to shareholders through share repurchases and dividends.

“Demand trends experienced throughout the first half of 2015 demonstrate that the recovery in U.S. housing remains on track and continues to be supported by an improving economy, better employment, rising consumer confidence and a low interest rate environment. With our strong margins and a backlog of almost 9,000 sold homes to be built, PulteGroup is extremely well positioned to capitalize on these favorable conditions and continue delivering outstanding financial results in the coming quarters.”

Second Quarter Results

Home sale revenues for the second quarter totaled \$1.2 billion, which is unchanged from the prior year. Revenues for the period reflect a 1% increase in average selling price to \$332,000, offset by a 1% decrease in closings to 3,744 homes.

The Company’s second quarter home sale gross margin was 23.3%, an increase of 60 basis points from the first quarter of 2015 and a decrease of 30 basis points from the comparable prior year period. Homebuilding SG&A expense for the quarter was \$130 million, or 10.5% of home sale revenues, compared with \$230 million, or 18.4% last year. Second quarter 2015 SG&A includes a benefit of \$27 million relating to a legal settlement, whereas prior year SG&A included charges of \$88 million for insurance reserves and office relocation costs.

The value of net new orders for the second quarter increased 11% to \$1.8 billion. On a unit basis, net new orders for the period increased 7% to 5,118 homes. The Company operated out of 630 communities in the quarter, an increase of 7% from the second quarter of 2014.

PulteGroup's quarter-end backlog was 8,998 homes valued at \$3.1 billion, compared with a prior year backlog of 8,179 homes with a value of \$2.8 billion. The average price of homes in backlog was \$343,000 which is up 1% over last year and up 3% from the average selling price of homes delivered in the second quarter.

The Company's financial services operations reported second quarter pretax income of \$10 million compared with \$9 million in 2014. Mortgage capture rate for the quarter was 83%, compared with 80% in the prior year.

During the quarter, PulteGroup repurchased 10.7 million shares of common stock for \$213 million, or an average price of \$19.90 per share. The Company also used available cash to retire \$238 million of bonds which matured during the second quarter. The Company ended the period with \$478 million of cash.

A conference call discussing PulteGroup's second quarter 2015 results is scheduled for Thursday, July 23, 2015, at 8:30 a.m. Eastern Time. Interested investors can access the live webcast via PulteGroup's corporate website at www.pultegroupinc.com.

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,” “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; 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.

About PulteGroup

PulteGroup, Inc. (NYSE: PHM), based in Atlanta, GA, is one of America's largest homebuilding companies with operations in approximately 50 markets throughout the country. Through its brand portfolio that includes Centex, Pulte Homes, Del Webb and DiVosta Homes, the Company is one of the industry's most versatile homebuilders able to meet the needs of multiple buyer groups and respond to changing consumer demand. PulteGroup conducts extensive research to provide homebuyers with innovative solutions and consumer inspired homes and communities to make lives better.

For more information about PulteGroup, Inc. and PulteGroup brands, go to www.pultegroupinc.com; www.pulte.com; www.centex.com; www.delwebb.com and www.divosta.com.

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PulteGroup, Inc.
Consolidated Results of Operations
(\$000's omitted, except per share data)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|------------------|-------------------|-------------------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Revenues: | | | | |
| Homebuilding | | | | |
| Home sale revenues | \$ 1,243,077 | \$ 1,246,462 | \$ 2,331,235 | \$ 2,334,477 |
| Land sale revenues | 6,460 | 8,527 | 24,002 | 14,511 |
| | <u>1,249,537</u> | <u>1,254,989</u> | <u>2,355,237</u> | <u>2,348,988</u> |
| Financial Services | 30,754 | 31,198 | 58,352 | 56,093 |
| Total revenues | <u>1,280,291</u> | <u>1,286,187</u> | <u>2,413,589</u> | <u>2,405,081</u> |
| Homebuilding Cost of Revenues: | | | | |
| Home sale cost of revenues | 953,280 | 952,692 | 1,794,425 | 1,781,295 |
| Land sale cost of revenues | 5,312 | 6,832 | 18,691 | 11,843 |
| | <u>958,592</u> | <u>959,524</u> | <u>1,813,116</u> | <u>1,793,138</u> |
| Financial Services expenses | 20,767 | 22,114 | 43,308 | 25,436 |
| Selling, general and administrative expenses | 130,119 | 229,767 | 291,431 | 374,655 |
| Other expense, net | 4,998 | 9,324 | 6,134 | 23,155 |
| Interest income | (856) | (1,115) | (1,955) | (2,226) |
| Interest expense | 208 | 203 | 395 | 416 |
| Equity in earnings of unconsolidated entities | (1,164) | (1,311) | (2,271) | (7,202) |
| Income before income taxes | <u>167,627</u> | <u>67,681</u> | <u>263,431</u> | <u>197,709</u> |
| Income tax expense | 64,303 | 25,801 | 105,136 | 81,010 |
| Net income | <u>\$ 103,324</u> | <u>\$ 41,880</u> | <u>\$ 158,295</u> | <u>\$ 116,699</u> |
| Per share: | | | | |
| Basic earnings | <u>\$ 0.28</u> | <u>\$ 0.11</u> | <u>\$ 0.43</u> | <u>\$ 0.31</u> |
| Diluted earnings | <u>\$ 0.28</u> | <u>\$ 0.11</u> | <u>\$ 0.43</u> | <u>\$ 0.30</u> |
| Cash dividends declared | <u>\$ 0.08</u> | <u>\$ 0.05</u> | <u>\$ 0.16</u> | <u>\$ 0.10</u> |
| Number of shares used in calculation: | | | | |
| Basic | 361,009 | 376,072 | 363,863 | 377,410 |
| Effect of dilutive securities | 3,232 | 3,592 | 3,297 | 3,703 |
| Diluted | <u>364,241</u> | <u>379,664</u> | <u>367,160</u> | <u>381,113</u> |

PulteGroup, Inc.
Condensed Consolidated Balance Sheets
(\$000's omitted)
(Unaudited)

| | June 30, 2015 | December 31, 2014 |
|---|--------------------------|------------------------------|
| | | |
| ASSETS | | |
| Cash and equivalents | \$ 460,361 | \$ 1,292,862 |
| Restricted cash | 17,174 | 16,358 |
| House and land inventory | 4,888,560 | 4,392,100 |
| Land held for sale | 88,513 | 101,190 |
| Land, not owned, under option agreements | 98,264 | 30,186 |
| Residential mortgage loans available-for-sale | 269,544 | 339,531 |
| Investments in unconsolidated entities | 40,232 | 40,368 |
| Other assets | 561,034 | 513,032 |
| Intangible assets | 116,665 | 123,115 |
| Deferred tax assets, net | 1,617,609 | 1,720,668 |
| | \$ 8,157,956 | \$ 8,569,410 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Liabilities: | | |
| Accounts payable | \$ 290,436 | \$ 270,516 |
| Customer deposits | 217,315 | 142,642 |
| Accrued and other liabilities | 1,292,321 | 1,343,774 |
| Income tax liabilities | 48,774 | 48,722 |
| Financial Services debt | 119,271 | 140,241 |
| Senior notes | 1,583,580 | 1,818,561 |
| | 3,551,697 | 3,764,456 |
| Shareholders' equity | 4,606,259 | 4,804,954 |
| | \$ 8,157,956 | \$ 8,569,410 |

PulteGroup, Inc.
Consolidated Statements of Cash Flows
(\$000's omitted)
(Unaudited)

| | Six Months Ended | |
|---|-------------------------|--------------|
| | June 30, | |
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Net income | \$ 158,295 | \$ 116,699 |
| Adjustments to reconcile net income to net cash flows provided by (used in) operating activities: | | |
| Deferred income tax expense | 103,059 | 85,028 |
| Depreciation and amortization | 21,853 | 18,904 |
| Share-based compensation expense | 14,654 | 16,797 |
| Equity in earnings of unconsolidated entities | (2,271) | (7,202) |
| Distributions of earnings from unconsolidated entities | 1,500 | 4,777 |
| Loss on debt retirements | — | 8,584 |
| Other non-cash, net | 10,090 | 6,649 |
| Increase (decrease) in cash due to: | | |
| Restricted cash | (4,526) | (726) |
| Inventories | (485,676) | (249,861) |
| Residential mortgage loans available-for-sale | 70,123 | 64,672 |
| Other assets | (57,054) | (15,709) |
| Accounts payable, accrued and other liabilities | (21,202) | 38,539 |
| Income tax liabilities | 52 | (12,869) |
| Net cash provided by (used in) operating activities | (191,103) | 74,282 |
| Cash flows from investing activities: | | |
| Distributions from unconsolidated entities | 906 | 7,577 |
| Investments in unconsolidated entities | — | (9) |
| Net change in loans held for investment | 9,634 | (6,791) |
| Change in restricted cash related to letters of credit | 3,710 | (28,166) |
| Proceeds from the sale of property and equipment | 400 | 98 |
| Capital expenditures | (23,115) | (33,021) |
| Net cash provided by (used in) investing activities | (8,465) | (60,312) |
| Cash flows from financing activities: | | |
| Financial Services borrowings (repayments) | (20,970) | (47,158) |
| Other borrowings (repayments) | (237,994) | (240,133) |
| Stock option exercises | 7,222 | 5,789 |
| Share repurchases | (322,066) | (103,711) |
| Dividends paid | (59,125) | (38,152) |
| Net cash provided by (used in) financing activities | (632,933) | (423,365) |
| Net increase (decrease) in cash and equivalents | (832,501) | (409,395) |
| Cash and equivalents at beginning of period | 1,292,862 | 1,580,329 |
| Cash and equivalents at end of period | \$ 460,361 | \$ 1,170,934 |
| Supplemental Cash Flow Information: | | |
| Interest paid (capitalized), net | \$ (1,911) | \$ (328) |
| Income taxes paid (refunded), net | \$ (1,685) | \$ (2,487) |

PulteGroup, Inc.
Segment Data
(\$000's omitted)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|------------------|-------------------------|-------------------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| HOMEBUILDING: | | | | |
| Home sale revenues | \$ 1,243,077 | \$ 1,246,462 | \$ 2,331,235 | \$ 2,334,477 |
| Land sale revenues | 6,460 | 8,527 | 24,002 | 14,511 |
| Total Homebuilding revenues | <u>1,249,537</u> | <u>1,254,989</u> | <u>2,355,237</u> | <u>2,348,988</u> |
| Home sale cost of revenues | 953,280 | 952,692 | 1,794,425 | 1,781,295 |
| Land sale cost of revenues | 5,312 | 6,832 | 18,691 | 11,843 |
| Selling, general and administrative expenses | 130,119 | 229,767 | 291,431 | 374,655 |
| Equity in earnings of unconsolidated entities | (1,164) | (1,287) | (2,271) | (7,157) |
| Other expense, net | 4,998 | 9,324 | 6,134 | 23,155 |
| Interest income, net | (648) | (912) | (1,560) | (1,810) |
| Income before income taxes | <u>\$ 157,640</u> | <u>\$ 58,573</u> | <u>\$ 248,387</u> | <u>\$ 167,007</u> |
| FINANCIAL SERVICES: | | | | |
| Income before income taxes | <u>\$ 9,987</u> | <u>\$ 9,108</u> | <u>\$ 15,044</u> | <u>\$ 30,702</u> |
| CONSOLIDATED: | | | | |
| Income before income taxes | <u>\$ 167,627</u> | <u>\$ 67,681</u> | <u>\$ 263,431</u> | <u>\$ 197,709</u> |

PulteGroup, Inc.
Segment Data, continued
(\$000's omitted)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Home sale revenues | \$ 1,243,077 | \$ 1,246,462 | \$ 2,331,235 | \$ 2,334,477 |
| Closings - units | | | | |
| Northeast | 316 | 346 | 564 | 689 |
| Southeast | 772 | 785 | 1,384 | 1,432 |
| Florida | 597 | 623 | 1,198 | 1,190 |
| Texas | 754 | 885 | 1,500 | 1,666 |
| North | 828 | 678 | 1,563 | 1,308 |
| Southwest | 477 | 481 | 900 | 949 |
| | <u>3,744</u> | <u>3,798</u> | <u>7,109</u> | <u>7,234</u> |
| Average selling price | <u>\$ 332</u> | <u>\$ 328</u> | <u>\$ 328</u> | <u>\$ 323</u> |
| Net new orders - units | | | | |
| Northeast | 443 | 380 | 880 | 824 |
| Southeast | 1,041 | 880 | 1,979 | 1,704 |
| Florida | 805 | 774 | 1,716 | 1,624 |
| Texas | 993 | 1,139 | 2,110 | 2,311 |
| North | 1,084 | 988 | 2,080 | 1,880 |
| Southwest | 752 | 617 | 1,492 | 1,298 |
| | <u>5,118</u> | <u>4,778</u> | <u>10,257</u> | <u>9,641</u> |
| Net new orders - dollars (a) | <u>\$ 1,766,848</u> | <u>\$ 1,594,408</u> | <u>\$ 3,475,238</u> | <u>\$ 3,202,814</u> |
| Unit backlog | | | | |
| Northeast | | | 777 | 756 |
| Southeast | | | 1,563 | 1,325 |
| Florida | | | 1,520 | 1,347 |
| Texas | | | 1,883 | 1,895 |
| North | | | 1,979 | 1,785 |
| Southwest | | | 1,276 | 1,071 |
| | | | <u>8,998</u> | <u>8,179</u> |
| Dollars in backlog | | | <u>\$ 3,087,862</u> | <u>\$ 2,770,134</u> |

(a) Net new order dollars represent a composite of new order dollars combined with other movements of the dollars in backlog related to cancellations and change orders.

PulteGroup, Inc.
Segment Data, continued
(\$000's omitted)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|------------------------|---------------------------|-------------|-------------------------|--------------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| MORTGAGE ORIGINATIONS: | | | | |
| Origination volume | 2,507 | 2,469 | 4,623 | 4,583 |
| Origination principal | \$ 635,153 | \$ 597,273 | \$ 1,149,941 | \$ 1,092,802 |
| Capture rate | 83.4% | 80.3% | 82.5% | 79.3% |

Supplemental Data
(\$000's omitted)
(Unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|---------------------------|-------------|-------------------------|-------------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Interest in inventory, beginning of period | \$ 166,887 | \$ 225,619 | \$ 167,638 | \$ 230,922 |
| Interest capitalized | 31,296 | 31,455 | 62,099 | 66,768 |
| Interest expensed | (33,799) | (46,471) | (65,353) | (87,087) |
| Interest in inventory, end of period | \$ 164,384 | \$ 210,603 | \$ 164,384 | \$ 210,603 |