

CENTEX CORP  
Form DEFM14A  
July 20, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.     )

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Centex Corporation**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
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**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Pulte Homes, Inc. and Centex Corporation have agreed to a merger that combines Pulte and Centex, subject to approval of Pulte's shareholders and Centex's stockholders and other customary closing conditions. If the proposed merger is completed, each outstanding share of Centex common stock (other than those shares held by Pulte or its merger subsidiary Pi Nevada Building Company, and other than treasury shares) will be converted into the right to receive 0.975 of a share of Pulte common stock. Certain directors and officers of Pulte, including Pulte's founder and chairman William J. Pulte, and certain directors and officers of Centex entered into voting agreements pursuant to which they have agreed to vote their shares of Pulte or Centex, as applicable, in support of the transaction.

In the merger, Pulte expects to issue approximately 128.1 million shares of Pulte common stock to Centex stockholders, based on Centex's shares of common stock and equity awards outstanding as of July 10, 2009. Immediately following the merger, current Centex stockholders are expected to own approximately 32.1%, and current Pulte shareholders are expected to own approximately 67.9%, of the outstanding shares of Pulte common stock. The merger will have no effect on the number of shares owned by existing Pulte shareholders. The 0.975 exchange ratio is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed. Pulte common stock is traded on the New York Stock Exchange under the trading symbol PHM. On July 17, 2009, Pulte common stock closed at \$9.14 per share as reported on the New York Stock Exchange.

The completion of the merger is conditioned upon Pulte's shareholders approving the issuance of shares of Pulte common stock to Centex stockholders in the merger and the amendment of Pulte's Restated Articles of Incorporation to increase the total number of authorized shares of common stock, and Centex's stockholders approving the merger agreement. **The boards of directors of Pulte and Centex unanimously recommend that their respective shareholders and stockholders vote FOR the proposals before them.**

The proposals are being presented to the respective shareholders and stockholders of each company at their special meetings. The dates, times and places of the meetings are as follows:

For Pulte shareholders:  
August 18, 2009, 10:00 a.m., local time, at  
Auburn Hills Marriott Pontiac at Centerpoint  
3600 Centerpoint Parkway  
Pontiac, Michigan 48341

For Centex stockholders:  
August 18, 2009, 11:00 a.m., local time, at  
Centex Corporation, 10th Floor  
2728 N. Harwood Street  
Dallas, Texas 75201

**Your vote is very important.** Whether or not you plan to attend your company's special meeting, please take the time to vote by completing and mailing the enclosed proxy card or voting instruction card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone.

This joint proxy statement/prospectus contains important information about Pulte, Centex, the merger agreement, the proposed merger and the special meetings. **We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled Risk Factors beginning on page 19.**

Sincerely,

Richard J. Dugas, Jr.  
President and Chief Executive Officer  
Pulte Homes, Inc.

Timothy R. Eller  
Chairman and Chief Executive Officer  
Centex Corporation

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the transactions described in this joint proxy statement/prospectus or the securities to be issued pursuant to the merger or determined if the information contained in this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated July 17, 2009, and is being mailed to Pulte shareholders and Centex stockholders on or about July 21, 2009.

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**PULTE HOMES, INC.**  
**100 Bloomfield Hills Parkway, Suite 300**  
**Bloomfield Hills, Michigan 48304**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON AUGUST 18, 2009**

To the Shareholders of Pulte Homes, Inc.:

We will hold a special meeting of shareholders of Pulte at the Auburn Hills Marriott Pontiac at Centerpoint, located at 3600 Centerpoint Parkway, Pontiac, Michigan, on August 18, 2009, at 10:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Pulte common stock pursuant to the Agreement and Plan of Merger, dated as of April 7, 2009, by and among Pulte, a wholly owned subsidiary of Pulte and Centex Corporation.
2. To consider and vote upon a proposal to amend the Pulte Restated Articles of Incorporation to increase the total number of shares of common stock that Pulte is authorized to issue from 400,000,000 to 500,000,000.
3. To consider and vote upon a proposal to amend the Pulte Restated Articles of Incorporation to change Pulte's corporate name to PulteGroup, Inc.
4. To consider and vote upon a proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of proposal 1 or 2.
5. To transact any other business as may properly come before the special meeting.

Only Pulte shareholders of record at the close of business on July 10, 2009, the record date for the special meeting, are entitled to notice of and to vote at the special meeting.

**The Pulte board of directors unanimously recommends that you vote FOR the approval of the issuance of shares of Pulte common stock in the merger, FOR the amendment of Pulte's Restated Articles of Incorporation to increase the number of authorized shares of common stock, FOR the amendment of Pulte's Restated Articles of Incorporation to change Pulte's corporate name and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of proposal 1 or 2.**

A list of shareholders eligible to vote at the Pulte special meeting will be available for inspection at the special meeting.

**Your vote is very important.** It is important that your shares be represented and voted whether or not you plan to attend the special meeting in person. Instructions regarding the different methods for voting your shares are provided under the section entitled Questions and Answers About the Special Meetings of Pulte Shareholders and Centex Stockholders beginning on page iv.

By Order of the Board of Directors,

Richard J. Dugas, Jr.  
President and Chief Executive Officer  
Pulte Homes, Inc.

July 17, 2009

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**CENTEX CORPORATION**  
**2728 N. Harwood Street**  
**Dallas, Texas 75201**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON AUGUST 18, 2009**

To the Stockholders of Centex Corporation:

We will hold a special meeting of stockholders of Centex on the 10th floor of our headquarters building, located at 2728 N. Harwood Street, Dallas, Texas, on August 18, 2009, at 11:00 a.m., local time, for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of April 7, 2009, by and among Centex, Pulte Homes, Inc. and a wholly owned subsidiary of Pulte Homes, Inc.
2. To consider and vote upon a proposal to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing.
3. To transact any other business as may properly come before the special meeting.

Only Centex stockholders of record at the close of business on July 10, 2009, the record date for the special meeting, are entitled to notice of and to vote at the special meeting.

**The Centex board of directors unanimously recommends that you vote FOR the approval of the Agreement and Plan of Merger and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of the foregoing.**

A list of stockholders eligible to vote at the Centex special meeting will be available for inspection at the special meeting, and at the executive offices of Centex during regular business hours for a period of no less than ten days prior to the special meeting.

**Your vote is very important.** It is important that your shares be represented and voted whether or not you plan to attend the special meeting in person. Instructions regarding the different methods for voting your shares are provided under the section entitled Questions and Answers About the Special Meetings of Pulte Shareholders and Centex Stockholders beginning on page iv.

By Order of the Board of Directors,

Timothy R. Eller  
Chairman and Chief Executive Officer  
Centex Corporation

July 17, 2009

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### ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about Pulte and Centex from documents that are not included in or delivered with this joint proxy statement/prospectus. For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see [Additional Information](#) [Where You Can Find More Information](#) beginning on page 134.

You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus without charge from Pulte or Centex, as applicable, or from the Securities and Exchange Commission, which we refer to as the SEC, through the SEC's website at [www.sec.gov](http://www.sec.gov). Pulte shareholders and Centex stockholders may request a copy of such documents in writing or by telephone by contacting:

Pulte Homes, Inc.  
100 Bloomfield Hills Parkway, Suite 300  
Bloomfield Hills, Michigan 48304  
Attn.: Investor Relations  
(248) 647-2750

Centex Corporation  
P.O. Box 199000  
Dallas, Texas 75219-9000  
Attn.: Investor Relations  
(214) 981-5000

In addition, you may obtain copies of some of this information by accessing Pulte's website at [www.pulte.com](http://www.pulte.com) under the heading [Investor Relations](#) and then under the link [SEC Filings](#).

You may also obtain copies of some of this information by accessing Centex's website at [www.centex.com](http://www.centex.com) under the heading [Investors](#), under the link [Financials](#), and then under the link [SEC Filings](#).

We are not incorporating the contents of the websites of the SEC, Pulte, Centex or any other entity into this joint proxy statement/prospectus. We are providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/prospectus at these websites only for your convenience.

**In order for you to receive timely delivery of the documents in advance of the respective Pulte and Centex special meetings, Pulte or Centex, as applicable, must receive your request no later than 5 days prior to the date of your company's special meeting.**

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**QUESTIONS AND ANSWERS ABOUT  
THE SPECIAL MEETINGS OF PULTE SHAREHOLDERS AND CENTEX STOCKHOLDERS**

*The following are some questions that you, as a shareholder of Pulte or as a stockholder of Centex, may have regarding the special meeting of Pulte shareholders, which we refer to as the Pulte special meeting, or the special meeting of Centex stockholders, which we refer to as the Centex special meeting, and brief answers to those questions. For more detailed information about the matters discussed in these questions and answers, see *The Pulte Special Meeting* beginning on page 28 and *The Centex Special Meeting* beginning on page 33. Pulte and Centex encourage you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the other matters being considered at the Pulte special meeting or the Centex special meeting. Additional important information is also contained in the Annexes to and in the documents incorporated by reference into this joint proxy statement/prospectus.*

**Q: When and where will the special meetings of the Pulte shareholders and Centex stockholders be held?**

A: The Pulte special meeting will take place at the Auburn Hills Marriott Pontiac at Centerpoint, 3600 Centerpoint Parkway, Pontiac, Michigan, on August 18, 2009, at 10:00 a.m., local time.

The Centex special meeting will take place on the 10th floor of Centex's headquarters building, 2728 N. Harwood Street, Dallas, Texas, on August 18, 2009, at 11:00 a.m., local time.

**Q: Who can attend and vote at the special meetings?**

A: Only holders of record of Pulte common stock at the close of business on July 10, 2009, which we refer to as the Pulte record date, are entitled to notice of and to vote at the Pulte special meeting. As of the Pulte record date, there were 258,603,672 shares of Pulte common stock outstanding and entitled to vote at the Pulte special meeting, held by 1,760 holders of record. Each holder of Pulte common stock is entitled to one vote for each share of Pulte common stock owned as of the Pulte record date.

Only holders of record of Centex common stock at the close of business on July 10, 2009, which we refer to as the Centex record date, are entitled to notice of and to vote at the Centex special meeting. As of the Centex record date, there were 125,319,612 shares of Centex common stock outstanding and entitled to vote at the Centex special meeting, held by 2,893 holders of record. Each holder of Centex common stock is entitled to one vote for each share of Centex common stock owned as of the Centex record date.

**Q: What are Pulte shareholders voting to approve and why is this approval necessary?**

A: Pulte shareholders are voting on a proposal to approve the issuance of shares of Pulte common stock pursuant to the Agreement and Plan of Merger, dated as of April 7, 2009, by and among Pulte, Pi Nevada Building Company, a wholly owned subsidiary of Pulte, and Centex, which we refer to as the Merger Agreement. The approval by Pulte shareholders of this proposal, which we refer to as the proposal to approve the issuance of shares in the merger, is required by the listing requirements of the New York Stock Exchange, which we refer to as the NYSE, and is a condition to the completion of the merger. Based on the number of shares of Centex common stock and Centex equity awards outstanding as of the Pulte record date, Pulte expects to issue up to approximately 128.1 million shares of Pulte common stock pursuant to the Merger Agreement.

Pulte shareholders are also voting on a proposal to amend Pulte's Restated Articles of Incorporation to increase the number of authorized shares of Pulte common stock from 400,000,000 to 500,000,000. The approval by Pulte shareholders of this proposal, which we refer to as the proposal to approve the charter amendment to increase the number of authorized shares of common stock, is required so that Pulte has sufficient authorized shares of common stock to issue in the merger and for other corporate purposes and is also a condition to the completion of the merger. If the proposal to approve the charter amendment to increase the number of authorized shares of common stock is not approved by Pulte's shareholders, the

merger will not be completed even if the proposal to approve the issuance of shares in the merger is approved by Pulte's shareholders. If the proposal to approve the charter amendment to increase the number of authorized shares of common stock is approved by Pulte's shareholders, Pulte expects to file the certificate of amendment to Pulte's Restated Articles of Incorporation reflecting the increased number of authorized shares of common stock with the Michigan Department of Energy, Labor and Economic Growth immediately prior to the completion of the merger, but if the Merger Agreement is terminated (and the merger is not completed), Pulte will not file the certificate of amendment reflecting the increased number of authorized shares of common stock and the amendment will not become effective. If Pulte so files the certificate of amendment and the merger is not completed, Pulte reserves the right to abandon the amendment in accordance with the provisions of the Michigan Business Corporation Act, which we refer to as the MBCA.

Pulte shareholders are also voting on a proposal to amend Pulte's Restated Articles of Incorporation to change Pulte's corporate name from Pulte Homes, Inc. to PulteGroup, Inc. Pulte believes that the new corporate name will better reflect the company's new branding strategy, which it expects to implement in the months following the Pulte special meeting, whether or not the merger is completed. The approval by Pulte shareholders of this proposal, which we refer to as the proposal to approve the charter amendment to change Pulte's corporate name, is not a condition to the completion of the merger. Subject to approval of this proposal by Pulte's shareholders, Pulte intends to change its corporate name regardless of whether or not the merger is completed. Accordingly, if the proposal to approve the charter amendment to change Pulte's corporate name is approved by Pulte's shareholders, Pulte would file a certificate of amendment to Pulte's Restated Articles of Incorporation reflecting the change of Pulte's corporate name with the Michigan Department of Energy, Labor and Economic Growth at the appropriate time during the implementation of its new branding strategy.

Pulte shareholders are also voting on a proposal to adjourn the Pulte special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Pulte special meeting in favor of the proposal to approve the issuance of shares in the merger or the proposal to approve the charter amendment to increase the number of authorized shares of common stock. The approval by Pulte shareholders of this proposal, which we refer to as the Pulte meeting adjournment proposal, is not a condition to the completion of the merger.

**Q: What are Centex stockholders voting to approve and why is this approval necessary?**

A: Centex stockholders are voting on a proposal to approve the Merger Agreement. The approval by Centex stockholders of this proposal, which we refer to as the proposal to approve the Merger Agreement, is required by Nevada law and is a condition to the completion of the merger. Centex stockholders are also voting on a proposal to adjourn the Centex special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the Centex special meeting in favor of the proposal to approve the Merger Agreement. The approval by Centex stockholders of this proposal, which we refer to as the Centex meeting adjournment proposal, is not a condition to the completion of the merger.

**Q: What vote of Pulte shareholders is required to approve the proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock, the proposal to approve the charter amendment to change Pulte's corporate name and the Pulte meeting adjournment proposal?**

A: In accordance with NYSE listing requirements, the approval by Pulte shareholders of the proposal to approve the issuance of shares in the merger requires a majority of the votes cast on the proposal, provided that the total votes cast on this proposal represent over 50% of the outstanding shares of Pulte common stock entitled to vote on this proposal. In accordance with Michigan law, the approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the charter amendment to

change Pulte's corporate name each requires the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment and the approval of the Pulte meeting adjournment proposal requires the affirmative vote of the holders of a majority of the shares

of Pulte common stock present in person or represented by proxy at the Pulte special meeting and entitled to vote thereon, whether or not a quorum is present.

**Q: What vote of Centex stockholders is required to approve the proposal to approve the Merger Agreement and the Centex meeting adjournment proposal?**

A: In accordance with Nevada law, the approval by Centex stockholders of the proposal to approve the Merger Agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Centex common stock entitled to vote at the Centex special meeting and the approval of the Centex meeting adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Centex common stock present in person or represented by proxy at the Centex special meeting and entitled to vote thereon, whether or not a quorum is present.

**Q: How does the Pulte board of directors recommend that Pulte shareholders vote?**

A: The Pulte board of directors has determined that it is in the best interests of Pulte and its shareholders, and declared it advisable, to enter into the Merger Agreement. Accordingly, the Pulte board of directors has approved the Merger Agreement and the completion of the transactions contemplated thereby, including the merger. The Pulte board of directors unanimously recommends that Pulte shareholders vote **FOR** the proposal to approve the issuance of shares in the merger, **FOR** the proposal to approve the charter amendment to increase the number of authorized shares of common stock, **FOR** the proposal to approve the charter amendment to change Pulte's corporate name and **FOR** the Pulte meeting adjournment proposal.

**Q: How does the Centex board of directors recommend that Centex stockholders vote?**

A: The Centex board of directors has determined that it is in the best interests of Centex and its stockholders, and declared it advisable, to enter into the Merger Agreement. Accordingly, the Centex board of directors has approved the Merger Agreement and the completion of the transactions contemplated thereby, including the merger. The Centex board of directors unanimously recommends that Centex stockholders vote **FOR** the proposal to approve the Merger Agreement and **FOR** the Centex meeting adjournment proposal.

**Q: What should Pulte shareholders and Centex stockholders do now in order to vote on the proposals being considered at their company's special meeting?**

A: Shareholders of record of Pulte as of the Pulte record date and stockholders of record of Centex as of the Centex record date may vote now by proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage-paid envelope or by submitting a proxy over the Internet or by telephone by following the instructions on the enclosed proxy card. If you hold Pulte shares or Centex shares in street name, which means your shares are held of record by a broker, bank or nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please refer to the voting instruction card used by your broker, bank or nominee to see if you may submit voting instructions using the Internet or telephone.

Additionally, you may also vote in person by attending your company's special meeting. If you plan to attend your company's special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, and you wish to vote in person at your company's special meeting, you must bring a proxy from the record holder of the shares authorizing you to vote at the special meeting. Whether or not you plan to attend your company's special meeting, you are encouraged to grant your proxy as described in this joint proxy statement/prospectus.

**Q: What will happen if I abstain from voting, fail to vote or do not direct how to vote on my proxy?**

A: The failure of a Pulte shareholder or a Centex stockholder to vote or to instruct his or her broker to vote if his or her shares are held in street name may have a negative effect on the ability of Pulte or Centex, as applicable, to obtain the number of votes necessary for approval of the proposals.

For purposes of the Pulte shareholder vote, an abstention, which occurs when a shareholder attends a meeting, either in person or by proxy, but abstains from voting, will have the same effect as voting against the

proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the charter amendment to change Pulte's corporate name, but will not affect the Pulte meeting adjournment proposal. The failure of a Pulte shareholder to vote or to instruct his or her broker, bank or nominee to vote if his or her shares are held in street name will have the same effect as voting against the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the charter amendment to change Pulte's corporate name, but will not similarly affect the proposal to approve the issuance of shares in the merger or the Pulte meeting adjournment proposal. All properly signed proxies that are received prior to the Pulte special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted **FOR** the proposal to approve the issuance of shares in the merger, **FOR** the proposal to approve the charter amendment to increase the number of authorized shares of common stock, **FOR** the proposal to approve the charter amendment to change Pulte's corporate name and **FOR** the Pulte meeting adjournment proposal.

For purposes of the Centex stockholder vote, an abstention or the failure of a Centex stockholder to vote or to instruct his or her broker, bank or nominee to vote if his or her shares are held in street name will have the same effect as voting against the proposal to approve the Merger Agreement but will not similarly affect the Centex meeting adjournment proposal. All properly signed proxies that are received prior to the Centex special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted **FOR** the proposal to approve the Merger Agreement and **FOR** the Centex meeting adjournment proposal.

**Q: Can I change my vote after I have delivered my proxy?**

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the special meeting by:

delivering a signed written notice of revocation to the corporate secretary of your company at:

Pulte Homes, Inc.  
100 Bloomfield Hills Parkway, Suite 300  
Bloomfield Hills, Michigan 48304  
Attn.: Corporate Secretary

Centex Corporation  
2728 N. Harwood Street  
Dallas, Texas 75201  
Attn.: Corporate Secretary

signing and delivering a new, valid proxy bearing a later date and, if it is a written proxy, it must be signed and delivered to the attention of your company's corporate secretary;

submitting another proxy by telephone or on the Internet (your latest telephone or Internet voting instructions will be followed); or

attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.

If your shares are held in a street name account, you must contact your broker, bank or other nominee to change your vote.

**Q: What should Pulte shareholders or Centex stockholders do if they receive more than one set of voting materials?**

- A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are both a shareholder of Pulte and a stockholder of Centex, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

**Q: Should Centex stockholders send in their Centex stock certificates now?**

A: No. After the merger is completed, Centex stockholders will be sent written instructions for exchanging their shares of Centex common stock for shares of Pulte common stock.

**Q: Who can help answer my questions?**

A: If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

If you are a Pulte shareholder:

or

Pulte Homes, Inc.  
100 Bloomfield Hills Parkway, Suite 300  
Bloomfield Hills, Michigan 48304  
Attn.: Investor Relations  
(248) 647-2750

D.F. King & Co., Inc.  
48 Wall Street, 22nd Floor  
New York, New York 10005  
(800) 714-3313 (toll-free)  
(212) 269-5550 (collect)  
pulteproxy@dfking.com

If you are a Centex stockholder:

or

Centex Corporation  
P.O. Box 199000  
Dallas, Texas 75219-9000  
Attn.: Investor Relations  
(214) 981-5000

Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, New York 10022  
(877) 717-3930 (toll-free)  
(212) 750-5833 (collect for banks and brokers)  
info@innisfreema.com  
(for material requests only)

## SUMMARY

*The following is a summary that highlights information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that may be important to you. For a more complete description of the Merger Agreement and the transactions contemplated by the Merger Agreement, including the merger, the issuance of shares in the merger and the charter amendment to increase the number of authorized shares of common stock, we encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes. In addition, we encourage you to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about Pulte and Centex that has been filed with the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled "Additional Information Where You Can Find More Information" beginning on page 134.*

### **The Companies**

#### *Pulte Homes, Inc.*

100 Bloomfield Hills Parkway, Suite 300  
Bloomfield Hills, Michigan 48304  
(248) 647-2750

Pulte, a Michigan corporation organized in 1956, is a publicly held holding company whose subsidiaries engage in the homebuilding and financial services businesses. Pulte's assets consist principally of the capital stock of its subsidiaries and its income primarily consists of dividends from its subsidiaries. Its direct subsidiaries include Pulte Diversified Companies, Inc., Del Webb Corporation and other subsidiaries engaged in the homebuilding business. Pulte Diversified Companies, Inc.'s operating subsidiaries include Pulte Home Corporation, Pulte International Corporation and other subsidiaries engaged in the homebuilding business. Pulte also has a mortgage banking company, Pulte Mortgage LLC, which is a subsidiary of Pulte Home Corporation. Pulte common stock is traded on the NYSE under the symbol PHM.

#### *Pi Nevada Building Company*

100 Bloomfield Hills Parkway, Suite 300  
Bloomfield Hills, Michigan 48304  
(248) 647-2750

Pi Nevada Building Company is a direct wholly owned subsidiary of Pulte and was formed solely for the purpose of consummating the merger. Pi Nevada Building Company has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the merger.

#### *Centex Corporation*

2728 N. Harwood Street  
Dallas, Texas 75201  
(214) 981-5000

Centex, a Nevada corporation, was founded in 1950 as a Dallas, Texas-based residential construction company. Subsequently, Centex expanded its business to include a broad range of activities related to construction, construction products and financing, but has more recently refocused operations on residential construction and related activities, including mortgage financing to Centex's homebuyers. Centex's subsidiary companies operate in two principal lines of

business: Home Building and Financial Services. Home Building's operations currently involve the construction and sale of detached and attached single-family homes. The land used for the construction of Centex's homes is acquired through the purchase of finished or partially finished lots and through the purchase of raw land that must be developed. Financial Services' operations consist primarily of mortgage lending, title agency services and the sale of title insurance. These activities include mortgage origination and other related services for homes sold by Centex's subsidiaries and others. Centex has been in the mortgage lending business since 1973. Centex common stock is traded on the NYSE under the symbol CTX.

## **The Merger (see page 37)**

Pulte and Centex have agreed to combine under the terms and conditions set forth in the Merger Agreement, which we describe in this joint proxy statement/prospectus. Pursuant to the Merger Agreement, Pi Nevada Building Company, a wholly owned subsidiary of Pulte, will merge with and into Centex, with Centex continuing as the surviving corporation and a wholly owned subsidiary of Pulte. We have attached the Merger Agreement as Annex A to this joint proxy statement/prospectus. We encourage you to carefully read the Merger Agreement in its entirety. We currently expect that the merger will be completed during the third quarter of 2009. However, we cannot predict the actual timing.

### ***Merger Consideration***

If you are a Centex stockholder, upon completion of the merger, each of your shares of Centex common stock (including the associated preferred share purchase rights granted under Centex's stockholder rights agreement) will be converted into the right to receive 0.975 of a share of Pulte common stock (including the associated preferred share purchase rights granted under Pulte's shareholder rights agreement), which we refer to as the exchange ratio. The exchange ratio is fixed, which means that it is not subject to adjustment. Unless otherwise indicated or the context otherwise requires, all references in this document to shares of Pulte common stock to be received in the transaction include the associated Pulte preferred share purchase rights. We refer to the consideration to be paid to the Centex stockholders by Pulte as the merger consideration. The merger will have no effect on the number of shares of Pulte common stock owned by existing Pulte shareholders.

Pulte will not issue fractional shares of Pulte common stock in the merger. As a result, a Centex stockholder will receive cash for any fractional share of Pulte common stock that they would otherwise be entitled to receive in the merger, which is the only merger consideration payable in cash by Pulte in connection with the proposed merger. For a full description of the treatment of fractional shares, see *The Merger Agreement - Fractional Shares* beginning on page 76.

### ***Centex Equity Awards***

#### ***Stock Options***

Upon completion of the merger, each outstanding Centex stock option granted under a Centex stock plan, whether vested or unvested, will be converted into a vested option to purchase Pulte common stock on the same terms and conditions (except for vesting conditions) as were applicable to such Centex stock option, with adjustments to the number of shares subject to the option and the exercise price per share applicable to the option to reflect the exchange ratio. Pursuant to the Merger Agreement, if the Centex stock option was granted to an employee with an exercise price less than \$40.00 per share, the converted, vested Pulte stock option will provide that, if the option holder experiences a severance-qualifying termination of employment during the two-year period following the merger, the stock option will remain exercisable until the later of (1) the third anniversary of the date of the termination of employment and (2) the date on which the option would cease to be exercisable in accordance with its terms (or, in either case, if earlier, the expiration of the scheduled term of the option).

#### ***Restricted Shares and Restricted or Deferred Stock Units***

Upon completion of the merger, each outstanding award of restricted shares of, or restricted or deferred stock units with respect to, Centex common stock granted under a Centex stock plan will vest and be converted into a number of

shares of, or units or deferred units with respect to, Pulte common stock on the same terms and conditions (except for vesting conditions) as were applicable to such award, with adjustments to the number of shares of, or units or deferred units with respect to, Pulte common stock to reflect the exchange ratio, except for restricted stock and restricted stock units granted as long-term incentive awards under the Centex equity compensation plans after execution of the Merger Agreement and before the completion of the merger which will not vest upon completion of the merger.

### *Performance Units*

Immediately prior to the completion of the merger, each outstanding award of performance units granted under a Centex stock plan will vest and be converted into the right to receive from Centex an amount in cash equal to the fair market value of a share of Centex common stock on the day immediately prior to the completion of the merger multiplied by the number of shares of Centex common stock subject to such award (assuming the achievement of all applicable performance goals at target levels). Such payments represent settlement of compensatory awards and do not constitute merger consideration.

### **Share Ownership of Directors and Executive Officers**

At the close of business on the Pulte record date, directors and executive officers of Pulte and their affiliates owned and were entitled to vote 44,652,780 shares of Pulte common stock, collectively representing approximately 17.27% of the shares of Pulte common stock outstanding on that date. Certain directors and officers of Pulte, including Pulte's founder and current chairman William J. Pulte, entered into voting agreements pursuant to which they have agreed to vote their shares of Pulte in support of the proposals to be considered at the Pulte special meeting.

At the close of business on the Centex record date, directors and executive officers of Centex and their affiliates owned and were entitled to vote 2,199,199 shares of Centex common stock, collectively representing 1.75% of the shares of Centex common stock outstanding on that date. Certain directors and officers of Centex entered into voting agreements pursuant to which they have agreed to vote their shares of Centex in support of the proposals to be considered at the Centex special meeting.

### **Recommendation of the Pulte Board of Directors and Its Reasons for the Merger (see page 45)**

After careful consideration, the Pulte board of directors unanimously approved the Merger Agreement on April 7, 2009. **The Pulte board of directors unanimously recommends that Pulte shareholders vote FOR the proposal to approve the issuance of shares in the merger, FOR the proposal to approve the charter amendment to increase the number of authorized shares of common stock, FOR the proposal to approve the charter amendment to change Pulte's corporate name and FOR the Pulte meeting adjournment proposal at the Pulte special meeting.**

For the factors considered by the Pulte board of directors in reaching its decision to approve the Merger Agreement as well as the Pulte board of directors' reasons for, and certain risks related to, the merger, see The Merger Recommendation of the Pulte Board of Directors and Its Reasons for the Merger beginning on page 45.

### **Recommendation of the Centex Board of Directors and Its Reasons for the Merger (see page 49)**

After careful consideration, the Centex board of directors unanimously adopted the Merger Agreement and approved the consummation of the transactions contemplated by the Merger Agreement, including the merger, upon the terms and subject to the conditions set forth in the Merger Agreement on April 7, 2009. **The Centex board of directors unanimously recommends that Centex's stockholders vote FOR the proposal to approve the Merger Agreement and FOR the Centex meeting adjournment proposal at the Centex special meeting.**

For the factors considered by the Centex board of directors in reaching its decision to adopt the Merger Agreement and approve the consummation of the transactions contemplated by the Merger Agreement, including the merger, as well as the Centex board of directors' reasons for, and certain risks related to, the merger, see The Merger Recommendation of the Centex Board of Directors and Its Reasons for the Merger beginning on page 49.



## **Opinions of Financial Advisors (see pages 51 and 58)**

### ***Opinion of Pulte's Financial Advisor***

In connection with the merger, Pulte's board of directors received a written opinion, dated April 7, 2009, from Pulte's financial advisor, Citigroup Global Markets Inc., which we refer to as Citi, as to the fairness, from a financial point of view and as of the date of the opinion, to Pulte of the 0.975 exchange ratio provided for in the Merger Agreement.

The full text of Citi's written opinion, which is attached to this joint proxy statement/prospectus as Annex B, sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken. Citi's opinion was provided to Pulte's board of directors in connection with its evaluation of the exchange ratio from a financial point of view to Pulte and does not address any other aspects or implications of the merger or the underlying business decision of Pulte to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Pulte or the effect of any other transaction in which Pulte might engage. Citi's opinion is not intended to be and does not constitute a recommendation to any securityholder as to how such securityholder should vote or act on any matters relating to the proposed merger. Under the terms of Citi's engagement, Pulte has agreed to pay Citi a fee for its financial advisory services in connection with the merger, a significant portion of which is contingent upon completion of the merger.

### ***Opinion of Centex's Financial Advisor***

Goldman, Sachs & Co., which we refer to as Goldman Sachs, rendered its opinion to Centex's board of directors that, as of April 7, 2009 and based upon and subject to the factors and assumptions set forth therein, the exchange ratio of 0.975 shares of Pulte common stock to be paid for each share of Centex common stock was fair from a financial point of view to the holders of the outstanding shares of Centex common stock.

The full text of the written opinion of Goldman Sachs, dated April 7, 2009, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex C. Goldman Sachs provided its opinion for the information and assistance of Centex's board of directors in connection with its consideration of the transaction. The Goldman Sachs opinion is not a recommendation as to how any holder of Centex common stock should vote with respect to the transaction or any other matter. Pursuant to an engagement letter between Centex and Goldman Sachs, Centex has agreed to pay Goldman Sachs a transaction fee, the principal portion of which is contingent upon completion of the transaction.

## **Ownership of Pulte After the Merger**

In the merger, Pulte expects to issue approximately 128.1 million shares of Pulte common stock to Centex stockholders, based on Centex's shares of common stock and equity awards outstanding as of the Pulte record date, and assuming that all of the equity awards outstanding as of such date remain outstanding as of the date on which the merger is completed. Immediately following the completion of the merger, Centex stockholders are expected to own approximately 32.1% of the shares of Pulte common stock outstanding. The merger will have no effect on the number of shares of Pulte common stock owned by existing Pulte shareholders.

## **Interests of Pulte's Directors and Executive Officers in the Merger (see page 70)**

Pulte believes that none of the executive officers and directors of Pulte has interests in the merger that differ from, or are in addition to, the interests of Pulte's shareholders.

**Interests of Centex's Directors and Executive Officers in the Merger (see page 70)**

Centex's executive officers and directors have financial interests in the merger that are different from, or in addition to, their interests as Centex stockholders. Centex's board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the Merger Agreement, and in recommending to the Centex stockholders that they vote in favor of the proposal to approve the Merger Agreement.

Certain equity compensation awards held by Centex's executive officers and directors will vest in connection with the merger, except that awards granted after execution of the Merger Agreement will not vest upon completion of the merger, although a portion of such awards will vest upon a subsequent severance-qualifying termination. Based on Centex equity compensation awards outstanding as of the Pulte record date, and assuming that the merger is completed on August 18, 2009, the executive officers and directors as a group, will vest in 502,168 stock options, and 3,478, 12,056, 716,734 and 295,973 deferred stock units, restricted stock units, shares of restricted stock, and long-term performance units, respectively. Assuming that immediately after the completion of the merger each executive officer's service with Centex is terminated without cause, the executive officers as a group will vest in an additional 82,617 shares of restricted stock. Assuming that immediately after the completion of the merger each executive officer's service with Centex is terminated without cause, the aggregate value of the equity awards held by Centex executive officers and directors, the vesting of which will have been accelerated by the merger or by such termination, based on the closing price of Pulte common stock (or Centex common stock, as applicable) as of July 13, 2009, and valuing all stock options based on the excess, if any, of fair market value of the underlying shares over the exercise price, will be \$8,781,844.

In addition, each of Centex's executive officers participates in the Centex Corporation Plan Regarding Severance After a Change in Control, which would provide severance and other benefits in the case of qualifying terminations of employment following a change in control, including the merger. Based on compensation and benefit levels in effect on July 13, 2009 and assuming the merger is completed on August 18, 2009 and the employment of each executive officer is terminated by Centex without cause or by the executive for good reason immediately thereafter, the executive officers as a group, will be entitled to receive \$11,701,738 in cash severance payments under the Centex Corporation Plan Regarding Severance After a Change in Control.

In addition, Centex maintains the 2003 Annual Incentive Compensation Plan, which provides for the payment of a target incentive compensation award to participants for the fiscal year in which a change in control, such as the merger, occurs, upon such change in control. Assuming that the merger is completed on August 18, 2009, the executive officers of Centex who are participants in the plan, as a group, will receive from Centex \$4,412,800 in respect of the payment of the target award pursuant to the annual bonus plan in connection with the merger. Also, Centex maintains the Centex Corporation Executive Deferred Compensation Plan, which provides for the full vesting of unvested deferred compensation awards upon a change in control, such as the merger. Assuming that the merger is completed on August 18, 2009, the value of the aggregate amounts held by the executive officers of Centex who have balances under the plan, as a group, that will vest equals \$1,933,141.

Timothy R. Eller, chairman and chief executive officer of Centex, has entered into a consulting agreement with Pulte providing for certain payments and benefits to him upon completion of the merger, and for Mr. Eller to serve as vice chairman of the Pulte board of directors and as a consultant to Pulte, in each case, for a period of two years following the completion of the merger.

#### **Management and Board of Directors of Pulte After the Merger (see page 70)**

Upon completion of the merger, Richard J. Dugas, Jr., currently president and chief executive officer of Pulte, will also assume the position of chairman of Pulte. Mr. Eller will join the board of directors of Pulte as vice chairman and will serve as a consultant to Pulte, in each case, for two years following completion of the merger. The board of directors of Pulte will be expanded to twelve directors and will include four members of the current Centex board of directors, namely Mr. Eller, Clint W. Murchison, III, James J. Postl and Thomas M. Schoewe, and eight members of the current Pulte board of directors, namely Pulte's founder and current chairman William J. Pulte, Mr. Dugas, Brian P. Anderson, Cheryl W. Gris , Debra J. Kelly-Ennis, David N. McCammon, Patrick J. O'Leary and Bernard W. Reznicek.



**Listing of Pulte Common Stock (see page 69) and Delisting and Deregistration of Centex Common Stock (see page 69)**

Application will be made to have the shares of Pulte common stock to be issued in the merger approved for listing on the NYSE, where Pulte common stock currently is traded under the symbol PHM . If the merger is completed, Centex common stock will no longer be listed on the NYSE and will be deregistered under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and Centex will no longer file periodic reports with the SEC.

**Dissenters' Rights (see page 69)**

***Pulte***

Under Michigan law, holders of Pulte common stock are not entitled to dissenters' rights in connection with the proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock or the proposal to approve the charter amendment to change Pulte's corporate name.

***Centex***

Under Nevada law, holders of Centex common stock are not entitled to dissenters' rights in connection with the merger.

**Conditions to Completion of the Merger (see page 78)**

A number of conditions to each party's obligation to complete the merger must be satisfied before the merger will be completed, including:

the approval of the proposal to approve the Merger Agreement by the holders of a majority of the outstanding shares of Centex common stock;

the approval of (1) the proposal to approve the charter amendment to increase the number of authorized shares of common stock by the holders of a majority of the outstanding shares of Pulte common stock entitled to vote on this proposal and (2) the proposal to approve the issuance of shares in the merger by a majority of the votes cast on the proposal, provided that the total votes cast on this proposal represent over 50% of the outstanding shares of Pulte common stock entitled to vote on this proposal;

the absence of any temporary restraining order or preliminary or permanent injunction issued by any court of competent jurisdiction that prohibits or prevents the completion of the merger;

the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, which we refer to as the HSR Act, which condition was satisfied upon expiration of the applicable waiting period on May 22, 2009;

the approval for listing on the NYSE of the shares of Pulte common stock to be issued in the merger and to be reserved for issuance in connection with the merger;

the effectiveness under the Securities Act of 1933, as amended, which we refer to as the Securities Act, of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of any stop order or proceedings initiated by the SEC for that purpose;

the accuracy and correctness of representations and warranties of the other party, subject to certain qualifications described in the Merger Agreement, and the receipt of a certificate from the officers of the other party to that effect;

the other party s having performed and complied with its covenants in the Merger Agreement in all material respects prior to the completion of the merger, and the receipt of a certificate from the officers of the other party to that effect; and

the receipt by each party of a tax opinion from its counsel that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code.

Some of the conditions set forth in the Merger Agreement may be waived by Pulte or Centex, subject to the agreement of the other party in specific cases. For a more detailed discussion of these matters, see The Merger Agreement Conditions to Completion of the Merger beginning on page 78.

### **Regulatory Approvals (see page 65)**

The merger was subject to review under the HSR Act by the United States Federal Trade Commission, which we refer to as the FTC, and the Antitrust Division of the United States Department of Justice, which we refer to as the DOJ. The required notifications were filed on April 21, 2009 by Centex and on April 22, 2009 by Pulte, and the statutory waiting period under the HSR Act expired on May 22, 2009 at 11:59 p.m., eastern time. No other regulatory approvals are a condition to the completion of the merger.

### **Litigation (see page 65)**

Centex, its directors and Pulte are parties to multiple lawsuits filed by third parties seeking monetary damages or injunctive relief, or both, in connection with the Merger Agreement. Based on the facts known to date, the defendants believe that the claims asserted against them in these lawsuits are without merit, and the defendants intend to defend themselves vigorously against the claims.

### **No Solicitation by Centex (see page 80)**

Subject to certain exceptions, the Merger Agreement precludes Centex from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in Centex's equity or assets. Notwithstanding such restrictions, the Merger Agreement provides that, under specified circumstances occurring before Centex stockholders approve the proposal to approve the Merger Agreement, if Centex receives an unsolicited proposal from a third party to acquire a significant interest in Centex that its board of directors determines in good faith is reasonably likely to lead to a proposal that is superior to the merger with Pulte, Centex may furnish nonpublic information to that third party and engage in negotiations regarding an acquisition proposal with that third party.

### **Termination of the Merger Agreement (see page 88)**

The Merger Agreement may be terminated at any time prior to the completion of the merger by the mutual written consent of Pulte and Centex. Also, subject to certain qualifications and exceptions, either Pulte or Centex may terminate the Merger Agreement at any time prior to the completion of the merger if:

the merger does not occur on or before November 7, 2009;

a governmental entity permanently enjoins or otherwise prohibits the completion of the merger;

the Centex special meeting concludes without the approval of the proposal to approve the Merger Agreement by Centex's stockholders; or

the Pulte special meeting concludes without the approval of the proposal to approve the issuance of shares in the merger and the proposal to approve the charter amendment to increase the number of authorized shares of

common stock by Pulte's shareholders.

Centex may terminate the Merger Agreement in light of a superior proposal at any time prior to the approval of the proposal to approve the Merger Agreement by Centex's stockholders if (subject to certain qualifications and exceptions):

Centex is not in material breach of certain restrictions on its ability to solicit alternative proposals, including its obligation to notify Pulte of the superior proposal;

the superior proposal continues to constitute a superior proposal three business days after Pulte is notified of the superior proposal; and

the Centex board of directors determines that recommending that Centex stockholders vote for the proposal to approve the Merger Agreement, or failing to change such recommendation, would be inconsistent with its fiduciary obligations.

In addition, Centex may terminate the Merger Agreement at any time prior to the completion of the merger if (subject to certain qualifications and exceptions):

Pulte breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements, which breach or failure to perform would result in a failure of any of the conditions to Centex's obligation to complete the merger; or

Pulte's board of directors changes its recommendation that Pulte's shareholders approve the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the issuance of shares in the merger.

Pulte may terminate the Merger Agreement at any time prior to the completion of the merger if (subject to certain qualifications and exceptions):

Centex breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements, which breach or failure to perform would result in a failure of any of the conditions to Pulte's obligation to complete the merger; or

the Centex board of directors changes its recommendation that Centex's stockholders approve the proposal to approve the Merger Agreement, or recommends the approval or adoption of any alternative proposal to Centex's stockholders.

#### **Termination Fees (see page 89)**

If the Merger Agreement is terminated, Centex may be required in specified circumstances to pay a termination fee of \$24 million or \$48 million to Pulte, and Pulte may be required in specified circumstances to pay a termination fee of \$51 million or \$102 million to Centex.

#### **Material United States Federal Income Tax Consequences (see page 67)**

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. It is a condition to the completion of the merger that Pulte and Centex each receives a written opinion from its counsel, dated as of the date of completion of the merger, to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In addition, in connection with the filing of the registration statement of which this joint proxy statement/prospectus is a part, each of Pulte and Centex has received a legal opinion to the same effect. Accordingly, holders of Centex common stock whose shares of Centex common stock are exchanged in the merger for shares of Pulte common stock generally will not recognize gain or loss for U.S. federal income tax purposes, except with respect to any cash received in lieu of fractional shares of Pulte common stock.

Tax matters are complicated, and the tax consequences of the merger to each Centex stockholder will depend on such stockholder's particular facts and circumstances.

**Centex stockholders should consult their tax advisors with respect to the federal, state and other tax consequences to them of the merger.**

**Accounting Treatment (see page 69)**

Pulte will account for the acquisition of shares of Centex common stock through the merger under the acquisition method of accounting for business combinations. In determining the acquirer for accounting purposes, Pulte considered the factors required under Statement of Financial Accounting Standards No. 141 (revised), *Business Combinations*, which we refer to as SFAS 141(R), and determined that Pulte will be considered the acquirer of Centex for accounting purposes.

**Risk Factors (see page 19)**

In evaluating the merger, the Merger Agreement or the issuance of shares of Pulte common stock in the merger, you should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors" beginning on page 19.

**Dividend Policies**

*Pulte*

The holders of Pulte common stock receive dividends if and when declared by the Pulte board of directors. On November 24, 2008, Pulte discontinued its regular quarterly dividend effective in the first quarter of 2009. Due to the ongoing difficult business conditions and Pulte's expectation that such conditions will continue for at least the near term, Pulte does not anticipate paying dividends on its common stock in the foreseeable future. Pursuant to the Merger Agreement, Pulte has agreed that, except in the ordinary course of business, it will not authorize or declare any dividend on or make any distribution with respect to any shares of its capital stock prior to the completion of the merger.

*Centex*

The holders of Centex common stock receive dividends if and when declared by the Centex board of directors. Centex suspended its regular quarterly dividend on October 9, 2008. Pursuant to the Merger Agreement, Centex has agreed that it will not authorize or declare any dividend on or make any distribution with respect to any shares of its capital stock prior to the completion of the merger.

**Comparison of Stockholder Rights and Corporate Governance Matters (see page 125)**

Centex stockholders receiving the merger consideration will have different rights once they become Pulte shareholders due to differences between the governing documents of Pulte and Centex and between Michigan and Nevada law. In particular:

Centex's stockholders may amend Centex's by-laws with the affirmative vote of stockholders holding 66 $\frac{2}{3}$ % or more of the voting power, whereas Pulte stockholders may amend Pulte's by-laws with the approval of a majority of the votes cast;

A Centex stockholder that intends to nominate a director or bring business before an annual meeting must comply with certain advance notice requirements, whereas a Pulte shareholder is only required to do so if he or she intends to nominate a director;

Nevada law, to which Centex is subject, limits the voting rights of shares acquired by certain stockholders that acquire more than twenty percent of a corporation's shares, whereas Michigan law, to which Pulte is subject, does not provide for such a restriction;

To preserve Pulte's net operating loss carryforwards and other tax benefits, Pulte's by-laws provide for certain transfer restrictions on Pulte's common stock, whereas neither Centex's articles of incorporation nor by-laws provide for any transfer restrictions to preserve Centex's net operating loss carryforwards and other tax benefits; and

Pulte's Restated Articles of Incorporation and by-laws permit shareholder action by written consent if signed by the requisite number of holders, whereas Centex's articles of incorporation and by-laws generally prohibit stockholder action by written consent, subject to certain limited exceptions.

These and certain other differences are described in detail under "Comparison of Stockholder Rights and Corporate Governance Matters" beginning on page 125.

**Fees and Expenses (see page 91)**

Generally, all fees and expenses incurred in connection with the Merger Agreement and the transactions contemplated by the Merger Agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus.

### Summary Selected Historical Financial Data for Pulte

The following tables set forth the selected historical consolidated financial and operating data for Pulte. The selected consolidated financial and operating data as of and for the fiscal years ended December 31, 2008, 2007, 2006, 2005 and 2004 have been derived from Pulte's audited consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus. The selected consolidated financial and operating data as of and for the three months ended March 31, 2009 and 2008 have been derived from Pulte's unaudited condensed consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus. The results for the three months ended March 31, 2009 and 2008 are not necessarily indicative of the results that may be expected for the entire fiscal year. Pulte's unaudited interim financial statements reflect all adjustments that management of Pulte considers necessary for fair presentation of the financial position and results of operations for such periods in accordance with United States generally accepted accounting principles, which we refer to as GAAP. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected consolidated financial and operating data should be read in conjunction with Pulte's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Pulte's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009. See [Additional Information](#) [Where You Can Find More Information](#) beginning on page 134.

	Three Months Ended		Year Ended December 31, (1)				2004
	2009	2008	2008	2007	2006	2005	
(Dollars in thousands, except per share data)							
<b>OPERATING DATA:</b>							
<b>Homebuilding:</b>							
Revenues	\$ 565,343	\$ 1,398,109	\$ 6,112,038	\$ 9,121,730	\$ 14,075,248	\$ 14,528,236	\$ 11,400,000
Income (loss) before income taxes	\$ (507,433)	\$ (705,130)	\$ (1,694,711)	\$ (2,509,492)	\$ 1,010,368	\$ 2,298,822	\$ 1,635,580
<b>Financial Services:</b>							
Revenues	\$ 18,549	\$ 43,488	\$ 151,016	\$ 134,769	\$ 194,596	\$ 161,414	\$ 112,710
Income (loss) before income taxes	\$ (748)	\$ 15,044	\$ 28,045	\$ 42,980	\$ 115,460	\$ 70,586	\$ 47,420
<b>Other non-operating:</b>							
Revenues	\$ 3,528	\$ 7,222	\$ 26,404	\$ 6,595	\$ 4,564	\$ 4,885	\$ 1,740
Income (loss) before income taxes	\$ (4,065)	\$ (2,970)	\$ (15,933)	\$ (30,391)	\$ (43,100)	\$ (92,394)	\$ (90,680)
<b>Consolidated results:</b>							
Revenues	\$ 587,420	\$ 1,448,819	\$ 6,289,458	\$ 9,263,094	\$ 14,274,408	\$ 14,694,535	\$ 11,514,470

Income (loss) from continuing operations before income taxes	\$ (512,246)	\$ (693,056)	\$ (1,682,599)	\$ (2,496,903)	\$ 1,082,728	\$ 2,277,014	\$ 1,592,320
Income taxes (benefit)	2,572	3,088	(209,486)	(222,486)	393,082	840,126	598,750
Income (loss) from continuing operations	(514,818)	(696,144)	(1,473,113)	(2,274,417)	689,646	1,436,888	993,570
Income (loss) from discontinued operations(1)				18,662	(2,175)	55,025	(7,000)
Net income (loss)	\$ (514,818)	\$ (696,144)	\$ (1,473,113)	\$ (2,255,755)	\$ 687,471	\$ 1,491,913	\$ 986,570

(1) Income (loss) from discontinued operations is comprised of Pulte's former thrift operation and Argentina and Mexico homebuilding operations which have been presented as discontinued operations for all periods presented.

	Three Months Ended			Year Ended December 31, (1)			
	March 31, (1)		2008	2007	2006	2005	2004
	2009	2008	2008	2007	2006	2005	2004
(Dollars in thousands, except per share data)							
<b>PER SHARE DATA:</b>							
<b>Earnings per share basic:</b>							
Income (loss) from continuing operations	\$ (2.02)	\$ (2.75)	\$ (5.81)	\$ (9.02)	\$ 2.73	\$ 5.62	\$ 3.93
Income (loss) from discontinued operations(1)				0.07	(0.01)	0.22	(0.03)
Net income (loss)	\$ (2.02)	\$ (2.75)	\$ (5.81)	\$ (8.94)	\$ 2.73	\$ 5.84	\$ 3.91
Weighted-average common shares outstanding (000 s omitted)	254,578	253,166	253,512	252,192	252,200	255,492	252,590
<b>Earnings per share assuming dilution:</b>							
Income (loss) from continuing operations	\$ (2.02)	\$ (2.75)	\$ (5.81)	\$ (9.02)	\$ 2.67	\$ 5.47	\$ 3.82
Income (loss) from discontinued operations(1)				0.07	(0.01)	0.21	(0.03)
Net income (loss)	\$ (2.02)	\$ (2.75)	\$ (5.81)	\$ (8.94)	\$ 2.66	\$ 5.68	\$ 3.79
Weighted-average common shares outstanding and effect of diluted securities (000 s omitted)	254,578	253,166	253,512	252,192	258,621	262,801	260,234
<b>Shareholders equity</b>	\$ 9.00	\$ 14.08	\$ 10.98	\$ 16.80	\$ 25.76	\$ 23.18	\$ 17.68
<b>Cash dividends declared(2)</b>	\$	\$ 0.04	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.13	\$ 0.10

(1) Income (loss) from discontinued operations is comprised of Pulte's former thrift operation and Argentina and Mexico homebuilding operations which have been presented as discontinued operations for all periods presented.

(2) On November 24, 2008, Pulte discontinued the regular quarterly dividend on Pulte's common stock effective in the first quarter of 2009.

	March 31,				December 31,			
	2009	2008	2008	2007	2006	2005	2005	2004
(Dollars in thousands)								
<b>BALANCE SHEET DATA:</b>								
House and land								
Inventory	\$ 3,854,041	\$ 6,179,847	\$ 4,201,289	\$ 6,835,945	\$ 9,374,335	\$ 8,756,093	\$ 7,241,350	
Total assets	\$ 6,814,933	\$ 9,047,124	\$ 7,708,458	\$ 10,225,703	\$ 13,176,874	\$ 13,060,860	\$ 10,406,897	
Senior notes	\$ 3,166,612	\$ 3,478,577	\$ 3,166,305	\$ 3,478,230	\$ 3,537,947	\$ 3,386,527	\$ 2,861,550	
Shareholders' equity	\$ 2,327,787	\$ 3,624,382	\$ 2,835,698	\$ 4,320,193	\$ 6,577,361	\$ 5,957,342	\$ 4,522,274	

	<b>Three Months Ended</b>		<b>Year Ended December 31,</b>				<b>2004</b>
	<b>2009</b>	<b>March 31, 2008</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	
<b>OTHER DATA:</b>							
<b>Homebuilding:</b>							
Total markets, at balance sheet date	48	51	49	51	52	54	45
Total settlements units	2,147	4,733	21,022	27,540	41,487	45,630	38,612
Total net new orders units	3,022	5,402	15,306	25,175	33,925	47,531	40,576
Backlog units, at balance sheet date	3,049	8,559	2,174	7,890	10,255	17,817	15,916
Average unit selling price	\$ 263,000	\$ 295,000	\$ 284,000	\$ 322,000	\$ 337,000	\$ 315,000	\$ 287,000
Gross profit margin from home sales(1)	(59.0)%	(32.1)%	(10.1)%	(5.0)%	17.4%	23.4%	22.6%

(1) Homebuilding interest expense, which represents the amortization of capitalized interest, and land and community valuation adjustments are included in homebuilding cost of sales.

### Summary Selected Historical Financial Data for Centex

The following table sets forth the selected historical consolidated financial and operating data for Centex. The selected consolidated financial and operating data as of and for the fiscal years ended March 31, 2009, 2008, 2007, 2006 and 2005 have been derived from Centex's audited consolidated financial statements, which are incorporated by reference into this joint proxy statement/prospectus. Historical results are not necessarily indicative of the results that may be expected for any future period.

This selected consolidated financial and operating data should be read in conjunction with Centex's Annual Report on Form 10-K for the fiscal year ended March 31, 2009. See [Additional Information Where You Can Find More Information](#) beginning on page 134.

	Year Ended March 31, (1)				
	2009	2008	2007	2006	2005
	(Dollars in thousands, except per share data)				
Revenues	\$ 3,826,530	\$ 8,275,562	\$ 11,887,601	\$ 12,742,666	\$ 9,842,700
Earnings (Loss) from Continuing Operations	\$ (1,440,151)	\$ (2,660,968)	\$ (9,477)	\$ 1,212,665	\$ 898,571
Net Earnings (Loss)	\$ (1,388,754)	\$ (2,657,482)	\$ 268,366	\$ 1,289,313	\$ 1,011,364
Shareholders' Equity	\$ 917,814	\$ 2,298,661	\$ 5,112,269	\$ 5,011,658	\$ 4,280,757
Total Assets	\$ 5,918,114	\$ 8,137,332	\$ 13,199,933	\$ 21,364,999	\$ 20,011,163
Total Debt	\$ 3,223,924	\$ 3,662,220	\$ 5,565,157	\$ 6,055,197	\$ 4,799,365
Per Common Share					
Earnings (Loss) from Continuing Operations					
Per Share - Basic	\$ (11.58)	\$ (21.71)	\$ (0.08)	\$ 9.56	\$ 7.18
Earnings (Loss) from Continuing Operations					
Per Share - Diluted	\$ (11.58)	\$ (21.71)	\$ (0.08)	\$ 9.13	\$ 6.79
Net Earnings (Loss) Per Share - Basic	\$ (11.17)	\$ (21.68)	\$ 2.23	\$ 10.16	\$ 8.08
Net Earnings (Loss) Per Share - Diluted	\$ (11.17)	\$ (21.68)	\$ 2.23	\$ 9.71	\$ 7.64
Cash Dividends(2)	\$ 0.08	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16
Book Value Per Share Based on Shares Outstanding at Balance Sheet Date	\$ 7.38	\$ 18.65	\$ 42.61	\$ 41.04	\$ 33.51
Average Shares Outstanding					
Basic	124,308,846	122,577,071	120,537,235	126,870,887	125,226,596
Diluted	124,308,846	122,577,071	120,537,235	132,749,797	132,397,961

- (1) The selected financial data presented in this table have been derived from Centex's audited annual financial statements and adjusted to reflect Centex's home services operations (sold in April 2008), Construction Services (sold in March 2007), Home Equity (sold in July 2006), and International Homebuilding (sold in September 2005) as discontinued operations.
- (2) On October 9, 2008, Centex announced the discontinuation of the regular quarterly dividend on Centex's common stock.

### Selected Unaudited Pro Forma Condensed Combined Financial Information

The following selected unaudited pro forma condensed combined statement of operations data for the three months ended March 31, 2009 and year ended December 31, 2008 reflect the merger and related transactions as if they had occurred on January 1, 2008. The following unaudited pro forma condensed combined balance sheet data as of March 31, 2009 reflect the merger and related transactions as if they had occurred on March 31, 2009.

Such unaudited pro forma condensed combined financial data is based on the historical financial statements of Pulte and Centex and on publicly available information and certain assumptions and adjustments as discussed in the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 95, including assumptions relating to the allocation of the consideration paid for the assets and liabilities of Centex based on preliminary estimates of their fair value. This unaudited pro forma condensed combined financial information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of Pulte or Centex would have been had the merger and related transactions been completed at the beginning of the periods or on the dates indicated, nor are they necessarily indicative of any future operating results or financial position. Pulte and Centex may have performed differently had they been combined during the periods presented. The following should be read in connection with the section of this joint proxy statement/prospectus entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 95 and other information included in or incorporated by reference into this joint proxy statement/prospectus.

	<b>For the Three Months Ended March 31, 2009</b>		<b>For the Year Ended December 31, 2008</b>
	<b>(Dollars in thousands, except per share data)</b>		
<b>Statement of Operations Data:</b>			
Revenues	\$ 1,414,235	\$	11,623,171
Expenses	2,382,894		15,271,894
Equity loss	(40,078)		(123,977)
Loss from continuing operations before income taxes	(1,008,737)		(3,772,700)
Income taxes (benefit)	(63,031)		(255,374)
Loss from continuing operations	\$ (945,706)	\$	(3,517,326)
	<b>For the Three Months Ended March 31, 2009</b>		<b>For the Year Ended December 31, 2008</b>
<b>Share and Per Share Data:</b>			
Net loss per share			
Basic	\$ (2.51)	\$	(9.37)

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Diluted	\$	(2.51)	\$	(9.37)
Weighted average common shares outstanding				
Basic		376,276,000		375,214,000
Diluted		376,276,000		375,214,000

**As of March 31,  
2009**  
**(Dollars in thousands,  
except per share data)**

**Balance Sheet Data:**

Cash and equivalents	\$	3,455,213
House and land inventory	\$	6,544,026
Total assets	\$	12,449,359
Senior notes	\$	5,769,300
Shareholders' equity	\$	3,394,103
Book value per common share outstanding	\$	8.93(1)

- (1) Book value per common share outstanding was calculated as shareholders' equity divided by the sum of the 258,563,448 shares of Pulte common stock outstanding at March 31, 2009 and the 121,698,000 pro forma shares of Pulte common stock estimated to be issued in connection with the merger.

### Unaudited Pro Forma Combined Per Share Information

The following selected unaudited pro forma combined per share information for the three months ended March 31, 2009 and the year ended December 31, 2008 reflects the merger and related transactions as if they had occurred on January 1, 2008. The unaudited pro forma combined book value per common share outstanding reflects the merger and related transactions as if they had occurred on March 31, 2009.

Such unaudited pro forma combined per share information is based on the historical financial statements of Pulte and Centex and on publicly available information and certain assumptions and adjustments as discussed in the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 95, including assumptions relating to the allocation of the consideration paid for the assets and liabilities of Centex based on preliminary estimates of their fair value. This unaudited pro forma combined per share information is provided for illustrative purposes only and is not necessarily indicative of what the operating results or financial position of Pulte or Centex would have been had the merger and related transactions been completed at the beginning of the periods or on the dates indicated, nor are they necessarily indicative of any future operating results or financial position. Pulte and Centex may have performed differently had they been combined during the periods presented. The following should be read in connection with the section entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 95, and other information included in or incorporated by reference into this joint proxy statement/prospectus.

	<b>For the Three Months Ended March 31, 2009</b>	<b>For the Year Ended December 31, 2008</b>
<b>Unaudited pro forma combined:</b>		
Net loss per share attributable to Pulte		
Basic	\$ (2.51)	\$ (9.37)
Diluted	\$ (2.51)	\$ (9.37)
Dividends declared per common share	\$ (2)	\$ 0.16(2)
Book value per common share	\$ 8.93(1)	
<b>Unaudited pro forma Centex equivalent(4):</b>		
Net loss per share of Centex common stock exchanged		
Basic	\$ (2.45)	\$ (9.14)
Diluted	\$ (2.45)	\$ (9.14)
Dividends declared per common share of Centex stock exchanged	\$ (2)	\$ 0.16(2)
Book value per common share of Centex stock exchanged	\$ 8.70	
<b>Pulte historical data:</b>		
Loss per share from continuing operations:		
Basic	\$ (2.02)	\$ (5.81)
Diluted	\$ (2.02)	\$ (5.81)
Dividends declared per common share	\$ (2)	\$ 0.16(2)
Book value per common share	\$ 9.00	
<b>Centex historical data:</b>		
Loss per share from continuing operations:		

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Basic	\$	(3.26)	\$	(15.65)
Diluted	\$	(3.26)	\$	(15.65)
Dividends declared per common share	\$		(3)	\$ 0.08(3)
Book value per common share	\$	7.38		

- (1) Book value per common share outstanding was calculated as shareholders' equity divided by the sum of the 258,563,448 shares of Pulte common stock outstanding at March 31, 2009 and the 121,698,000 pro forma shares of Pulte common stock estimated to be issued in connection with the merger.
- (2) On November 24, 2008, Pulte discontinued the regular quarterly dividend on Pulte's common stock effective in the first quarter of 2009. Due to the ongoing difficult business conditions and Pulte's expectation that such conditions will continue for at least the near term, Pulte does not anticipate paying dividends on its common stock in the foreseeable future.
- (3) On October 9, 2008, Centex announced the discontinuation of the regular quarterly dividend on Centex's common stock.
- (4) The pro forma Centex equivalent per share information is computed by multiplying the pro forma combined per share amounts by the 0.975 per share exchange ratio to provide per share information for each share of Centex common stock.

**Comparative Per Share Market Price Data**

Pulte common stock trades on the NYSE under the symbol PHM . Centex common stock trades on the NYSE under the symbol CTX . The table below sets forth, for the periods indicated, cash dividends paid per share of Pulte and Centex common stock and the range of high and low per share sales prices for Pulte and Centex common stock as reported on the NYSE. For current price information, you should consult publicly available sources. For more information on Pulte and Centex payment of dividends, see Dividend Policies beginning on page 9.

	<b>Pulte Common Stock</b>		
	<b>High</b>	<b>Low</b>	<b>Dividends Paid</b>
Calendar Year 2007			
First quarter	\$ 35.56	\$ 25.51	\$ 0.04
Second quarter	\$ 29.40	\$ 22.26	\$ 0.04
Third quarter	\$ 24.25	\$ 12.88	\$ 0.04
Fourth quarter	\$ 16.99	\$ 8.78	\$ 0.04
Calendar Year 2008			
First quarter	\$ 16.63	\$ 8.20	\$ 0.04
Second quarter	\$ 16.81	\$ 9.57	\$ 0.04
Third quarter	\$ 17.32	\$ 8.32	\$ 0.04
Fourth quarter	\$ 15.38	\$ 6.49	\$ 0.04
Calendar Year 2009			
First quarter	\$ 12.90	\$ 7.71	
Second quarter	\$ 12.45	\$ 8.30	
Third quarter (through July 17, 2009)	\$ 9.34	\$ 7.84	

	<b>Centex Common Stock</b>		
	<b>High</b>	<b>Low</b>	<b>Dividends Paid</b>
Calendar Year 2007			
First quarter	\$ 56.45	\$ 40.41	\$ 0.04
Second quarter	\$ 49.85	\$ 39.59	\$ 0.04
Third quarter	\$ 44.23	\$ 24.55	\$ 0.04
Fourth quarter	\$ 30.75	\$ 17.77	\$ 0.04
Calendar Year 2008			
First quarter	\$ 30.29	\$ 18.17	\$ 0.04
Second quarter	\$ 27.72	\$ 13.33	\$ 0.04
Third quarter	\$ 18.71	\$ 10.91	\$ 0.04
Fourth quarter	\$ 17.16	\$ 4.91	
Calendar Year 2009			
First quarter	\$ 12.49	\$ 5.03	
Second quarter	\$ 11.95	\$ 7.06	
Third quarter (through July 17, 2009)	\$ 9.08	\$ 7.54	

The following table presents the last reported sale price of a share of Pulte common stock, as reported on the NYSE, the last reported sale price of a share of Centex common stock, as reported on the NYSE, and the equivalent value of the merger consideration per share of Centex common stock, in each case, on April 7, 2009, the last full trading day prior to the public announcement of the proposed merger, and on July 17, 2009,

the last trading day prior to the printing of this joint proxy statement/prospectus for which it was practicable to include this information.

<b>Date</b>	<b>Pulte Common Stock</b>	<b>Centex Common Stock</b>	<b>Value of Merger Consideration Per Share of Centex Common Stock(1)</b>
April 7, 2009	\$ 10.77	\$ 7.62	\$ 10.50
July 17, 2009	\$ 9.14	\$ 8.84	\$ 8.91

(1) Calculated by multiplying the last reported sale price of Pulte common stock by the 0.975 per share exchange ratio.

The market value of the shares of Pulte common stock to be issued in exchange for shares of Centex common stock upon the completion of the merger will not be known at the time Centex stockholders vote on the proposal to approve the Merger Agreement or at the time Pulte shareholders vote on the proposal to approve the issuance of shares in the merger and the proposal to approve the charter amendment to increase the number of authorized shares of common stock. The exchange ratio is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed.

The above tables show historical stock price comparisons and the equivalent value of the merger consideration per share of Centex common stock. Because the market prices of Pulte common stock and Centex common stock will likely fluctuate prior to the merger, these comparisons may not provide meaningful information to Pulte shareholders in determining whether to approve the proposal to approve the issuance of shares in the merger or the proposal to approve the charter amendment to increase the number of authorized shares of common stock, or to Centex stockholders in determining whether to approve the proposal to approve the Merger Agreement. Pulte shareholders and Centex stockholders are encouraged to obtain current market quotations for Pulte and Centex common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in considering whether to approve the proposals before them. See **Additional Information Where You Can Find More Information** beginning on page 134.

## RISK FACTORS

*The merger involves risks for Pulte shareholders and Centex stockholders. Centex stockholders will be choosing to invest in Pulte common stock by voting in favor of the proposal to approve the Merger Agreement. Pulte shareholders will be choosing to permit significant dilution of their percentage ownership in Pulte by voting in favor of the proposal to approve the issuance of shares in the merger and to authorize potential further dilution of their percentage ownership in Pulte by voting in favor of the proposal to approve the charter amendment to increase the number of authorized shares of common stock. In addition to the other information included in this joint proxy statement/prospectus, including the matters addressed in *Cautionary Statement Concerning Forward-Looking Statements* beginning on page 26, you should carefully consider the following risks before deciding whether to vote for approval of the proposal to approve the Merger Agreement, in the case of Centex stockholders, or for approval of the proposal to approve the issuance of shares in the merger and the proposal to approve the charter amendment to increase the number of authorized shares of common stock, in the case of Pulte shareholders. You should also read and consider the risks associated with each of the businesses of Pulte and Centex that are incorporated by reference into this joint proxy statement/prospectus because these risks may also affect the combined company. These risks can be found in the Pulte Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and the Centex Annual Report on Form 10-K for the fiscal year ended March 31, 2009, which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See *Additional Information Where You Can Find More Information* beginning on page 134.*

### **Risks Relating to the Merger**

*The combined company will have more indebtedness after the merger, which could adversely affect its cash flows and business.*

As of March 31, 2009, the principal amount of Pulte's outstanding long-term debt was approximately \$3.2 billion and its debt service obligations, comprised of scheduled maturities of principal and interest, during the next twelve months was approximately \$234 million. Assuming the merger had been completed on March 31, 2009, the principal amount of the combined company's outstanding debt as of March 31, 2009 would have been approximately \$6.3 billion and, based on assumed interest rates, leverage ratios and credit ratings, the combined company's debt service obligations, comprised of scheduled maturities of principal and interest, during the next twelve months, in the absence of any other transactions, would have been approximately \$627 million. As a result of this increase in debt, demands on the combined company's cash resources will increase after the completion of the merger. As of March 31, 2009, Pulte and Centex had combined cash on hand of approximately \$3.5 billion. The increased levels of debt could, among other things:

require the combined company to dedicate a substantial portion of its cash on hand and cash flow from operations to the servicing and repayment of its debt, thereby reducing funds available for working capital, capital expenditures, dividends, acquisitions and other purposes;

make it more difficult for the combined company to maintain compliance with certain financial covenants in its credit facilities;

increase the combined company's vulnerability to, and limit flexibility in planning for, adverse economic and industry conditions;

adversely affect the combined company's credit rating, with the result that the combined company may have an increased cost of borrowing and its ability to obtain surety bonds could be impaired;

limit the combined company's ability to obtain additional financing to fund future working capital, capital expenditures, additional acquisitions and other general corporate requirements;

create competitive disadvantages compared to other companies with less debt; and

adversely affect the combined company's stock price.

***Pulte may not realize all of the anticipated benefits of the transaction.***

The combined company's ability to realize the anticipated benefits of the merger will depend, to a large extent, on the ability of Pulte to integrate the businesses of Centex with Pulte. The combination of two independent companies is a complex, costly and time-consuming process. As a result, the combined company will be required to devote significant management attention and resources to integrating the business practices and operations of Pulte and Centex. The integration process may disrupt the business of either or both of the companies and, if implemented ineffectively, would preclude realization of the full benefits expected by Pulte and Centex. The failure of the combined company to meet the challenges involved in integrating successfully the operations of Pulte and Centex or otherwise to realize the anticipated benefits of the transaction could cause an interruption of, or a loss of momentum in, the activities of the combined company and could seriously harm its results of operations. In addition, the overall integration of the two companies may result in unanticipated problems, expenses, liabilities, competitive responses, loss of customer and supplier relationships, and diversion of management's attention, and may cause the combined company's stock price to decline. The difficulties of combining the operations of the companies include, among others:

consolidating corporate and administrative infrastructures and eliminating duplicative operations;

maintaining employee morale and retaining key employees;

the diversion of management's attention from ongoing business concerns;

coordinating geographically separate organizations;

unanticipated issues in integrating information technology, communications and other systems;

managing tax costs or inefficiencies associated with integrating the operations of the combined company; and

making any necessary modifications to operating control standards to comply with the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder.

In addition, even if the operations of Pulte and Centex are integrated successfully, the combined company may not realize the full benefits of the transaction, including the synergies, cost savings or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. As a result, Pulte and Centex cannot assure you that the combination of Centex with Pulte will result in the realization of the full benefits anticipated from the transaction.

***The price of Pulte common stock might decline prior to the completion of the merger, which would decrease the value of the merger consideration to be received by Centex stockholders in the merger. Further, at the Centex special meeting, Centex stockholders will not know the exact value of Pulte common stock that will be issued in the merger.***

The market price of Pulte common stock at the time the merger is completed may vary significantly from the price on the date of the Merger Agreement or from the price on the date of the Pulte special meeting and Centex special meeting. Pulte common stock has historically experienced volatility. On April 7, 2009, the last full trading day prior to the public announcement of the proposed merger, Pulte common stock closed at \$10.77 per share as reported on the NYSE. From April 8, 2009, through July 17, 2009, the trading price of Pulte common stock ranged from a closing high of \$12.30 per share to a closing low of \$7.92 per share.

Under the Merger Agreement, each outstanding share of Centex common stock (other than those shares held by Pulte or its merger subsidiary Pi Nevada Building Company, and other than treasury shares) will be converted into the right to receive, upon completion of the merger, the merger consideration. The exchange ratio is fixed and will not be adjusted for changes in the stock prices of either company before the merger is completed. As a result, any changes in the market price of Pulte common stock will have a corresponding effect on the market value of the merger consideration. Neither party, however, has a right to terminate the Merger Agreement based upon changes in the market price of Pulte or Centex common stock.

Pulte and Centex are working to complete the transaction as quickly as possible. We currently expect that the merger will be completed during the third quarter of 2009. Because the date when the transaction is completed may be later than the date of the special meetings, Pulte shareholders and Centex stockholders may not know the exact value of the Pulte common stock that will be issued in the merger at the time they vote on the proposal to approve the Merger Agreement. As a result, if the market price of Pulte common stock upon the completion of the merger is lower than the market price on the date of the Centex special meeting, the market value of the merger consideration received by Centex stockholders in the merger will be lower than the market value of the merger consideration at the time of vote by the Centex stockholders. Moreover, during this interim period, events, conditions or circumstances could arise that could have a material impact or effect on Pulte, Centex or the industries in which they operate.

***To be successful, the combined company must retain and motivate key employees, and failure to do so could seriously harm the combined company.***

To be successful, the combined company must retain and motivate executives and other key employees. Employees of Pulte and Centex may experience uncertainty about their future roles with the combined company until or after strategies for the combined company are announced or executed. These circumstances may adversely affect the combined company's ability to retain key personnel. The combined company also must continue to motivate employees and keep them focused on the strategies and goals of the combined company, which effort may be adversely affected as a result of the uncertainty and difficulties with integrating Pulte and Centex. If the combined company is unable to retain executives and other key employees, the roles and responsibilities of such executive officers and employees will need to be filled either by existing or new officers and employees, which may require the combined company to devote time and resources to identifying, hiring and integrating replacements for the departed executives that could otherwise be used to integrate the businesses of Pulte and Centex or otherwise pursue business opportunities.

***If the combined company is unable to manage its growth, its business and financial results could suffer.***

The combined company's future financial results will depend in part on its ability to profitably manage its core businesses, including any growth that the combined company may be able to achieve. Over the past several years, each of Pulte and Centex has engaged in the identification of, and competition for, growth and expansion opportunities. In order to achieve those initiatives, the combined company will need to, among other things, recruit, train, retain and effectively manage employees and expand its operations and financial control systems. If the combined company is unable to manage its businesses effectively and profitably, its business and financial results could suffer.

***The issuance of shares of Pulte common stock to Centex stockholders in the merger will substantially reduce the percentage ownership interests of Pulte shareholders.***

If the transaction is completed, Pulte and Centex expect that, based on Centex's shares of common stock and equity awards outstanding as of the Pulte record date, Pulte will issue approximately 128.1 million shares of Pulte common stock in the merger. Current Centex stockholders are expected to own approximately 32.1%, and current Pulte shareholders are expected to own approximately 67.9%, of the shares of Pulte common stock outstanding after the merger. The merger will have no effect on the number of shares of Pulte common stock owned by existing Pulte shareholders. The issuance of approximately 128.1 million shares of Pulte common stock to Centex stockholders and holders of equity-based incentive awards will cause a significant reduction in the relative percentage interests of current Pulte shareholders in earnings, voting, liquidation value and book and market value. See Summary Ownership of Pulte After the Merger beginning on page 4.

***The pro forma financial statements are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the transaction.***

The pro forma financial statements contained in this joint proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the merger for several reasons. The pro forma financial statements have been

derived from the historical financial statements of Pulte and Centex and adjustments and assumptions have been made regarding the combined company after giving effect to the transaction. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by the combined company in connection with the transaction. For example, the impact of any incremental costs incurred in integrating the two companies is not reflected in the pro forma financial statements. As a result, the actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these pro forma financial statements.

The assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the transaction. Any decline or potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company. See Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 95.

***The financial forecasts involve risks, uncertainties and assumptions, many of which are beyond the control of Pulte and Centex. As a result, they may not prove to be accurate and are not necessarily indicative of current values or future performance.***

The financial forecasts of Pulte and Centex contained in this joint proxy statement/prospectus involve risks, uncertainties and assumptions and are not a guarantee of future performance. The future financial results of Pulte, Centex and, if the merger is completed, the combined company, may materially differ from those expressed in the financial forecasts due to factors that are beyond Pulte's and Centex's ability to control or predict. Neither Pulte nor Centex can provide any assurance that their respective financial forecasts will be realized or that their respective future financial results will not materially vary from the financial forecasts. The financial forecasts cover multiple years, and the information by its nature becomes subject to greater uncertainty with each successive year. The financial forecasts do not take into account any circumstances or events occurring after the date they were prepared.

More specifically, the financial forecasts:

necessarily make numerous assumptions, many of which are beyond the control of Pulte and Centex and may not prove to be accurate;

do not necessarily reflect revised prospects for Pulte's and Centex's businesses, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

are not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than is reflected in the forecasts; and

should not be regarded as a representation that the financial forecasts will be achieved.

The financial forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP and do not reflect the effect of any proposed or other changes in GAAP that may be made in the future. See Financial Forecasts beginning on page 115.

***Some of the conditions to the merger may be waived by Pulte or Centex without resoliciting shareholder or stockholder approval of the proposals approved by them.***

Some of the conditions set forth in the Merger Agreement may be waived by Pulte or Centex, subject to the agreement of the other party in specific cases. See The Merger Agreement Conditions to Completion of the Merger beginning on page 78. If any conditions are waived, Pulte and Centex will evaluate whether amendment of this joint proxy statement/prospectus and resolicitation of proxies are warranted. If the board of directors of Pulte or Centex determines that resolicitation of their respective shareholders or stockholders is

not warranted, the applicable company will have the discretion to complete the merger without seeking further shareholder or stockholder approval.

***Provisions of the Merger Agreement may deter alternative business combinations and could negatively impact the stock prices of Pulte and Centex if the Merger Agreement is terminated in certain circumstances.***

Restrictions in the Merger Agreement prohibit Centex from soliciting any acquisition proposal or offer for a merger or business combination with any other party, including a proposal that might be advantageous to the stockholders of Centex when compared to the terms and conditions of the merger with Pulte.

In addition, if the Merger Agreement is terminated, Centex may be required in specified circumstances to pay a termination fee of \$24 million or \$48 million to Pulte, and Pulte may be required in specified circumstances to pay a termination fee of \$51 million or \$102 million to Centex. In the event the merger is terminated by Pulte or Centex in circumstances that obligate either party to pay the termination fee to the other party, the trading price of Pulte's and/or Centex's stock may decline.

These provisions may deter third parties from proposing or pursuing alternative business combinations that might result in greater value to Centex stockholders than the merger with Pulte.

***Directors and executive officers of Centex have interests in the transaction that are different from, or in addition to, the interests of Centex stockholders.***

Centex's executive officers and directors have financial interests in the merger that are different from, or in addition to, their interests as Centex stockholders. Stock-based awards held by Centex's executive officers and directors will vest in connection with the merger. In addition, each of Centex's executive officers participates in the Centex Corporation Plan Regarding Severance After a Change in Control, which would provide severance and other benefits in the case of qualifying terminations of employment following a change in control, including the merger. Timothy R. Eller, chairman and chief executive officer of Centex, has entered into a consulting agreement with Pulte providing for certain payments and benefits to him upon the completion of the merger, and for Mr. Eller to serve as vice chairman of the Pulte board of directors and serve as a consultant to Pulte, in each case, for a period of two years following the completion of the merger. Pursuant to the terms of Centex's nonqualified deferred compensation arrangements, certain benefits payable to executive officers will vest upon completion of the merger.

***The merger may result in substantial goodwill for the combined company. If the combined company's goodwill becomes impaired, then the profits of the combined company may be significantly reduced or eliminated and shareholders' equity may be reduced.***

The unaudited pro forma financial statements reflect preliminary estimates of goodwill of approximately \$241.6 million as a result of the merger. This approximate amount of goodwill assumes that the Pulte common stock received by the Centex stockholders in the merger has a market value of \$8.96 per share (the closing price of Pulte common stock on the NYSE on June 25, 2009). The actual amount of goodwill recorded may be materially different and will depend in part on the market value of Pulte common stock as of the date on which the merger is completed and the appropriate allocation of purchase price, which may be impacted by a number of factors, including changes in the net assets acquired and changes in the fair values of the net assets acquired. On at least an annual basis, Pulte assesses whether there has been an impairment in the value of goodwill. If the carrying value of goodwill exceeds its estimated fair value, impairment is deemed to have occurred and the carrying value of goodwill is written down to fair value. Under GAAP, this would result in a charge to the combined company's operating earnings. Accordingly, any determination requiring the write-off of a significant portion of goodwill recorded in connection with the merger would negatively affect the combined company's results of operations.



***The combined company may be subject to additional asset impairments in the future.***

Both Pulte and Centex have incurred in recent periods substantial impairments of their land and certain other assets. The market value of land, building lots and housing inventories can fluctuate significantly as a result of changing market conditions and the measures that the combined company will employ to manage inventory risk may not be adequate to insulate its operations from a severe drop in inventory values. If housing demand continues to decrease below what the combined company anticipates, the combined company may not be able to generate profits similar to what Pulte and Centex have made in the past, may experience less than anticipated profits, and/or may not be able to recover its costs when it sells and builds homes. When market conditions are such that land values are not appreciating, option arrangements previously entered into may become less desirable, at which time the combined company may elect to forego deposits and pre-acquisition costs and terminate the agreement. In the face of adverse market conditions, the combined company may have substantial inventory carrying costs, may have to write down its inventory to its fair value, and/or may have to sell land or homes at a loss.

As a result of the changing market conditions in the homebuilding industry that have occurred since early 2006, both Pulte and Centex have incurred significant land-related charges resulting from the write-off of deposits and pre-acquisition costs related to land transactions that they each no longer plan to pursue, net realizable valuation adjustments related to land positions sold or held for sale, impairments on land assets related to communities under development or to be developed in the future, and impairments of their respective investments in unconsolidated joint ventures. It is possible that the estimated cash flows from these projects may change and could result in a future need of the combined company to record additional valuation adjustments.

If conditions in the homebuilding industry worsen in the future or if the combined company's strategy related to certain communities changes, the combined company may be required to evaluate its assets, including additional projects, for additional impairments or write-downs, which could result in additional charges that might be significant. Pulte and Centex cannot predict the duration of the downturn in the homebuilding industry, nor provide any assurances that the adjustments that the combined company intends to make in its operating strategy to address the conditions will be successful.

We also currently expect that the combined company will have over \$200 million of intangible assets relating to tradenames, of which approximately \$110 million will have resulted from the merger. The combined company will periodically assess whether there has been an impairment in the value of these intangible assets. If an impairment is deemed to have occurred, then the carrying value of the tradenames will be written down to fair value. Under GAAP, this would result in a charge to the combined company's operating earnings. Accordingly, any determination requiring the write-off of a significant portion of the value of the tradenames recorded in connection with the merger would negatively affect the combined company's results of operations.

***Pulte and Centex will incur significant transaction and merger-related integration costs in connection with the merger.***

Pulte and Centex expect to incur costs associated with completing the merger and integrating the operations of the two companies. Pulte and Centex estimate that their transaction costs for the merger will be approximately \$20.0 million and \$30.0 million, respectively, which include fees for investment banking, legal, accounting, due diligence, tax, valuation, printing and other various services in connection with the transaction. The substantial majority of additional non-recurring expenses resulting from the merger will be comprised of facilities and systems consolidation costs and employment-related costs. Pulte currently estimates severance costs for cash payments to certain senior executive positions at Centex in connection with termination of employment to be approximately \$9.6 million. Pulte is continuing to assess the magnitude of the facilities and systems consolidation costs and other non-recurring employment-related costs that will be required in connection with the merger and, therefore, is unable to provide an

estimate of these costs at this time. Additional unanticipated costs may be incurred in the integration of the businesses of Pulte and Centex. Although Pulte and Centex expect that the elimination of duplicative costs, as well as the realization of other

efficiencies related to the integration of the businesses, may offset incremental transaction and merger-related costs over time, we cannot give any assurance that this net benefit will be achieved in the near term, or at all.

***The combined company may not be able to realize Pulte's and Centex's deferred income tax assets.***

As of March 31, 2009, Pulte had net deferred tax assets of \$1.27 billion for which a \$1.27 billion valuation allowance was recorded, while Centex had net deferred tax assets of \$1.29 billion for which a \$1.29 billion valuation allowance was recorded. The ultimate realization of the deferred tax assets is dependent upon a variety of factors, including taxable income in prior carryback years, future taxable income, tax planning strategies, potential legislative changes and reversals of existing taxable temporary differences.

Furthermore, Pulte's and Centex's ability to utilize net operating losses, which we refer to as NOLs, built-in losses, which we refer to as BILs, and tax credit carryforwards to offset its future taxable income would be limited if Pulte or Centex were to undergo an ownership change within the meaning of Section 382 of the Internal Revenue Code. In general, an ownership change occurs whenever the percentage of the stock of a corporation owned by 5-percent shareholders (within the meaning of Section 382 of the Internal Revenue Code) increases by more than 50 percentage points over the lowest percentage of the stock of such corporation owned by such 5-percent shareholders at any time over a three-year testing period. If a corporation undergoes an ownership change within the meaning of Section 382 of the Internal Revenue Code, its ability to utilize NOLs, BILs and other tax benefits is subject to an annual limitation.

As a result of the merger, Centex will experience an ownership change and, while it is not currently expected, Pulte may also experience an ownership change. To preserve Pulte's ability to utilize NOLs, BILs and other tax benefits in the future without a Section 382 limitation, Pulte has adopted a shareholder rights plan, which is triggered upon certain transfers of its securities, and has amended its by-laws to prohibit certain transfers of its securities. Notwithstanding the foregoing measures, there can be no assurance that Pulte will not undergo an ownership change within the meaning of Section 382. See [Description of Pulte Capital Stock Transfer Restrictions](#) beginning on page 122.

**Risks Relating to Pulte and Centex**

Pulte and Centex are, and will continue to be, subject to the risks described in (1) Part I, Item 1A in Pulte's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and (2) Part I, Item 1A in Centex's Annual Report on Form 10-K for the fiscal year ended March 31, 2009, in each case as filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See [Additional Information Where You Can Find More Information](#) beginning on page 134.

## CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. Such statements may include, but are not limited to, statements about the benefits of the proposed transaction, including future financial and operating results, and the combined company's plans, objectives, expectations and intentions. 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, 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:

the failure of Centex's stockholders to approve the proposal to approve the Merger Agreement;

the failure of Pulte's shareholders to approve either the proposal to approve the charter amendment to increase the number of authorized shares of common stock or the proposal to approve the issuance of shares in the merger;

the possibility that the proposed transaction does not close, including due to the failure to satisfy the closing conditions;

the possibility that the expected efficiencies and cost savings of the proposed transaction will not be realized, or will not be realized within the expected time period;

the risk that the Pulte and Centex businesses will not be integrated successfully;

disruption from the proposed transaction making it more difficult to maintain business and operational relationships;

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 Pulte and Centex operate;

the availability and cost of land and raw materials used by Pulte and Centex in their homebuilding operations;

the availability and cost of insurance covering risks associated with Pulte's and Centex's businesses;

shortages and the cost of labor;

adverse weather conditions, which may slow down construction of, or damage, new homes built by Pulte or Centex;

slow growth initiatives and/or local building moratoria;

the ability to utilize NOLs, BILs and other tax credit carryforwards;

governmental regulation, including the effects from the Emergency Economic Stabilization Act, the American Recovery and Reinvestment Act, and the interpretation of tax, labor and environmental laws;

changes in consumer confidence and preferences;

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.

Additional risks, uncertainties and other factors include those discussed under the heading "Risk Factors" and in documents incorporated by reference into this joint proxy statement/prospectus. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or, in the case of documents incorporated by reference, as of the date of those documents. Pulte and Centex disclaim any intent or obligation to update any forward-looking statements contained herein.

## THE PULTE SPECIAL MEETING

### General

This joint proxy statement/prospectus is being provided to Pulte shareholders as part of a solicitation of proxies by the Pulte board of directors for use at the Pulte special meeting. This joint proxy statement/prospectus provides Pulte shareholders with important information they need to know to be able to vote, or instruct their brokers or other nominees to vote, at the Pulte special meeting.

### Date, Time, Place and Purpose of the Pulte Special Meeting

The Pulte special meeting will be held at the Auburn Hills Marriott Pontiac at Centerpoint, located at 3600 Centerpoint Parkway, Pontiac, Michigan, on August 18, 2009, at 10:00 a.m., local time.

The Pulte special meeting is being held for the following purposes:

- to consider and vote upon the proposal to approve the issuance of shares in the merger;
- to consider and vote upon the proposal to approve the charter amendment to increase the number of authorized shares of common stock;
- to consider and vote upon the proposal to approve the charter amendment to change Pulte's corporate name; and
- to transact any other business as may properly come before the special meeting.

### Recommendation of the Pulte Board of Directors

The Pulte board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Pulte and its shareholders and unanimously recommends that Pulte shareholders vote **FOR** the proposal to approve the issuance of shares in the merger, **FOR** the proposal to approve the charter amendment to increase the number of authorized shares of common stock, **FOR** the proposal to approve the charter amendment to change Pulte's corporate name and **FOR** the Pulte meeting adjournment proposal. See "The Merger" Recommendation of the Pulte Board of Directors and Its Reasons for the Merger beginning on page 45.

### Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of Pulte common stock at the close of business on the Pulte record date, July 10, 2009, are entitled to notice of and to vote at the Pulte special meeting. As of the Pulte record date, there were 258,603,672 shares of Pulte common stock outstanding and entitled to vote at the special meeting, held by 1,760 holders of record. Each holder of Pulte common stock is entitled to one vote for each share of Pulte common stock owned as of the Pulte record date.

A complete list of Pulte shareholders will be available for review at the special meeting.

### Quorum and Vote Required

A majority of the shares of Pulte common stock issued and outstanding and entitled to vote as of the Pulte record date must be present in person or represented by proxy at the Pulte special meeting to constitute a quorum. A quorum must be present before a vote can be taken on the proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock, the proposal to approve the charter amendment to change Pulte's corporate name or any other matter except adjournment or postponement of the meeting due to the absence of a quorum. Abstentions and broker non-votes, if any, which are described below, will be counted as present for purposes of determining the presence of a quorum at the Pulte special meeting. If a quorum is not present with respect to the proposal to approve the issuance of shares in the merger or the proposal to approve the charter amendment to increase the number of authorized shares of common stock or if there are not sufficient votes in

favor of either proposal, Pulte expects that the Pulte special meeting will be adjourned to solicit additional proxies, subject to approval of the Pulte meeting adjournment proposal by the affirmative vote of the holders of a majority of the shares of Pulte common stock present in person or by proxy at the Pulte special meeting and entitled to vote thereon. At any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

In accordance with NYSE listing requirements, the approval by Pulte shareholders of the proposal to approve the issuance of shares in the merger requires the approval of a majority of the votes cast on the proposal, provided that the total votes cast on this proposal represent over 50% of the outstanding shares of Pulte common stock entitled to vote on this proposal. Votes for, votes against and abstentions count as votes cast, while broker non-votes do not count as votes cast for this purpose. All outstanding shares of Pulte common stock, including broker non-votes, count as shares entitled to vote. Thus, the total sum of votes for, plus votes against, plus abstentions, which we refer to as the NYSE Votes Cast, must be greater than 50% of the total outstanding shares of Pulte common stock. The number of votes for the proposal must be greater than 50% of the NYSE Votes Cast.

In accordance with the MBCA, approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the charter amendment to change Pulte's corporate name each requires the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment.

In accordance with the MBCA and Pulte's by-laws, approval of the Pulte meeting adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Pulte common stock present in person or represented by proxy at the Pulte special meeting and entitled to vote thereon.

### **Voting by Pulte's Directors and Executive Officers**

As of the Pulte record date for the special meeting, the directors and executive officers of Pulte as a group owned and were entitled to vote 44,652,780 shares of Pulte common stock, or approximately 17.27% of the outstanding shares of Pulte on that date.

In connection with the Merger Agreement, the following directors and officers of Pulte entered into voting agreements with Centex, pursuant to which they have agreed to vote their shares of Pulte in support of the transaction: William J. Pulte, Pulte's founder and current chairman and a director, Mr. Dugas, Roger A. Cregg, executive vice president and chief financial officer of Pulte, Steven C. Petruska, executive vice president and chief operating officer of Pulte, and Brian P. Anderson, Debra J. Kelly-Ennis, David N. McCammon, Bernard W. Reznicek and William B. Smith, each a director of Pulte. Alan E. Schwartz, a director of Pulte until his retirement as a director of Pulte upon the expiration of his term at the 2009 annual meeting of shareholders, has also entered into such a voting agreement with Centex. As of the Pulte record date, these directors (including Mr. Schwartz) and officers collectively owned and were entitled to vote 44,207,846 shares of Pulte common stock, or approximately 17.09% of the outstanding shares of Pulte. All of Pulte's directors and executive officers entitled to vote at the Pulte special meeting, including those that have not entered into voting agreements with Centex, have evidenced their intent to vote for the proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock, the proposal to approve the charter amendment to change Pulte's corporate name and the Pulte meeting adjournment proposal.

### **Voting; Proxies; Revocation**

Holders of Pulte common stock as of the Pulte record date may vote by proxy or in person at the Pulte special meeting. Votes cast by proxy or in person at the Pulte special meeting will be tabulated and certified by Pulte's transfer

agent.

### ***Voting in Person***

Pulte shareholders who plan to attend the Pulte special meeting and wish to vote in person will be given a ballot at the special meeting. Please note, however, that Pulte shareholders who hold their shares in street name, which means such shares are held of record by a broker, bank or other nominee, and who wish to vote in person at the Pulte special meeting, must bring to the special meeting a proxy from the record holder of the shares authorizing such Pulte shareholder to vote at the Pulte special meeting.

### ***Voting by Proxy***

The vote of each Pulte shareholder is very important. Accordingly, Pulte shareholders who hold their shares as a record holder should complete, sign and return the enclosed proxy card whether or not they plan to attend the Pulte special meeting in person. Pulte shareholders should vote their proxy even if they plan to attend the Pulte special meeting. Pulte shareholders can always change their vote at the special meeting. Voting instructions are included on the enclosed proxy card. If a Pulte shareholder properly gives his or her proxy and submits it to Pulte in time to vote, one of the individuals named as such Pulte shareholder's proxy will vote the shares as such Pulte shareholder has directed. A proxy card is enclosed for use by Pulte shareholders.

The method of voting by proxy differs for shares held as a record holder and shares held in street name. If a Pulte shareholder holds shares of Pulte common stock as a record holder, he or she may vote by completing, dating and signing the enclosed proxy card and promptly returning it in the enclosed, pre-addressed, postage-paid envelope or otherwise mailing it to Pulte, or by submitting a proxy over the Internet or by telephone by following the instructions on the enclosed proxy card. If a Pulte shareholder holds shares of Pulte common stock in street name, which means such shares are held of record by a broker, bank or nominee, the Pulte shareholder will receive instructions from his or her broker, bank or other nominee that the Pulte shareholder must follow in order to vote his or her shares. A Pulte shareholder's broker, bank or nominee may allow such Pulte shareholder to deliver voting instructions over the Internet or by telephone. Pulte shareholders who hold their shares in street name should refer to the voting instructions from their broker, bank or nominee that accompany this joint proxy statement/prospectus.

All properly signed proxies that are received prior to the Pulte special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted **FOR** the proposal to approve the issuance of shares in the merger, **FOR** the proposal to approve the charter amendment to increase the number of authorized shares of common stock, **FOR** the proposal to approve the charter amendment to change Pulte's corporate name and **FOR** the Pulte meeting adjournment proposal.

### ***Revocation of Proxy***

A Pulte shareholder may revoke his or her proxy at any time before it is voted at the Pulte special meeting by taking any of the following actions:

delivering to the corporate secretary of Pulte a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date;

submitting another proxy by telephone or on the Internet (the latest telephone or Internet voting instructions are followed); or

attending the Pulte special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

If a Pulte shareholder's shares are held in street name, he or she may change his or her vote by submitting new voting instructions to his or her broker, bank or other nominee. Pulte shareholders must contact their broker, bank or other nominee to find out how to do so.

Written notices of revocation and other communications with respect to the revocation of Pulte proxies should be addressed to:

Pulte Homes, Inc.  
100 Bloomfield Hills Parkway, Suite 300  
Bloomfield Hills, Michigan 48304  
Attn.: Corporate Secretary

### **Abstentions and Broker Non-Votes**

For purposes of the Pulte shareholder vote, an abstention, which occurs when a shareholder attends a meeting, either in person or by proxy, but abstains from voting, will have the same effect as voting against the proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the charter amendment to change Pulte's corporate name, but will not affect the Pulte meeting adjournment proposal.

Under the listing requirements of the NYSE, brokers who hold shares of Pulte common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NYSE determines to be non-routine, such as approval of the issuance of shares of Pulte common stock pursuant to the Merger Agreement, the proposal to approve the charter amendment to increase the number of authorized shares of common stock or the proposal to approve the charter amendment to change Pulte's corporate name, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or other nominee that are represented at the meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on this proposal. If a Pulte shareholder's broker holds such shareholder's Pulte common stock in street name, the broker will vote such shareholder's shares only if the shareholder provides instructions on how to vote by filling out the voter instruction form sent to the shareholder by his or her broker with this joint proxy statement/prospectus. It is expected that brokers and other nominees will not have discretionary authority to vote on the proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock, the proposal to approve the charter amendment to change Pulte's corporate name or the Pulte meeting adjournment proposal.

### **Proxy Solicitation**

Pulte is soliciting proxies for the Pulte special meeting from Pulte shareholders. Pulte will bear the entire cost of soliciting proxies from Pulte shareholders, except that Pulte and Centex have each agreed to share equally all expenses incurred in connection with the printing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies by mail, Pulte will request that brokers, banks and other nominees send proxies and proxy materials to the beneficial owners of Pulte common stock held by them and secure their voting instructions, if necessary. Pulte will reimburse those record holders for their reasonable expenses. Pulte has also made arrangements with D.F. King & Co., Inc. to assist it in soliciting proxies, and has agreed to pay D.F. King's reasonable and customary charges for such services, currently estimated not to exceed \$12,500, plus expenses. Pulte also may use several of its regular employees, who will not be specially compensated, to solicit proxies from Pulte shareholders, either personally or by telephone or electronic mail.

### **Other Business; Adjournments**

Pulte does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the Pulte special meeting. However, if other matters incident to the conduct

of the special meeting are properly presented at the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters.

An adjournment may be made from time to time by approval of the holders of shares representing a majority of the votes present in person or by proxy at the special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting.

**Assistance**

If a Pulte shareholder needs assistance in completing his or her proxy card or has questions regarding the Pulte special meeting, he or she should contact D.F. King & Co., Inc., which is assisting Pulte with the solicitation of proxies, at (800) 714-3313 (toll-free) or (212) 269-5550 (collect) or via e-mail to [pulteproxy@dfking.com](mailto:pulteproxy@dfking.com). Alternatively, Pulte shareholders may contact Pulte Investor Relations at (248) 647-2750 or via e-mail to [calvin.boyd@pulte.com](mailto:calvin.boyd@pulte.com) or by writing to Pulte Homes, Inc., 100 Bloomfield Hills Parkway, Suite 300, Bloomfield Hills, Michigan 48304, Attn.: Investor Relations.

## THE CENTEX SPECIAL MEETING

### General

This joint proxy statement/prospectus is being provided to Centex stockholders as part of a solicitation of proxies by the Centex board of directors for use at the Centex special meeting. This joint proxy statement/prospectus provides Centex stockholders with important information they need to know to be able to vote, or instruct their brokers or other nominees to vote, at the Centex special meeting.

### Date, Time, Place and Purpose of the Centex Special Meeting

The special meeting of Centex stockholders will be held on the 10th floor of our headquarters building, located at 2728 N. Harwood Street, Dallas, Texas, on August 18, 2009, at 11:00 a.m., local time.

The Centex special meeting is being held for the following purposes:

- to consider and vote upon the proposal to approve the Merger Agreement;
- to consider and vote upon the Centex meeting adjournment proposal; and
- to transact any other business as may properly come before the special meeting.

### Recommendation of the Centex Board of Directors

The Centex board of directors has unanimously determined that the proposed merger is advisable and in the best interests of Centex and its stockholders and unanimously recommends that Centex stockholders vote **FOR** the proposal to approve the Merger Agreement and **FOR** the Centex meeting adjournment proposal. See The Merger Recommendation of the Centex Board of Directors and Its Reasons for the Merger beginning on page 49.

### Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of Centex common stock at the close of business on the Centex record date, July 10, 2009, are entitled to notice of and to vote at the Centex special meeting. As of the Centex record date, there were 125,319,612 shares of Centex common stock outstanding and entitled to vote at the special meeting, held by 2,893 holders of record. Each holder of Centex common stock is entitled to one vote for each share of Centex common stock owned as of the Centex record date.

A complete list of Centex stockholders will be available for review at the special meeting and at the executive offices of Centex during regular business hours for a period of ten days before the special meeting.

### Quorum and Vote Required

A majority of the shares of Centex common stock entitled to vote as of the Centex record date must be present in person or represented by proxy at the Centex special meeting to constitute a quorum. A quorum must be present before a vote can be taken on the proposal to approve the Merger Agreement or any other matter except adjournment or postponement of the meeting due to the absence of a quorum. Abstentions and broker non-votes, if any, which are described below, will be counted as present for purposes of determining the presence of a quorum at the Centex

special meeting. If a quorum is not present or if there are not sufficient votes in favor of the proposal to approve the Merger Agreement, Centex expects that the special meeting will be adjourned to solicit additional proxies, subject to approval of the Centex meeting adjournment proposal by the affirmative vote of the holders of a majority of the shares of Centex common stock present in person or represented by proxy at the Centex special meeting and entitled to vote thereon. At any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

In accordance with the Nevada Revised Statutes, which we refer to as the NRS, approval of the proposal to approve the Merger Agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Centex common stock entitled to vote on this proposal at the Centex special meeting.

In accordance with the NRS and Centex's by-laws, approval of the Centex meeting adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Centex common stock present in person or represented by proxy at the special meeting and entitled to vote thereon.

### **Voting by Centex's Directors and Executive Officers**

As of the Centex record date for the special meeting, the directors and executive officers of Centex as a group owned and were entitled to vote 2,199,199 shares of Centex common stock, or approximately 1.75% of the outstanding shares of Centex on that date.

In connection with the Merger Agreement, the following directors and officers of Centex entered into voting agreements with Pulte, pursuant to which they have agreed to vote their shares of Centex in support of the transaction: Timothy R. Eller, chairman and chief executive officer of Centex and a director, Catherine R. Smith, executive vice president and chief financial officer of Centex, and Barbara T. Alexander, Thomas J. Falk, Clint W. Murchison, III, Frederic M. Poses, James J. Postl, David W. Quinn, Matthew K. Rose and Thomas M. Schoewe, each a director of Centex. As of the Centex record date, these directors and officers collectively owned and were entitled to vote 1,694,109 shares of Centex common stock, or approximately 1.35% of the outstanding shares of Centex common stock. All of Centex's directors and executive officers entitled to vote at the Centex special meeting, including those that have not entered into voting agreements with Pulte, have evidenced their intent to vote for the proposal to approve the Merger Agreement and the Centex meeting adjournment proposal.

### **Voting; Proxies; Revocation**

Holders of Centex common stock as of the Centex record date may vote by proxy or in person at the Centex special meeting. Votes cast by proxy or in person at the Centex special meeting will be tabulated and certified by Centex's transfer agent.

#### ***Voting in Person***

Centex stockholders who plan to attend the Centex special meeting and wish to vote in person will be given a ballot at the special meeting. Please note, however, that Centex stockholders who hold their shares in street name, which means such shares are held of record by a broker, bank or other nominee, and who wish to vote in person at the Centex special meeting, must bring to the special meeting a proxy from the record holder of the shares authorizing such Centex stockholder to vote at the Centex special meeting.

#### ***Voting by Proxy***

The vote of each Centex stockholder is very important. Accordingly, Centex stockholders who hold their shares as a record holder should complete, sign and return the enclosed proxy card whether or not they plan to attend the Centex special meeting in person. Centex stockholders should vote their proxy even if they plan to attend the Centex special meeting. Centex stockholders can always change their vote at the special meeting. Voting instructions are included on the enclosed proxy card. If a Centex stockholder properly gives his or her proxy and submits it to Centex in time to vote, one of the individuals named as such Centex stockholder's proxy will vote the shares as such Centex stockholder has directed. A proxy card is enclosed for use by Centex stockholders.

The method of voting by proxy differs for shares held as a record holder and shares held in street name. If a Centex stockholder holds shares of Centex common stock as a record holder, he or she may vote by completing, dating and signing the enclosed proxy card and promptly returning it in the enclosed, pre-addressed, postage-paid envelope or otherwise mailing it to Centex, or by submitting a proxy over the Internet or by telephone by following the instructions on the enclosed proxy card. If a Centex stockholder holds shares

of Centex common stock in street name, which means such shares are held of record by a broker, bank or other nominee, the Centex stockholder will receive instructions from his or her broker, bank or other nominee that the Centex stockholder must follow in order to vote his or her shares. Centex stockholders who hold their shares in street name should refer to the voting instructions from their broker, bank or nominee that accompany this joint proxy statement/prospectus.

All properly signed proxies that are received prior to the special meeting and that are not revoked will be voted at the special meeting according to the instructions indicated on the proxies or, if no direction is indicated, they will be voted **FOR** the proposal to approve the Merger Agreement and **FOR** the Centex meeting adjournment proposal.

### ***Revocation of Proxy***

A Centex stockholder may revoke his or her proxy at any time before it is voted at the Centex special meeting by taking any of the following actions:

delivering to the corporate secretary of Centex a signed written notice of revocation, bearing a date later than the date of the proxy, stating that the proxy is revoked;

signing and delivering a new proxy, relating to the same shares and bearing a later date;

submitting another proxy by telephone or on the Internet (the latest telephone or Internet voting instructions are followed); or

attending the Centex special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

If a Centex stockholder's shares are held in street name, he or she may change his or her vote by submitting new voting instructions to his or her broker, bank or other nominee. Centex stockholders must contact their broker, bank or other nominee to find out how to do so.

Written notices of revocation and other communications with respect to the revocation of Centex proxies should be addressed to:

Centex Corporation  
2728 N. Harwood Street  
Dallas, Texas 75201  
Attn.: Corporate Secretary

### **Abstentions and Broker Non-Votes**

For purposes of the proposal to approve the Merger Agreement, abstentions will have the same effect as voting against the proposals.

Under the listing requirements of the NYSE, brokers who hold shares of Centex common stock in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. However, brokers are not allowed to exercise their voting discretion with respect to the approval of matters that the NYSE determines to be non-routine, such as approval of the proposal to approve the Merger Agreement, without specific instructions from the beneficial owner. Broker non-votes are shares held by a broker or other nominee that are represented at the meeting, but with respect to which the broker

or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker does not have discretionary voting power on the proposal. If a Centex stockholder's broker holds such stockholder's Centex common stock in street name, the broker will vote such stockholder's shares only if the stockholder provides instructions on how to vote by filling out the voter instruction form sent to the stockholder by his or her broker with this joint proxy statement/prospectus. It is expected that brokers and other nominees will not have discretionary authority to vote on the proposal to approve the Merger Agreement.

For purposes of the Centex meeting adjournment proposal, abstentions will have the same effect as voting against the proposal. It is expected that brokers and other nominees will not have discretionary voting authority on this proposal.

### **Proxy Solicitation**

Centex is soliciting proxies for the Centex special meeting from Centex stockholders. Centex will bear the entire cost of soliciting proxies from Centex stockholders, except that Pulte and Centex have each agreed to share equally all expenses incurred in connection with the printing of this joint proxy statement/prospectus and related proxy materials. In addition to the solicitation of proxies by mail, Centex will request that brokers, banks and other nominees send proxies and proxy materials to the beneficial owners of Centex common stock held by them and secure their voting instructions, if necessary. Centex will reimburse those record holders for their reasonable expenses. Centex has also made arrangements with Innisfree M&A Incorporated to assist it in soliciting proxies, and has agreed to pay a fee not to exceed \$35,000 plus expenses for those services. Centex also may use several of its regular employees, who will not be specially compensated, to solicit proxies from Centex stockholders, either personally or by telephone or electronic mail.

### **Other Business; Adjournments**

Centex does not expect that any matter other than the proposals presented in this joint proxy statement/prospectus will be brought before the Centex special meeting. However, if other matters incident to the conduct of the special meeting are properly presented at the special meeting, the persons named as proxies will vote in accordance with their best judgment with respect to those matters. An adjournment may be made from time to time by approval of the holders of shares representing a majority of the votes present in person or by proxy at the special meeting, whether or not a quorum exists, without further notice other than by an announcement made at the special meeting.

### **Assistance**

If a Centex stockholder needs assistance in completing his or her proxy card or has questions regarding the Centex special meeting, he or she should contact Innisfree M&A Incorporated, which is assisting Centex with the solicitation of proxies, at (877) 717-3930 (toll-free). Banks and brokers may call collect at (212) 750-5833. Centex stockholders with requests for materials only may contact Innisfree via e-mail at [info@innisfreema.com](mailto:info@innisfreema.com). Alternatively, Centex stockholders may contact Centex Investor Relations at (214) 981-5000 or via e-mail to [ir@centex.com](mailto:ir@centex.com) or write to Centex Corporation, P.O. Box 199000, Dallas, Texas 75219-9000, Attn.: Investor Relations.

## THE MERGER

*The following is a description of the material aspects of the merger. While we believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. We encourage you to read carefully this entire joint proxy statement/prospectus, including the Merger Agreement attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the merger.*

### General

Each of the Pulte and Centex board of directors has unanimously approved the Merger Agreement and the transactions contemplated by the Merger Agreement, including the merger. Upon completion of the merger, Pi Nevada Building Company, a wholly owned subsidiary of Pulte, will merge with and into Centex, with Centex continuing as the surviving corporation and a wholly owned subsidiary of Pulte. Each share of Centex common stock, other than those shares held by Pulte or Pi Nevada Building Company and other than treasury shares, will be converted into the right to receive the merger consideration, upon the terms provided in the Merger Agreement and as described below under **The Merger Agreement Merger Consideration** beginning on page 75.

### Background of the Merger

2008 was an extraordinarily difficult year in the home building industry. According to the U.S. Census Bureau, only 485,000 new homes were sold in 2008, a 37.5% decline from 2007 and a 62.2% decline from the five-year high of 1,283,000 homes set in 2005; and median new home prices fell from \$248,000 to \$232,000, reflecting the largest single year-to-year decline since 1970. In addition, as of December 31, 2008, the U.S. Census Bureau estimated an 8.8 month supply of unsold new homes, approximately double the median level since 2000. The outlook for the industry was severely affected by the crises in the credit markets, which restricted the availability of financing for home purchases, and the deteriorating conditions in the economy.

In response, in the fall of 2008, Centex accelerated the actions that it had begun in 2006 to improve its cost structure through implementing operational improvements in construction, purchasing, sales and marketing, minimizing cash expenditures at all levels, implementing overhead and personnel reductions and reducing land-related spending. In addition, in the fall of 2008, Centex began a comprehensive analysis of its capital structure, including with respect to the near-term maturities of certain of its outstanding indebtedness. During this period, the board of directors of Centex, which we refer to as the Centex Board, and Centex's senior management discussed Centex's strategic alternatives in light of worsening industry and economic conditions and how to best position Centex to take advantage of any recovery. In addition, Goldman, Sachs & Co., which we refer to as Goldman Sachs, and which had served as a strategic financial advisor to Centex since 2005, was engaged to assist Centex's consideration of strategic alternatives, and Wachtell, Lipton, Rosen & Katz, which we refer to as Wachtell Lipton, was hired as a legal advisor.

On December 13, 2008, the Centex Board met with Centex's senior management and its financial advisors to further discuss Centex's strategic alternatives. At the meeting, representatives of Goldman Sachs presented a preliminary analysis of potential strategic alternatives, including engaging in a business combination transaction or a recapitalization to strengthen Centex's financial condition through the private or public sale of equity, repurchase of debt, a debt-for-debt or debt-for-equity exchange offer or a combination of the foregoing. The Centex Board directed Centex's senior management to develop with Goldman Sachs an analysis of potential merger candidates as well as a recapitalization plan, and to consider the optimal sequencing of each alternative. The Centex Board also formed a special initiatives committee, which we refer to as the Centex Special Initiatives Committee, comprised of four independent directors, one of whom served as chair, and Timothy R. Eller, Centex's chairman and chief executive

officer. The mandate of the Special Initiatives Committee was to assist the Centex Board's analysis, negotiation and implementation of strategic alternatives including a business combination or a recapitalization.

On several occasions during December and January, the Centex Special Initiatives Committee met with Centex's senior management to discuss Centex's business in light of general industry and economic conditions as well as Centex's capital structure, including the maturities of Centex's outstanding indebtedness and the potential desirability of, and methods for, repurchasing certain tranches of indebtedness, including with the proceeds of a private or public sale of equity. The Centex Special Initiatives Committee also discussed with Centex's senior management more than 10 potential candidates for a business combination, including the attributes of the combined companies that would result from such transactions, if effected.

At a meeting on January 10, 2009, the Centex Board discussed with Centex's senior management and its legal and financial advisors Centex's potential strategic alternatives, including engaging in a potential business combination transaction or a recapitalization and considered potential candidates for a business combination. At the meeting, representatives of Goldman Sachs presented a preliminary analysis of potential candidates selected by Goldman Sachs and Centex's senior management on the basis of, among other factors, the candidates' capacity to effect a transaction that would provide attractive value to Centex's stockholders, their ability to achieve synergies in a transaction with Centex, the strength of the balance sheet of the combined company that would result from such a transaction and their likely interest in engaging in such a transaction. The presentation included a preliminary analysis of the balance sheet and geographic profile of the combined company and potential synergies identified by Centex's senior management that might be achieved in a transaction with each of the potential candidates. After discussion, the Centex Board identified three homebuilding industry participants as the preferred business combination partners: Pulte, Company A and Company B. These companies were selected and certain other candidates were excluded based on, among other factors, the Centex Board's assessment of their capacity to effect a transaction that would provide attractive value to Centex's stockholders, their ability to achieve synergies in a transaction with Centex, the strength of the balance sheet of the combined company that would result from such a transaction and their likely interest in engaging in such a transaction. Goldman Sachs did not independently contact prospective combination partners.

In selecting Pulte as a potential candidate, the Centex Board considered that Mr. Eller and Pulte's then chief executive officer held preliminary discussions, initiated by Pulte's chief executive officer, regarding a potential negotiated transaction in 2000 and 2004, which discussions did not result in either party making an acquisition proposal, and that, in August 2005, Pulte had made an unsolicited confidential acquisition proposal to acquire Centex in a stock-for-stock merger with an exchange ratio of 1.8 shares of Pulte common stock for each Centex share, which was later increased to 1.85 Pulte shares, and which the Centex Board determined not to pursue. The Centex Board considered the companies' respective equity values, industry conditions and Centex's position in the homebuilding industry at the time the proposals were made, and concluded that Centex's strategic initiatives had the potential to deliver greater value to Centex's stockholders than the proposed business combination with Pulte.

Following further meetings of the Centex Special Initiatives Committee and the Centex Board and in accordance with the Centex Board's direction, Mr. Eller initiated contact and held discussions with the chief executive officers of Pulte, Company A and Company B during the first week of February 2009. The Centex Board determined to pursue a potential business combination transaction with Pulte, Company A and Company B rather than a potential recapitalization based on the Centex Board's belief that a business combination transaction with such parties had the potential to offer Centex stockholders greater value than a recapitalization. In addition, the Centex Board believed that the volatility of the debt and equity securities markets created uncertainty regarding the ability of Centex to successfully and timely complete a recapitalization plan, including, for example, to purchase its outstanding debt securities on favorable terms and to issue new debt and/or equity securities. During an initial conversation on February 4, 2009, with Richard J. Dugas, Jr., Pulte's president and chief executive officer and a member of the Pulte board of directors, which we refer to as the Pulte Board, Mr. Dugas indicated to Mr. Eller that he believed a combination between the two companies had strategic merit, and that the two companies should further consider engaging in a potential transaction. The chief executive officer of Company A also indicated to Mr. Eller during a conversation on February 4, 2009, that he would be interested in discussing a potential transaction, and, at Mr. Eller's

request, the two met in person on February 13, 2009 together with David W. Quinn, a Centex director, and a director from Company A. Mr. Eller and Company A's chief executive officer held an

additional discussion by telephone on February 17, 2009. Ultimately, Company A determined not to proceed with a further exploration of a merger with Centex. During an initial conversation on February 6, 2009, the chief executive officer of Company B expressed interest in a potential transaction, and Mr. Eller discussed a potential transaction with Company B's chief executive officer again on February 13, 2009.

The Pulte Board, together with Pulte management, has in the ordinary course regularly evaluated business development strategies and reviewed Pulte's strategic alternatives, including from time to time potential business combinations and other strategic alliances, in pursuing its objective of enhancing shareholder value. Following the initial discussion between Mr. Dugas and Mr. Eller, Pulte retained Citigroup Global Markets Inc., which we refer to as Citi, as Pulte's financial advisor and Sidley Austin LLP, which we refer to as Sidley Austin, to serve as special counsel to Pulte and the Pulte Board in connection with the Pulte Board's consideration of a possible business combination with Centex.

On February 9, 2009, at a regularly scheduled meeting of the Pulte Board, Mr. Dugas reported on his discussions with Mr. Eller with respect to a possible business combination with Centex. Mr. Dugas and Roger A. Cregg, Pulte's executive vice president and chief financial officer, discussed the strategic rationale for a potential combination with Centex and the financial profile of the combined company, including the combined cash balance of the two companies and the pro forma debt maturity schedule, the potential significant cost synergies that could result from a business combination with Centex and the possible risks associated with such a transaction. Mr. Dugas also informed the Pulte Board that he believed that Pulte and Centex shared similar philosophies with respect to business culture, including a commitment to maintain a high level of customer and employee satisfaction, and a conservative approach to financial accounting matters. Following the presentation by Mr. Dugas and Mr. Cregg regarding a possible business combination with Centex, the Pulte Board discussed a number of items, including the significant combined cash balance of the two companies, which the Pulte Board believed would better position the combined company to navigate the downturn in the housing industry, the potential significant cost synergies due to reduced overhead and interest expense savings that could be achieved in such a transaction, the complementary nature of the Pulte and Centex businesses given Pulte's strength in the move-up and active adult segments of the homebuilding industry and Centex's strength in the entry-level and move-up segments of the homebuilding industry and the potential for shareholders of both companies to participate in the potential benefits to be realized from a business combination transaction. The Pulte Board also discussed the favorable timing for a potential business combination transaction with Centex given the recent comparative share price performance between the companies relative to the companies' historical trading prices. During its discussion, the Pulte Board noted some of the potential risks associated with a possible business combination with Centex, with particular focus on the pro forma debt maturity schedule for the combined company, possible future goodwill and other asset impairments for the combined company and the ability to achieve the identified cost synergies. See Recommendation of the Pulte Board of Directors and Its Reasons for the Merger beginning on page 45 for additional discussion of the Pulte Board's reasons for pursuing a business combination with Centex.

The Pulte Board did not consider pursuing potential strategic alternatives with other companies in the homebuilding industry and instead primarily focused on whether it was in the best interests of Pulte and its shareholders to continue to operate its business as currently conducted or to pursue a potential business combination with Centex. The Pulte Board decided to pursue a potential business combination with Centex because it had viewed a combination with Centex favorably when it last considered such a transaction in 2005, the information made available to it, including the Pulte management team's views of the current status of the homebuilding industry and Centex's competitive and financial position, suggested that a combination with Centex at this time would be favorable to Pulte and its shareholders and completion of a business combination with Centex would not preclude Pulte from pursuing other alternatives in the future. In addition, given changes since 2005 in the companies' respective equity values, industry conditions and the companies' respective positions in the homebuilding industry, the Pulte Board viewed the ability to pursue a combination with Centex using an exchange ratio that it expected to be able to negotiate as an attractive

opportunity for Pulte and its shareholders. Based primarily upon the information presented and the views expressed by Mr. Dugas and Mr. Cregg at the meeting, the Pulte Board determined that the potential benefits of a business combination with Centex outweighed the potential risks identified at the meeting and authorized Pulte management to pursue discussion of a possible business combination with Centex.

On February 11, 2009, Mr. Dugas contacted Mr. Eller and reported that the Pulte Board was supportive of proceeding with discussions concerning a possible business combination with Centex. Mr. Dugas identified Pulte's concern with Centex's near-term debt maturities and sought additional information concerning Centex's projected cash flows during the 2009 calendar year. Mr. Dugas proposed an in-person meeting between members of Pulte and Centex managements to conduct due diligence and further discuss potential cost synergies and how the companies might operate together.

On February 17, 2009, Centex and Pulte entered into a confidentiality and standstill agreement to facilitate their exchange of confidential information and further consideration of a transaction.

On February 18, 2009, Mr. Dugas and Mr. Eller, together with Mr. Quinn and other members of Pulte and Centex senior management, including Mr. Cregg and Ms. Smith, met to further discuss the combination of Pulte and Centex. At the meeting, Mr. Dugas presented Mr. Eller with a term sheet outlining a business combination, structured as a stock-for-stock merger, in which Centex's stockholders would receive a premium of 8-10% based on a fixed exchange ratio, and thereby own approximately one-third of the combined company. The Pulte Board favored a proposal featuring a stock-for-stock merger with a fixed exchange ratio because this transaction structure provided certainty as to the number of shares of Pulte common stock to be delivered to Centex stockholders and the percentage of the total shares of Pulte common stock that current Centex stockholders would own after the merger. In addition, this transaction structure would not require Pulte to incur any new debt in order to effect the business combination. Based on the closing prices on the NYSE of Centex common stock and Pulte common stock on the day the term sheet was provided, a premium of 8-10% would have implied an exchange ratio of approximately 0.876 to 0.892 of a share of Pulte common stock for each Centex share. As proposed, the board of directors of the combined company would be comprised of eleven to thirteen directors, with nine or ten designated by Pulte and two or three designated by Centex. The term sheet also contemplated that Pulte's and Centex's directors and officers would enter into customary voting agreements in support of the transaction. In addition, the headquarters of the combined company would be based in Detroit, and the combined company would have a regional headquarters/home office extension in Dallas.

On February 20, 2009 at a meeting of the Centex Special Initiatives Committee, Mr. Eller updated committee members on his discussions with Mr. Dugas and with the chief executive officers of Company A and Company B. The Centex Special Initiatives Committee directed Mr. Eller to seek to improve the exchange ratio and other transaction terms proposed by Pulte and to continue discussions with Company A and Company B.

On March 5, 2009, Mr. Dugas and Mr. Eller, together with Mr. Quinn and other members of Pulte and Centex senior management, including Mr. Cregg and Ms. Smith, met to further discuss the combination of Pulte and Centex. Mr. Eller expressed the Centex Board's willingness to consider the combination, but only if the exchange ratio and other terms proposed by Pulte were improved. During this meeting, the attendees had further discussions concerning the amount and timing for achievement of the potential cost synergies, each company's financial statements and their respective liquidity positions, integration plans and brand strategy. Mr. Dugas also inquired as to Mr. Eller's desired role in the combined company, and Mr. Eller indicated that he and the Centex Board believed that Mr. Eller's role should not be considered until agreement had been reached on the principal terms of the proposed transaction. Acting in accordance with the direction of the Centex Special Initiatives Committee, Mr. Eller proposed that Centex's stockholders receive 1.04 shares of Pulte common stock for each share of Centex common stock and that the board of directors of the combined company be comprised of ten directors, with seven designated by Pulte and three designated by Centex.

On March 9, 2009, the Pulte Board met, together with members of Pulte management and Pulte's financial advisor, to discuss the proposed business combination transaction between Pulte and Centex. Mr. Dugas updated the Pulte Board on Pulte management's discussions with Centex management. Pulte's financial advisor discussed with the Pulte Board financial matters relating to Centex and the proposed business combination. Mr. Dugas also reviewed a term sheet for

the proposed transaction with the Pulte Board and discussed the potential role for Mr. Eller in the combined company, noting Mr. Eller's and the Centex Board's view that his role should not be considered until agreement had been reached on the principal terms of the proposed transaction. The Pulte Board authorized Mr. Dugas to submit the term sheet to Centex, which included an exchange ratio of 0.90 of a share of Pulte common stock for each outstanding share of Centex

common stock that would be subject to adjustment based on the relative trading values of Centex common stock and Pulte common stock at the time of signing a merger agreement.

On March 9, 2009, following the conclusion of the Pulte Board meeting, Mr. Dugas contacted Mr. Eller and proposed a business combination in which Centex's stockholders would receive 0.90 of a share of Pulte common stock for each share of Centex common stock, subject to adjustment as described in the preceding paragraph. Mr. Dugas also proposed that the board of directors of the combined company be comprised of eleven to thirteen directors, with eight to ten designated by Pulte and three designated by Centex.

At a meeting of the Centex Special Initiatives Committee held later on March 9, 2009, Centex's senior management updated committee members on Centex's business and general industry and economic conditions, and Mr. Eller reported on his discussions with Mr. Dugas as well as a discussion with the chief executive officer of Company A who had informed Mr. Eller that Company A had decided not to further consider a transaction with Centex. During this meeting, a representative of Wachtell Lipton also reviewed with the directors their fiduciary duties in the context of evaluating Centex's strategic alternatives. The Centex Special Initiatives Committee directed Mr. Eller to seek to improve the exchange ratio and other transaction terms proposed by Pulte and to make a business combination proposal to Company B, in each instance on the terms discussed at the meeting.

On March 11, 2009, Mr. Eller met with the chief executive officer of Company B to further discuss the possible combination of Company B and Centex. At the meeting, Mr. Eller proposed that Centex combine with Company B in a merger of equals in which Centex stockholders would own approximately 51% of the combined company and Company B's stockholders would own approximately 49% of the combined company. Mr. Eller further proposed that the board of directors of the combined company would be split equally between Centex and Company B designees, that Mr. Eller would be the chief executive officer of the combined company and that the headquarters of the combined company would be located in Dallas. Mr. Eller and the chief executive officer of Company B did not discuss the compensation Mr. Eller would receive as chief executive officer of the combined company.

On March 13, 2009 at a meeting of the Centex Board attended by its legal and financial advisors, Centex's senior management updated the directors on Centex's business and general industry and economic conditions, and Mr. Eller reported on his discussions with Mr. Dugas and with the chief executive officers of Company A and Company B. During this meeting, a representative of Wachtell Lipton also reviewed with the directors their fiduciary duties in the context of evaluating Centex's strategic alternatives, and a representative of Goldman Sachs discussed with the Centex Board financial matters relating to a possible business combination transaction.

On March 15, 2009, Mr. Eller contacted Mr. Dugas to respond to Pulte's March 9 proposal. Mr. Eller proposed that the exchange ratio be increased to 1.00 share of Pulte common stock for each share of Centex common stock, and that this exchange ratio would not be subject to adjustment based on fluctuations in Pulte's and Centex's respective stock prices prior to execution of a merger agreement. Mr. Eller further proposed that directors designated by Pulte would constitute two-thirds of the board of directors of the combined company and the remaining one-third would consist of directors designated by Centex.

On March 17, 2009, the chief executive officer of Company B contacted Mr. Eller to discuss Mr. Eller's March 11 transaction proposal. The chief executive officer of Company B proposed that, in the merger of equals of their respective companies, Centex's stockholders and Company B's stockholders would each own approximately 50% of the combined company, neither company's stockholders would receive a premium, Mr. Eller would be the chief executive officer of the combined company for two years following the combination and the combined company's headquarters would be located in the city of Company B's headquarters.

On March 17, 2009, the Pulte Board met to discuss the proposed business combination transaction between Pulte and Centex. Mr. Dugas updated the Pulte Board on recent discussions that had taken place with Centex management regarding the proposed business combination, and Mr. Cregg provided the board with additional analysis conducted by Pulte management with respect to Centex's recent financial results. Mr. Dugas also reviewed a revised term sheet for the proposed transaction with the Pulte Board, which contemplated an

exchange ratio of 0.95 of a share of Pulte common stock for each outstanding share of Centex common stock. The Pulte Board authorized Mr. Dugas to submit the revised term sheet to Centex.

At a meeting of the Centex Board on March 18, 2009 attended by its legal and financial advisors, the directors reached a consensus that a transaction with Pulte had the potential to offer Centex stockholders greater value than a transaction with Company B primarily because of the substantial premium to the trading value of Centex common stock that was expected to be reflected in any transaction with Pulte. In contrast, any transaction to be effected with Company B would include little or no premium based on the equity market capitalization of Company B and the type of transaction that Centex and Company B had been discussing. In reaching this consensus, the Centex Board did not attribute significance to the potential inconvenience to Centex's employees that could result from any relocation of Centex's operations, including a relocation of its headquarters. Thus, while not foreclosing a potential transaction with Company B, the Centex Board directed Centex's senior management to focus its efforts primarily on its negotiations with Pulte and to seek improvement of the exchange ratio and other transaction terms proposed by Pulte.

On March 18, 2009, Mr. Dugas contacted Mr. Eller, and in response to Centex's March 15 proposal, proposed a business combination in which Centex's stockholders would receive 0.95 of a share of Pulte common stock for each share of Centex common stock, subject to adjustment at the time of signing a merger agreement only if the stock prices of Centex and Pulte fluctuated significantly during the time prior to signing. Mr. Dugas expressed Pulte's willingness to proceed on the basis that the board of directors of the combined company be comprised of twelve directors, with eight designated by Pulte and four designated by Centex. Mr. Dugas also proposed that Pulte select all of the senior management of the combined company.

On March 19, 2009, in response to Pulte's March 18 proposal and in accordance with the Centex Special Initiatives Committee's direction, Mr. Eller contacted Mr. Dugas and proposed that Centex's stockholders receive between 0.95 and 1.00 of a share of Pulte common stock for each share of Centex common stock, with the exchange ratio to be determined at the time of signing to result in a 30% premium to Centex's common stock price based on the prior day's closing. Mr. Eller then expressed Centex's willingness to proceed on the basis of Pulte's proposal that the combined company be comprised of twelve directors, with eight designated by Pulte and four designated by Centex, but proposed that the senior management of the combined company be determined by a selection committee comprised of two Pulte representatives and one Centex representative. During a later call on March 19, Mr. Dugas confirmed Pulte's willingness to proceed on the basis that the senior management of the combined company be determined by a selection committee comprised of two Pulte representatives and one Centex representative.

On March 20, 2009, Ms. Smith and Mr. Cregg discussed the business outlook of both companies. Following these discussions, they exchanged financial forecasts for their respective company's future operating performance. See Financial Forecasts beginning on page 115.

On March 20, 2009, Mr. Dugas delivered a term sheet to Mr. Eller proposing a business combination in which Centex's stockholders would receive between 0.90 and 1.00 of a share of Pulte common stock for each share of Centex common stock, and that this exchange ratio would be determined at the time of signing a merger agreement to result in a 25% premium to Centex's common stock price based on the average trading prices of Centex and Pulte's common stock prior to signing.

Later on March 20, 2009, following a meeting of the Centex Special Initiatives Committee attended by its legal and financial advisors, Mr. Eller contacted Mr. Dugas and proposed two alternative approaches, either of which would be acceptable to Centex: (1) a 0.975 exchange ratio or (2) if adjustment of the exchange ratio prior to signing was critical to the Pulte Board, the adjustment parameters previously proposed by Centex (i.e., an exchange ratio of between 0.95 and 1.00 of a share), applied to result in a 30% premium to Centex stockholders at the time of signing.

Following this call, Mr. Dugas had telephonic discussions with the other members of the Pulte Board during which he informed them of the most recent Centex proposal on the exchange ratio. The Pulte directors authorized Mr. Dugas to proceed on the basis of a fixed exchange ratio of 0.975 of a share of Pulte common stock for each outstanding share of Centex common stock, subject to the completion of confirmatory due

diligence investigations of Centex and the negotiation of definitive documentation to effect the business combination. Later that evening, Mr. Dugas contacted Mr. Eller to confirm Pulte's willingness to seek to negotiate the definitive terms of a merger agreement on the basis that Centex stockholders would receive 0.975 of a share of Pulte common stock for each outstanding share of Centex common stock.

On March 21, 2009, Mr. Eller updated the Centex Board on his negotiations with Pulte at a meeting attended by the Centex Board's legal and financial advisors. The directors confirmed their support of the principal transaction terms negotiated by Mr. Eller and directed Mr. Eller and the other members of Centex's senior management to negotiate the definitive terms of a merger agreement in accordance with such terms.

Commencing on March 22, 2009, when Wachtell Lipton distributed an initial draft merger agreement to Pulte and Sidley Austin, representatives of Pulte, Sidley Austin, Centex and Wachtell Lipton negotiated the terms of the merger agreement and other documents related to the proposed transaction. The key transaction terms discussed by Pulte and Centex and their respective legal advisors included the circumstances under which termination fees would be payable by either party and the amounts of such termination fees, under what circumstances the Pulte Board would have the ability to change its recommendation for the transaction, whether the transaction would be conditioned on an amendment to Pulte's Restated Articles of Incorporation, the restrictions on Centex's ability to enter into discussions regarding an alternative transaction proposal, the definition of "Material Adverse Effect" and the interim operating covenants applicable to Centex. During this period, Pulte and Centex and their respective legal advisors continued their due diligence investigation of the other and regularly apprised their respective boards of directors (and, in the case of Centex, the Centex Special Initiatives Committee) concerning their diligence findings and the status of the negotiations of definitive agreements. Also during this period, Mr. Eller, with the prior approval of the Centex Special Initiatives Committee, began discussions with Pulte regarding his role in the combined company and a potential consulting agreement between Mr. Eller and Pulte to be effective if a business combination of Centex and Pulte were consummated. During these discussions, Mr. Eller, Mr. Dugas and Bernard Reznicek, chairman of the compensation committee of the Pulte Board, discussed appropriate terms to ensure that the combined company would continue to have the benefit of Mr. Eller's knowledge of Centex and its business following the completion of a transaction. Mr. Dugas, Mr. Eller and Mr. Reznicek discussed, among other terms, whether Mr. Eller would report directly to Mr. Dugas, the length of Mr. Eller's consulting period, and the payments and benefits to which Mr. Eller would be entitled as a consultant to the combined company. The terms of Mr. Eller's consulting agreement, as executed on April 7, 2009, are described below under "Interests of Centex's Directors and Executive Officers in the Merger Consulting Agreement Between Timothy R. Eller and Pulte" beginning on page 73. In addition, on March 31, 2009, Sidley Austin distributed an initial draft of the form of voting agreement to be entered into by certain directors and officers of Centex and Pulte, including William J. Pulte, Pulte's founder and chairman.

On March 26, 2009, the Pulte Board met, together with members of Pulte management and Pulte's legal advisors, to receive an update on the proposed business combination with Centex since the prior meeting of the Pulte Board. Representatives of Sidley Austin reviewed with the Pulte Board the fiduciary duties of the directors in evaluating the proposed business combination between Pulte and Centex and reviewed the principal terms of the draft merger agreement submitted to Pulte by Centex, and Pulte's proposed response to such terms. The Pulte Board considered the advisability of pursuing a business combination with Centex and authorized Pulte management to continue discussions with Centex on the proposed business combination, including the terms of the draft merger agreement.

On March 27, 28 and 29, 2009, management teams from Pulte and Centex and their respective auditors and legal and financial advisors attended mutual in-person due diligence meetings in Dallas, Texas. During these meetings, the management teams from Pulte and Centex made presentations about their respective businesses, discussed how the companies might operate together, reviewed documents and responded to questions and additional information requests.

On March 30, 2009 at a meeting of the Centex Special Initiatives Committee attended by its legal and financial advisors, Centex's senior management updated the committee members on their due diligence investigation of Pulte, including the results of the in-person due diligence meetings held in Dallas. A

representative of Wachtell Lipton also discussed the terms of the draft merger agreement, including termination fees, regulatory covenants, closing conditions, fiduciary provisions, employee benefits provisions and other terms and conditions and the terms of the proposed voting agreement, and addressed various other issues and related matters. On April 1, 2009, the Centex Board also received an update from Centex's senior management and its legal and financial advisors.

The Pulte Board met on April 3, 2009 and again on April 6, 2009, together with members of Pulte's management and Pulte's legal and financial advisors, to further consider the proposed business combination with Centex. During these meetings, Pulte management discussed with the Pulte Board the due diligence work conducted in contemplation of the proposed transaction and possible market reaction to the transaction. The Pulte Board also discussed certain financial matters, including an overview of the projected cost synergies estimated by Pulte management to be achieved in connection with the proposed transaction, the combined company's projected debt, cash and liquidity using the forecasts prepared by Pulte management and referred to under "Financial Forecasts" on page 115 and the anticipated reaction of the rating agencies to the proposed transaction. Representatives of Sidley Austin also reviewed the principal terms of the draft merger agreement and voting agreements and provided an update on the status of negotiations of the merger agreement with Centex. The Pulte Board also discussed the strategic rationale for the transaction, financial considerations for the combined company, including the significant increase in debt of the combined company, and the integration of the two companies after the closing of the transaction. At the conclusion of these meetings, the Pulte Board authorized Pulte's management to continue to pursue the proposed transaction. On the evening prior to its April 3 meeting, the Pulte Board held a dinner which, at the request of the Pulte Board, was attended by Mr. Eller. At the dinner, Mr. Eller discussed his views regarding the strategic rationale for the proposed transaction.

On April 7, 2009, the Pulte Board met, together with members of Pulte's management and Pulte's legal and financial advisors. Pulte management updated the Pulte Board on the due diligence investigation conducted by Pulte and the financial matters that were discussed at the April 3 and April 6, 2009 Pulte Board meetings. Representatives of Sidley Austin again reviewed the fiduciary duties of the members of the Pulte Board with respect to the evaluation of the proposed transaction and provided a summary of the terms of the proposed merger agreement. Pulte management discussed with the Pulte Board the principal terms of the consulting agreement with Mr. Eller, and representatives of Sidley Austin discussed with the Pulte Board the principal terms of the voting agreements between Pulte and certain of the directors and officers of Centex and the voting agreements between Centex and certain of the directors and officers of Pulte. Citi reviewed with the Pulte Board its financial analysis of the 0.975 exchange ratio provided for in the merger agreement and rendered to the Pulte Board an oral opinion, which was confirmed by delivery of a written opinion dated April 7, 2009, to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to Pulte. Pulte management recommended that the Pulte Board approve the proposed business combination with Centex and authorize Pulte's entry into the merger agreement. After further consideration and deliberation, and taking into account the factors described under

Recommendation of the Pulte Board of Directors and Its Reasons for the Merger beginning on page 45, the Pulte Board unanimously determined that it was advisable and in the best interests of Pulte and its shareholders to enter into a business combination transaction with Centex and voted for Pulte to enter into the proposed merger agreement, approved the proposed merger agreement and the proposed charter amendment to increase the number of authorized shares of common stock, and determined to recommend to Pulte's shareholders that they vote to approve the proposal to approve the issuance of shares in the merger and the proposal to approve the charter amendment to increase the number of authorized shares of common stock. At this meeting, the Pulte Board also approved and authorized Pulte's entry into the consulting agreement with Mr. Eller and Pulte's entry into the voting agreements with certain of the directors and officers of Centex.

On April 7, 2009, the Centex Board held a special meeting, which was also attended by Centex's senior management and representatives of Goldman Sachs and Wachtell Lipton, to further consider the proposed transaction. At the

meeting, a representative of Wachtell Lipton again reviewed the directors' fiduciary duties and described the terms of the proposed merger agreement, the consulting agreement to be entered into

between Mr. Eller and Pulte and the voting agreements to be entered into by Pulte and Centex and certain of the other party's directors and officers, and the representatives of Goldman Sachs reviewed financial aspects of the proposed transaction, which analysis was based in part on the closing prices of Centex's and Pulte's common stock on April 6, 2009. Goldman Sachs then delivered its oral opinion, which was subsequently confirmed in writing, to the effect that, as of April 7, 2009 and based upon and subject to the assumptions and qualifications set forth in the opinion, the exchange ratio pursuant to the proposed merger agreement was fair from a financial point of view to the holders of Centex common stock. At the request of the Centex Board, Mr. Dugas attended a portion of the meeting to discuss his views regarding the strategic rationale for the proposed transaction. After further consideration and deliberation, and taking into account the factors described under Recommendation of the Centex Board of Directors and Its Reasons for the Merger beginning on page 49, the Centex Board unanimously determined that it was in the best interests of Centex and its stockholders, and declared it advisable, to enter into the merger agreement, adopted the merger agreement and approved the consummation of the transactions contemplated by the merger agreement, including the merger, and determined to recommend to Centex's stockholders that they vote to approve the merger agreement. At this meeting, the Centex Board also approved Centex's entry into the voting agreements with certain of the directors and officers of Pulte.

On the evening of April 7, 2009, Pulte, Centex and Pi Nevada Building Company executed the definitive merger agreement and certain directors and officers of Centex and Pulte entered into the voting agreements. In addition, Pulte and Mr. Eller entered into Mr. Eller's consulting agreement. On April 8, 2009, before the opening of trading on the NYSE, Pulte and Centex issued a joint press release announcing the execution of the Merger Agreement. The terms of the Merger Agreement are described below under The Merger Agreement beginning on page 75.

### **Recommendation of the Pulte Board of Directors and Its Reasons for the Merger**

**The Pulte Board has unanimously approved the Merger Agreement and unanimously recommends that Pulte shareholders vote FOR the proposal to approve the charter amendment to increase the number of authorized shares of common stock, FOR the proposal to approve the issuance of shares in the merger, FOR the proposal to approve the charter amendment to change Pulte's corporate name and FOR the Pulte meeting adjournment proposal.**

In evaluating the merger and Merger Agreement, the Pulte Board consulted with Pulte's management and legal and financial advisors and, in reaching its decision to approve the Merger Agreement and to recommend that Pulte shareholders vote FOR the proposal to approve the charter amendment to increase the number of authorized shares of common stock and FOR the proposal to approve the issuance of shares in the merger, the Pulte Board evaluated the results of management's due diligence investigation of Centex's businesses and operations, reviewed publicly available information regarding Centex's businesses and operations and considered various factors, including the factors described below. The following discussion of the information and factors considered by the Pulte Board is not exhaustive, but includes the material factors considered by the Pulte Board. In view of the wide variety of factors considered by the Pulte Board in connection with its evaluation of the merger, the Pulte Board did not consider it practical to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. In considering the factors described below, individual members of the Pulte Board may have given different weight to different factors. The Pulte Board considered this information as a whole, and overall considered the information and factors to be favorable to, and in support of, its determinations and recommendations. Among the material information and factors considered by the Pulte Board were the following:

#### *Strategic Rationale.*

The Pulte Board reviewed Pulte's position in the homebuilding industry and believes that a combination with Centex would create the nation's preeminent homebuilder, including a number one ranking in terms of

revenues and number of home closings. The Pulte Board discussed that a business combination with Centex would create a combined company with a top three position in 25 of the top 50 new homebuilder geographic markets across the United States and have the ability to

increase market share in a number of additional geographic markets where both companies currently operated. The Pulte Board further considered the recent and continuing challenges faced by the homebuilding industry, including lack of consumer confidence, decreased housing affordability, rising unemployment, a significant increase in the number of foreclosed homes, and large supplies of resale and new home inventories and the uncertain prospects and timing for a recovery. Notwithstanding the fact that the proposed business combination with Centex would increase Pulte's exposure to the homebuilding industry and result in possible additional impairments to the combined company's assets, the Pulte Board determined that Pulte would have an opportunity to be well-positioned after a combination to take advantage of the market for new homes when the homebuilding industry eventually recovers, particularly in light of the potential synergies resulting from the combination, the complementary market segments and geographies in which the additional land inventory being acquired would be located, the fact that a significant portion of the inventory reflected developed lots that would not require substantial additional infrastructure investment to drive revenue and the fact that the accounting treatment of recording that inventory at fair value in connection with the combination would reduce the potential for additional impairments with respect to the inventory acquired as part of the combination.

The Pulte Board considered the similar management styles and comparable corporate cultures of the two companies and believed that such similarities would allow the companies to more easily and quickly integrate their operations. The Pulte Board acknowledged that there are challenges inherent in the combination of two business enterprises of the size and scope of Pulte and Centex, including the possible resulting diversion of management attention for an extended period and the possibility of not achieving cost synergies following the merger, including the ability to successfully repurchase the outstanding debt of the combined company, in the amounts or at the time anticipated, and evaluated these risks in light of Pulte's history and experience in integrating businesses in prior significant transactions, including the acquisition of Del Webb in 2001.

The Pulte Board considered that, although no assurances could be given that any particular level of cost synergies would be achieved following the merger, management of Pulte had quantified significant potential cost synergies in the principal areas of corporate overhead, field and divisional overhead, financial services and cash interest savings, estimated to be approximately \$350 million on an annual basis, and identified additional potential cost synergies that could not readily be quantified. The Pulte Board believed that the likelihood of achieving the estimated cost synergies was high and did not believe that it would be possible for Pulte to achieve cost savings in an amount approaching these estimated synergies if Pulte continued to operate as a standalone company.

The Pulte Board considered the trends and competitive developments in the homebuilding industry and the range of strategic alternatives available to Pulte, including continuing to operate its business as currently conducted, and management's recommendation in favor of the merger and its perspective that Centex was the best merger partner for Pulte in the homebuilding industry. The Pulte Board determined that the combined company would have more substantial financial and management resources to address the challenges facing the homebuilding industry and the larger combined capitalization would provide shareholders of the combined company with greater liquidity for their shares.

*Opportunity for Growth Through Expanded Geographic and Brand and Customer Segment Diversity.* The Pulte Board considered the complementary nature of the Pulte and Centex businesses, with a particular emphasis on the opportunity to diversify Pulte's geographic and brand and customer segment presence by combining the two companies. The Pulte Board believed that the geographic strength of Centex in Texas and the Coastal Carolinas would complement the geographic strength of Pulte in the Florida and Southwest markets. The Pulte Board also noted the significant brand and customer presence of both Pulte and Centex in

the move-up segment of the homebuilding industry, Pulte's strength in the active adult segment of the homebuilding industry through its Del Webb brand and the opportunity to expand Pulte's presence in the entry level segment of the homebuilding industry based on Centex's relative strength in that customer segment.

*Financial Considerations for Combined Company.* The Pulte Board considered the projected financial position, cost structure and capitalization structure of the combined company and the anticipated financial benefits that are expected to result from the merger, including the potential for an accelerated path to profitability based primarily upon the opportunity of the combined company to achieve annual cost synergies of approximately \$350 million and a stronger liquidity position relative to other participants in the homebuilding industry based primarily upon the significant amount of cash that would be held by the combined company (approximately \$3.5 billion as of March 31, 2009) which should allow the combined company to retire a significant amount of debt and allow the combined company to better mitigate uncertainty regarding the future prospects of the homebuilding industry.

The Pulte Board examined various debt repayment scenarios for the combined company. During the course of this review, the Pulte Board reviewed and discussed a number of items, including the following:

Pulte's long-term debt outstanding as of December 31, 2008 was approximately \$3.2 billion, but immediately after the merger, the principal outstanding of the combined company's debt was anticipated to be approximately \$6.2 billion;

As of December 31, 2008, Pulte's debt service obligations, comprised of scheduled maturities of principal and interest, during the next twelve months were anticipated to be, in the absence of the merger, approximately \$234 million, and on a pro forma basis and based on assumed interest rates, leverage ratios and credit ratings, and assuming the merger was completed on July 1, 2009, the combined company's debt service obligations, comprised of scheduled maturities of principal and interest, during the twelve months following the merger were anticipated to be approximately \$627 million;

The anticipated use of the combined company's cash to retire in excess of \$1 billion of debt prior to the end of 2009, which the Pulte Board expected would be disproportionately weighted toward the retirement of debt with near-term maturities;

The risks of the type and nature noted under "Risk Factors." The combined company will have more indebtedness after the merger, which could adversely affect its cash flows and business beginning on page 19;

The difficulty that Centex would potentially have with refinancing all or a portion of its maturing debt in the near term;

The fact that a significant portion of the Centex debt had been investment grade debt at the time of issuance with relatively low interest rates and flexible covenants;

A report from Pulte management based on preliminary discussions with the rating agencies and the implications of potential rating agency actions for the combined company;

The amendments to Pulte's unsecured revolving credit facility in 2007 and 2008 which, among other things, decreased the borrowing capacity from \$2.01 billion to \$1.2 billion, extended the maturity date from October 2010 to June 2012, adjusted the required tangible net worth minimum, increased the maximum allowed debt-to-total capitalization ratio and increased the costs of borrowing or issuing letters of credit, and required Pulte to maintain certain liquidity reserve accounts in the event Pulte fails to satisfy an interest coverage test. While the Pulte Board believed that the anticipated retirement of in excess of \$1 billion of debt would significantly reduce the risk of debt covenant non-compliance by the combined company in the near term,

the Pulte Board also discussed the ability to have discussions with Pulte's lenders and obtain additional amendments to Pulte's unsecured revolving credit facility if necessary following the completion of the merger to ensure compliance with applicable financial covenants; and

The Pulte liquidity-case forecasts and the Centex liquidity-case forecasts which were prepared by Pulte management to assist the Pulte Board in its evaluation of the combined company's ability to service its debt obligations in the event of a more sustained downturn in the homebuilding industry. See Financial Forecasts beginning on page 115.

In addition to the items described above, the Pulte Board evaluated the historical financial condition, operating results and businesses of Pulte and Centex, including information with respect to the respective earnings history and performance of the companies over the past several years. The Pulte Board also took into account the detailed financial, pro forma and other information with respect to the merger presented by Pulte's management. Notwithstanding the increased amount of debt that the combined company would have and the other potential risks and considerations noted above, the Pulte Board believed that the combined company would be able to service its maturing debt obligations and comply with the financial covenants applicable to such debt.

*Financial Terms of Transaction.* The Pulte Board reviewed the use of Pulte common stock as the consideration to be paid to Centex stockholders in the merger and noted that this transaction structure would not require Pulte to incur any new debt to consummate the merger. The Pulte Board considered the fact that the fixed exchange ratio provides certainty as to the number of shares of Pulte common stock to be delivered to Centex stockholders and the percentage of the total shares of Pulte common stock that current Centex stockholders will own after the merger. The Pulte Board took note of the historical and current market prices of Pulte common stock and Centex common stock and the course of negotiations in determining the exchange ratio.

*Opinion of Pulte's Financial Advisor.* The Pulte Board considered Citi's financial presentation and its opinion, dated April 7, 2009, to the Pulte Board as to the fairness, from a financial point of view and as of the date of the opinion, to Pulte of the 0.975 exchange ratio provided for in the Merger Agreement, as more fully described below. See *Opinion of Pulte's Financial Advisor* beginning on page 51.

*Terms of the Merger Agreement.* The Pulte Board, with the assistance of its legal advisors, also considered the non-financial terms and conditions of the Merger Agreement, including the amounts of the termination fees payable by Centex and Pulte and the circumstances under which those fees would be payable, the circumstances under which the Centex Board could change its recommendation to the Centex stockholders, the provisions regarding the selection of the board members and senior management of the combined company and the provisions relating to employee compensation and benefits.

*Likelihood of Completion of the Merger.* The Pulte Board considered the likelihood that the merger would be completed and determined that it was relatively high given the limited regulatory approvals that needed to be obtained in connection with the proposed transaction and the Pulte Board's belief that the transaction would be viewed favorably by both Pulte shareholders and Centex stockholders because they would each participate in the potential value creation of the combined company and have greater liquidity for their shares.

In addition to the risks noted above, the Pulte Board also identified and considered other potential risks of the merger, including the following:

the reaction of Centex employees to the merger and the risk that, despite the efforts of the combined company, key personnel might not remain employed by Pulte;

the possibility that the merger might not be completed due to difficulties in obtaining the requisite Centex stockholder approval of the merger or the requisite Pulte shareholder approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the issuance of shares in the merger;

the effect of the public announcement of the Merger Agreement on Pulte's stock price if Pulte shareholders perceived that Pulte was paying too high a price for Centex or if shareholders were concerned about the

amount of debt of the combined company or other concerns; and

other risks associated with Centex's business generally that were raised during due diligence presentations made by Pulte management to the Pulte Board.

The Pulte Board concluded that these risks could be managed or mitigated by Pulte or were unlikely to have a material impact on the merger or Pulte, and that, overall, the potentially negative factors or risks

associated with the merger were outweighed by the potential benefits of the merger to Pulte and its shareholders.

Additional factors considered by the Pulte Board included:

the fact that Pulte shareholders will have an opportunity to vote on the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the issuance of shares in the merger;

the fact the Pulte Board has the right under the Merger Agreement to withdraw its recommendation to Pulte shareholders that they approve the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the issuance of shares in the merger if they are required to do so by applicable law; and

the terms and conditions of the consulting agreement between Pulte and Timothy R. Eller, Centex's chairman and chief executive officer, that will become effective upon completion of the merger.

The Pulte Board realized that there can be no assurance about future results, including results considered or expected as described in the factors listed above, such as assumptions regarding potential cost synergies. The explanation of the Pulte Board's reasoning and all other information presented in this section are forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Concerning Forward-Looking Statements."

#### **Recommendation of the Centex Board of Directors and Its Reasons for the Merger**

**The Centex Board has unanimously adopted the Merger Agreement and approved the consummation of the transactions contemplated by the Merger Agreement, including the merger, upon the terms and subject to the conditions set forth in the Merger Agreement and unanimously recommends that Centex's stockholders vote FOR the proposal to approve the Merger Agreement at the Centex special meeting.**

In reaching this decision, the Centex Board consulted with Centex's management and its legal and financial advisors and considered a variety of factors, including the following material factors, among others:

the financial terms of the merger achieved through extensive, arm's-length negotiations with Pulte, including the right of Centex stockholders to receive, for each share of Centex common stock held by them, 0.975 of a share of Pulte common stock, which represented an implied market value of \$10.50 per share of Centex common stock and a premium of approximately 36%, in each case based on the closing prices on the NYSE of Centex and Pulte common stock on April 7, 2009 (the last trading day prior to the execution and announcement of the Merger Agreement);

the financial analyses presented by Goldman Sachs to the Centex Board, and the opinion of Goldman Sachs dated as of April 7, 2009 to the effect that, as of that date, and subject to and based upon the factors and assumptions set forth in such opinion, the exchange ratio pursuant to the Merger Agreement was fair from a financial point of view to the holders of Centex common stock;

the expectation that Centex stockholders will have the opportunity to share in the future growth and expected synergies of the combined company through the continued ownership of shares of Pulte common stock, while retaining the flexibility of selling all or a portion of those shares for cash at any time. The synergies considered by the Centex Board included cost savings achieved by reductions in public company related expenses, financial services operations, corporate overhead and advertising and marketing as well as personnel reduction;

the strength of the balance sheet of the combined company, the belief that a combination with Pulte would better enable Centex to weather the current economic downturn and position the Centex business (as part of the combined company) to take advantage of any recovery, and the potential strategic and operational benefits of the merger identified by Centex's management and Pulte's management, including the complementary nature of the businesses of Centex and Pulte, and the opportunity for cost

savings as a combined company; in view of these considerations, the Centex Board believed that the merger would further enhance the leading role of the Centex business in the homebuilding industry, due to the benefits of the increased scale, diversity and resources of the combined company;

its assessment of the likelihood that the merger would be completed in a timely manner, including its view of the likelihood the regulatory approvals required in connection with the merger would be received in a timely manner and without unacceptable conditions, and that the management team of the combined company would be able to successfully integrate and operate the businesses of the combined company after the merger;

the fact that Centex had conducted discussions with Company A and Company B, which the Centex Board considered to be the companies other than Pulte most likely to offer a transaction that would provide attractive value to Centex's stockholders (based on, among other factors, the Centex Board's assessment of their capacity to effect a transaction, their ability to achieve synergies in a transaction with Centex, the strength of the balance sheet of the combined company that would result from such a transaction and their likely interest in engaging in such a transaction), and that the Merger Agreement enables the Centex Board, in accordance with the applicable provisions, to consider unsolicited proposals and to terminate the Merger Agreement and accept a superior proposal prior to Centex stockholder approval of the Merger Agreement, subject to payment of a termination fee;

the fact that the transaction will be subject to the approval of Centex's stockholders; and

presentations by Centex's management concerning the operations, financial condition and prospects of Centex and its review of other potential strategic transactions, including its discussions with Company A and Company B, and its consideration of a recapitalization and its belief as a result of such review that the merger with Pulte represents the most attractive direction for Centex's business, such merger being expected to enhance and expand Centex's present business and future growth.

The Centex Board was also aware of and considered the following adverse factors associated with the proposed merger, among others:

the risk that the expected synergies and other benefits of the merger might not be fully achieved or may not be achieved within the time frames expected;

the risks of the type and nature described under Risk Factors beginning on page 19;

the possibility that regulatory or governmental authorities might seek to impose conditions on or otherwise prevent or delay the merger (and that the merger may not be completed as a result of conditions imposed by regulatory authorities or otherwise) balanced by the fact that Pulte had agreed to assume certain regulatory approval risks for the proposed transaction;

the requirement that Centex pay a termination fee equal to (1) \$24 million if Pulte or Centex were to terminate the Merger Agreement due to the failure to obtain approval of Centex's stockholders following a favorable recommendation by the Centex Board and (2) \$48 million under certain circumstances, including if Pulte were to terminate the Merger Agreement following a change of recommendation by the Centex Board or if Centex were to terminate the Merger Agreement in light of a superior proposal (see The Merger Agreement Termination of the Merger Agreement Termination Fees beginning on page 89);

the fact that some of Centex's directors and executive officers may have interests in the merger and arrangements that are different from, or in addition to, those of Centex stockholders generally, including as a

result of compensation arrangements with Centex and the manner in which they would be affected by the merger (see Interests of Centex's Directors and Executive Officers in the Merger beginning on page 70);

the possibility that the merger might not be completed if Centex's stockholders fail to approve the proposal to approve the Merger Agreement or if the Pulte shareholders fail to approve the proposal to approve the charter amendment to increase the number of authorized shares of common stock or the

proposal to approve the issuance of shares in the merger or if the parties otherwise fail to satisfy the conditions to completion of the merger;

that Centex's customers, suppliers or distributors may seek to modify or terminate existing agreements or arrangements, or that they or land sellers would be hesitant to enter into new agreements or arrangements, as a result of the announcement of the merger; and

the potential impact of the restrictions under the Merger Agreement on Centex's ability to take certain actions during the period prior to the completion of the merger (which may delay or prevent Centex from undertaking business opportunities that may arise pending completion of the merger), the potential for diversion of management and employee attention and for increased employee attrition, or difficulty in attracting new employees, during that period and the potential effect of these on Centex's business and relations with customers and service providers.

The foregoing discussion of the factors considered by the Centex Board is not intended to be exhaustive, but rather includes material factors considered by the Centex Board. In reaching its decision to approve the Merger Agreement, the merger and the other transactions contemplated by the Merger Agreement, the Centex Board did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The Centex Board considered all these factors as a whole, including discussions with, and questioning of, Centex management and Centex's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

#### **Opinion of Pulte's Financial Advisor**

Pulte has retained Citi as its financial advisor in connection with the merger. In connection with this engagement, Pulte requested that Citi evaluate the fairness, from a financial point of view, to Pulte of the 0.975 exchange ratio provided for in the Merger Agreement. On April 7, 2009, at a meeting of Pulte's board of directors held to evaluate the merger, Citi rendered to Pulte's board of directors an oral opinion, which was confirmed by delivery of a written opinion dated April 7, 2009, to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to Pulte.

The full text of Citi's written opinion, dated April 7, 2009, which describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached to this joint proxy statement/prospectus as Annex B and is incorporated into this joint proxy statement/prospectus by reference. **Citi's opinion was provided to Pulte's board of directors in connection with its evaluation of the exchange ratio from a financial point of view to Pulte and does not address any other aspects or implications of the merger or the underlying business decision of Pulte to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Pulte or the effect of any other transaction in which Pulte might engage. Citi's opinion is not intended to be and does not constitute a recommendation to any securityholder as to how such securityholder should vote or act on any matters relating to the proposed merger.**

In arriving at its opinion, Citi:

reviewed the Merger Agreement;

held discussions with certain senior officers, directors and other representatives and advisors of Pulte and certain senior officers and other representatives and advisors of Centex concerning the businesses, operations and prospects of Pulte and Centex;

reviewed certain publicly available business and financial information relating to Pulte and Centex;

reviewed certain financial forecasts, referred to in this joint proxy statement/prospectus as the Centex strategic-case forecasts and the Pulte strategic-case forecast, and other information and data relating to Pulte and Centex which were provided to or discussed with Citi by Pulte's management, including information relating to potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by Pulte's management to result from the merger;

reviewed the financial terms of the merger as set forth in the Merger Agreement in relation to, among other things, current and historical market prices and trading volumes of Pulte common stock and Centex common stock, Pulte's and Centex's historical and projected earnings and other operating data and Pulte's and Centex's capitalization and financial condition;

analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Pulte and Centex;

considered, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the merger;

evaluated certain potential pro forma financial effects of the merger on Pulte utilizing, among other things, the financial forecasts and estimates relating to Pulte and Centex referred to above after giving effect to the potential strategic implications and operational benefits anticipated by Pulte's management to result from the merger; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of the managements of Pulte and Centex that they were not aware of any relevant information that was omitted or remained undisclosed to Citi. With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with Citi relating to Pulte and Centex and potential pro forma financial effects of, and strategic implications and operational benefits resulting from, the merger, Citi was advised by Pulte's management, and Citi assumed, with Pulte's consent, that the forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of Pulte's management as to the future financial performance of Pulte and Centex, such strategic implications and operational benefits and the other matters covered thereby. Citi also assumed, with Pulte's consent, that the financial results (including the potential strategic implications and operational benefits anticipated to result from the merger) reflected in such financial forecasts and other information and data will be realized in the amounts and at the times projected.

Citi assumed, with Pulte's consent, that the merger would be consummated in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary regulatory or third party approvals, consents, releases and waivers for the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on Pulte, Centex or the contemplated benefits of the merger. Citi also assumed, with Pulte's consent, that the merger would qualify for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Citi's opinion relates to the relative values of Pulte and Centex. Citi did not express any opinion as to what the value of Pulte common stock actually would be when issued pursuant to the merger or the prices at which Pulte common stock or Centex common stock would trade at any time. Citi did not make, and it was not provided with, an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of Pulte or Centex, and Citi did not make any physical inspection of the properties or assets of Pulte or Centex. Citi expressed no view as to, and its opinion did not address, the underlying business decision of Pulte to effect the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for Pulte or the effect of any other transaction in which Pulte might engage. Citi's opinion did not address any terms (other than the exchange ratio to the extent expressly specified in the opinion) or other aspects or implications of the merger, including, without limitation, the form or structure of the

merger or any other agreement, arrangement or understanding to be entered into in connection with or contemplated by the merger or otherwise. Citi expressed no view as to, and its opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the exchange ratio. Citi's opinion was necessarily based on information available to Citi, and financial, stock market and other conditions and circumstances existing and disclosed to Citi, as of the date of its opinion. The

credit, financial and stock markets are experiencing unusual volatility, and Citi expressed no opinion or view as to any potential effects of such volatility on Pulte, Centex or the contemplated benefits of the merger. Although subsequent developments may affect its opinion, Citi does not have any obligation to update, revise or reaffirm its opinion. Except as described above, Pulte imposed no other instructions or limitations on Citi with respect to the investigations made or procedures followed by Citi in rendering its opinion.

In preparing its opinion, Citi performed a variety of financial and comparative analyses, including those described below. The summary of these analyses is not a complete description of the analyses underlying Citi's opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to summary description. Citi arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole, and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion. Accordingly, Citi believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Citi considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Pulte and Centex. No company, business or transaction used in those analyses as a comparison is identical to Pulte, Centex or the merger, and an evaluation of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. Accordingly, such analyses may not necessarily utilize all companies or transactions that could be deemed comparable to Pulte, Centex or the merger.

The estimates contained in Citi's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Citi's analyses are inherently subject to substantial uncertainty.

The type and amount of consideration payable in the merger was determined through negotiations between Pulte and Centex and the decision to enter into the Merger Agreement was solely that of Pulte's board of directors. Citi's opinion was only one of many factors considered by Pulte's board of directors in its evaluation of the merger and should not be viewed as determinative of the views of Pulte's board of directors or management with respect to the merger or the exchange ratio.

The following is a summary of the material financial analyses presented to Pulte's board of directors in connection with Citi's opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Citi's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Citi's financial analyses.**

### *Selected Public Companies Analysis*

Citi performed separate selected publicly traded companies analyses of Pulte and Centex in which Citi reviewed publicly available financial and stock market information for Pulte, Centex and the following nine selected publicly traded companies. These companies were selected generally because they are publicly-traded

companies in the U.S. homebuilding industry (which is the industry in which Pulte and Centex operate) and were not viewed as distressed companies:

D.R. Horton, Inc.

KB Home

Lennar Corporation

M.D.C. Holdings, Inc.

Meritage Homes Corporation

NVR, Inc.

Orleans Homebuilders, Inc.

The Ryland Group, Inc.

Toll Brothers, Inc.

Citi reviewed, among other things, the equity values of the selected companies, Pulte and Centex, based on closing stock prices on April 3, 2009, as a multiple of book value as of the selected companies' latest public filings. Financial data of Pulte, Centex and the selected public companies were based on public filings and other publicly available information. Citi then applied a range of selected book value multiples derived from the selected companies and Centex to Pulte's book value of equity as of December 31, 2008 and a range of selected book value multiples derived from the selected companies and Pulte to Centex's book value of equity as of December 31, 2008. This indicated an implied per share equity reference range for Pulte of approximately \$10.50 to \$12.50 per share and for Centex of approximately \$8.50 to \$10.50 per share (the closing price of Pulte common stock on April 3, 2009 was \$11.54 per share and the implied merger consideration based on the exchange ratio provided for in the Merger Agreement and the closing price of Pulte common stock on April 3, 2009 was approximately \$11.25 per share). Based on the implied per share equity reference ranges derived for Pulte and Centex, this analysis indicated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the Merger Agreement:

**Implied Exchange Ratio Reference Range**

0.67 - 1.02

**Exchange Ratio**

0.975

***Selected Precedent Transactions Analysis***

Citi performed a selected precedent transactions analysis of Centex in which Citi reviewed, to the extent publicly available, financial information relating to the following 13 selected transactions. These transactions

were selected generally because they involve companies in the U.S. homebuilding industry (which is the industry in which Centex operates):

<b>Announcement Date</b>	<b>Acquiror</b>	<b>Target</b>
6/6/05	Technical Olympic USA, Inc.	Transeastern Properties, Inc. (homebuilding operations and assets)
4/9/02	Newmark Homes Corporation	Engle Holdings Corporation
1/30/02	Beazer Homes USA, Inc.	Crossmann Communities, Inc.
12/19/01	Hovnanian Enterprises, Inc.	The Forecast Group, L.P. (California homebuilding operations)
10/23/01	D.R. Horton, Inc.	Schuler Homes, Inc.
5/1/01	Pulte	Del Webb Corporation
10/12/00	Technical Olympic S.A.	Engle Homes, Inc.
9/12/00	Schuler Homes, Inc.	Western Pacific Housing
2/17/00	Lennar Corporation	U.S. Home Corporation
10/4/99	Technical Olympic S.A.	Newmark Homes Corporation
10/20/98	Kaufman and Broad Home Corporation	Lewis Homes
12/19/97	D.R. Horton, Inc.	Continental Homes Holding Corp.
6/11/97	Lennar Corporation	Pacific Greystone Corporation

Citi reviewed, among other things, transaction values, calculated as the equity value implied for the target company based on the consideration payable in the selected transaction, as a multiple of the target company's book value of equity as of the most recent accounting period prior to public announcement of the relevant transaction. Financial data of Pulte, Centex and the selected transactions were based on public filings and other publicly available information. Citi then applied a range of selected book value multiples derived from the selected transactions to Centex's book value of equity as of December 31, 2008. This indicated an implied per share equity reference range for Centex of approximately \$13.25 to \$18.50 per share (the implied merger consideration based on the exchange ratio provided for in the Merger Agreement and the closing price of Pulte common stock on April 3, 2009 was approximately \$11.25 per share). Based on the implied per share equity reference range derived for Centex and Pulte's closing share price as of April 3, 2009, this analysis indicated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the Merger Agreement:

**Implied Exchange Ratio Reference Range**

1.15 - 1.60

**Exchange Ratio**

0.975

***Discounted Cash Flow Analysis***

Citi performed separate discounted cash flow analyses of Pulte and Centex to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that each of Pulte and Centex was forecasted to generate during fiscal years 2009 through 2017. Based on internal estimates of Pulte's management for Pulte and Centex, including the Pulte strategic-case forecasts and Centex strategic-case forecasts, and historical financial results for Pulte and Centex, unlevered, after-tax free cash flows were calculated as estimated adjusted earnings before interest and taxes, referred

to as adjusted EBIT, plus depreciation and amortization, less capital expenditures and adjustments for changes in working capital. In the case of Centex, Citi performed this analysis both with and without taking into account potential strategic implications and operational benefits anticipated by Pulte's management to result from the merger, referred to as potential synergies. Estimated terminal values for Pulte and Centex were calculated by applying to each of Pulte's and Centex's fiscal year 2017 estimated earnings before interest, taxes, depreciation and amortization, referred to as EBITDA, terminal value EBITDA multiples of 6.0x to 7.0x, which range was derived taking into consideration, among other things, historical EBITDA trading multiples for Pulte, Centex and the selected companies described above under Selected Public Companies Analysis. The cash flows and terminal values were then discounted to present value as of March 31, 2009 using discount rates ranging from 10.6% to

12.2%, which range was derived taking into account, among other things, a weighted average cost of capital calculation based on factors commonly considered for purposes of calculating an estimated weighted average cost of capital, including the trading volatility of the common stock of Pulte, Centex and the selected companies described above under Selected Public Companies Analysis relative to the overall market. This indicated an implied per share equity reference range for Pulte of approximately \$19.50 to \$24.25 per share and for Centex of approximately \$21.25 to \$27.00 per share (without taking into account potential synergies) and approximately \$36.00 to \$43.75 per share (after taking into account potential synergies). Based on the implied per share equity reference ranges derived for Pulte and Centex, this analysis indicated the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the Merger Agreement:

<b>Implied Exchange Ratio Reference Ranges</b>		<b>Exchange Ratio</b>
<b>Without Potential Synergies</b>	<b>With Potential Synergies</b>	
0.88 - 1.39	1.48 - 2.25	0.975

***Contribution Analysis***

Citi reviewed the relative financial contributions of Pulte and Centex to the future financial performance of the combined company on a pro forma basis based on historical financial results and internal estimates of Pulte’s management for Pulte and Centex, without giving effect to potential synergies anticipated by Pulte’s management to result from the merger. For purposes of this analysis, Citi reviewed Pulte’s and Centex’s:

- calendar year 2008 revenue, free cash flow, book value, and deferred tax asset value adjusted book value;
- calendar year 2009 estimated revenue, free cash flow and book value;
- calendar year 2010 estimated revenue, EBITDA, adjusted EBIT, and book value; and
- calendar years 2011 and 2012 estimated EBITDA and adjusted EBIT.

Citi then derived from the relative contributions implied by these metrics a selected contribution percentage range for Pulte of approximately 44.4% to 68.3% and for Centex of approximately 31.7% to 55.6%. Based on these ranges for Pulte and Centex, this analysis indicated the following exchange ratio reference range, as compared to the exchange ratio provided for in the Merger Agreement:

<b>Selected Exchange Ratio Reference Range</b>	<b>Exchange Ratio</b>
0.68 - 2.61	0.975

***Pro Forma Financial Analysis***

Citi reviewed the potential pro forma financial effects of the merger on, among other things, the combined company's full calendar years 2009, 2010 and 2011 estimated earnings per share, referred to as EPS, book value per share and tangible book value per share (calculated as book value less goodwill) based on internal estimates of Pulte's management, including the Pulte strategic-case forecasts and the Centex strategic-case forecasts, after taking into account potential synergies anticipated by Pulte's management to result from the merger. Based on the exchange ratio provided for in the Merger Agreement, this analysis indicated that the merger could be accretive to Pulte's calendar years 2009, 2010 and 2011 estimated EPS and book value per share and calendar years 2010 and 2011 estimated tangible book value per share and dilutive to Pulte's calendar year 2009 estimated tangible book value per share as follows (percentages that could not be calculated due to values of less than zero are designated as not meaningful):

	<b>Percentage Accretion/(Dilution)</b>
<u>EPS:</u>	
Calendar Year 2009	Not Meaningful
Calendar Year 2010	Not Meaningful
Calendar Year 2011	169.6%
<u>Book Value Per Share:</u>	
Calendar Year 2009	8.5%
Calendar Year 2010	17.0%
Calendar Year 2011	24.8%
<u>Tangible Book Value Per Share:</u>	
Calendar Year 2009	(1.4)%
Calendar Year 2010	6.5%
Calendar Year 2011	14.9%

The actual results achieved by the combined company may vary from forecasted results and the variations may be material.

***Miscellaneous***

Under the terms of Citi's engagement, Pulte has agreed to pay Citi for its financial advisory services in connection with the merger an aggregate fee of \$12.5 million, \$2.5 million of which was payable upon delivery of Citi's opinion and \$10.0 million of which is contingent upon completion of the merger. Pulte also has agreed to reimburse Citi for reasonable expenses incurred by Citi in performing its services, including reasonable fees and expenses of its legal counsel, and to indemnify Citi and related persons against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Citi and its affiliates in the past have provided, currently are providing and in the future may provide services to Pulte and Centex unrelated to the proposed merger, for which services Citi and its affiliates have received and expect to receive compensation, including, without limitation, (1) acting as joint arranger and/or agent for, and as a lender under, revolving credit facilities of Pulte with initial principal amounts of \$1.6 billion and \$1.86 billion, respectively, and (2) acting as agent for, and as a lender under, a revolving credit facility of Centex with an initial principal amount of \$2.085 billion. Excluding the compensation paid and payable to Citi as described above in connection with the merger, during the past two years, Citi and its affiliates have received in the aggregate approximately \$1.0 million from Pulte and its affiliates as compensation for investment banking and other financial services. In the ordinary

course of business, Citi and its affiliates may actively trade or hold the securities of Pulte and Centex for its own account or for the account of its customers and, accordingly, may at any time hold a long or short position in those securities. In addition, Citi and its affiliates, including Citigroup Inc. and its affiliates, may maintain relationships with Pulte, Centex and their respective affiliates.

Pulte selected Citi as its financial advisor in connection with the merger based on Citi's reputation, experience and familiarity with Pulte's business. Citi is an internationally recognized investment banking firm

which regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes. The issuance of Citi's opinion was authorized by Citi's fairness opinion committee.

### **Opinion of Centex's Financial Advisor**

Goldman Sachs rendered its opinion to Centex's board of directors that, as of April 7, 2009 and based upon and subject to the factors and assumptions set forth therein, the exchange ratio of 0.975 shares of Pulte common stock to be paid for each share of Centex common stock was fair from a financial point of view to the holders of the outstanding shares of Centex common stock.

**The full text of the written opinion of Goldman Sachs, dated April 7, 2009, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex C. Goldman Sachs provided its opinion for the information and assistance of Centex's board of directors in connection with its consideration of the transaction. The Goldman Sachs opinion is not a recommendation as to how any holder of Centex common stock should vote with respect to the transaction, or any other matter.**

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the Merger Agreement;

annual reports to stockholders and Annual Reports on Form 10-K of Centex and Pulte for the five fiscal years ended March 31, 2008 and December 31, 2008, respectively;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Centex and Pulte;

certain other communications from Centex and Pulte to their respective stockholders;

certain publicly available research analyst reports for Centex and Pulte;

certain internal financial analyses and forecasts for Centex prepared by its management and certain internal financial analyses and forecasts for Pulte prepared by its management, as adjusted by the management of Centex, in each case, as approved for Goldman Sachs's use by Centex, which we refer to as the forecasts;

certain cost savings and operating synergies projected by the management of Pulte to result from the transaction; and

certain cost savings and operating synergies projected by the management of Centex to result from the transaction, as approved for Goldman Sachs's use by Centex, which we refer to as the synergies.

Goldman Sachs also held discussions with members of the senior management of Pulte regarding their assessment of the strategic rationale for, and the potential benefits of, the transaction and the past and current business operations, financial condition, and future prospects of Pulte, and with members of the senior management of Centex regarding their assessment of the strategic rationale for, and the potential benefits of, the transaction and the past and current business operations, financial condition, and future prospects of Centex and Pulte. In addition, Goldman Sachs reviewed the reported price and trading activity for shares of Centex common stock and Pulte common stock,

compared certain financial and stock market information for Centex and Pulte with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the home building industry specifically and in other industries generally and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

For purposes of rendering the opinion described above, Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial,

legal, accounting, tax and other information provided to, discussed with or reviewed by it. In that regard, Goldman Sachs has assumed that the forecasts and the synergies have been reasonably prepared on a basis reflecting the best then available estimates and judgments of the management of Centex and that the synergies will be realized in all respects meaningful to Goldman Sachs' s analysis. In addition, Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Centex or Pulte or any of their respective subsidiaries and it has not been furnished with any such evaluation or appraisal. Goldman Sachs also has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transaction will be obtained without any adverse effect on Centex or Pulte or on the expected benefits of the transaction in any way meaningful to its analysis.

Goldman Sachs' s opinion addresses only the fairness from a financial point of view, as of the date of the opinion, of the exchange ratio pursuant to the Merger Agreement, and Goldman Sachs' s opinion to the Centex board of directors does not otherwise address any legal, regulatory, tax or accounting matters nor does it address the underlying business decision of Centex to engage in the transaction or the relative merits of the transaction as compared to any strategic alternatives that may have been available to Centex. Goldman Sachs does not express any view on, and Goldman Sachs' s opinion does not address, any other term or aspect of the Merger Agreement or the transaction other than the fairness from a financial point of view, as of the date of the opinion, of the exchange ratio pursuant to the Merger Agreement, including, without limitation, the fairness of the transaction to, or any other consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of Centex or Pulte; the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Centex or Pulte, or class of such persons in connection with the transaction, whether derived from the exchange ratio pursuant to the Merger Agreement or otherwise. Goldman Sachs did not express any opinion as to the prices at which shares of Pulte common stock will trade at any time. Goldman Sachs' s opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' s opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to Centex' s board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' s financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed before April 7, 2009 and is not necessarily indicative of current market conditions.

*Historical Stock Trading Analysis.* Goldman Sachs reviewed the historical trading prices for Centex common stock as of February 27, 2009, the date on which Centex and Pulte commenced serious discussions and April 6, 2009, the last trading day prior to the delivery of Goldman Sachs' s opinion. In addition, Goldman Sachs analyzed the consideration to be received by holders of Centex common stock pursuant to the Merger Agreement in relation to the market prices of Centex common stock as of February 27, 2009 and April 6, 2009. This analysis was undertaken to assist the Centex board of directors in understanding how the Pulte proposal compared to recent historical market prices of Centex common stock. To undertake this analysis, the Pulte proposal needed to be converted into an implied price per share, and the market price of \$8.29 per share of Centex common stock on April 6, 2009 was used for this purpose.

This analysis indicated that the implied value per share to be paid to Centex stockholders pursuant to the Merger Agreement represented:

a premium of 81.7% based on the February 27, 2009 market price of \$6.21 per share of Centex common stock; and

a premium of 36.1% based on the April 6, 2009 market price of \$8.29 per share of Centex common stock.

*Selected Companies Analysis.* Goldman Sachs reviewed and compared certain financial information and public market multiples for Centex and Pulte to corresponding financial information and public market multiples for the following publicly traded corporations in the homebuilding industry:

D.R. Horton, Inc.

KB Home

Lennar Corporation

M.D.C. Holdings, Inc.

NVR, Inc.

The Ryland Group, Inc.

Toll Brothers, Inc.

Orleans Homebuilders and Meritage were excluded from Goldman Sachs' analysis based on the size of their market capitalization relative to the other comparable companies. As of April 6, 2009, the market capitalization of Orleans Homebuilders was \$44 million and the market capitalization of Meritage was \$403 million.

Although none of the selected companies is directly comparable to Centex or Pulte, the companies included were chosen because they are publicly traded companies in the homebuilding industry, the industry in which Centex operates. The analysis was undertaken to assist the Centex board of directors in understanding how the common stock of Centex, Pulte and their peers were trading relative to their 52-week market highs, as compared to public estimates of such companies' annual growth rates and historical and estimated future book values, a commonly used financial metric for the homebuilding industry, and whether Centex's and Pulte's common stock was trading in line with other companies in the homebuilding industry. The analysis was also undertaken in order to assist Goldman Sachs in understanding how the various companies within the homebuilding industry were then currently trading with respect to certain commonly used financial metrics and in understanding if the shares of Centex or Pulte were trading at a relative premium or discount to one another. The analysis was provided to the Centex board of directors to help the directors to understand the existing market dynamics with respect to the selected companies, including Pulte and Centex.

Goldman Sachs calculated and compared the selected companies' last twelve months, 2009 and 2010 price-book value ratio and estimated five-year earnings per share compounded annual growth rate, or CAGR, for calendar years ended December 31, 2009 to 2014, to the corresponding data for Centex and Pulte based on certain publicly available financial information and the Institutional Brokers' Estimate System, or IBES. The 2009 price/book value ratio for each the selected companies is as follows: D.R. Horton, Inc., 1.28x; KB Home, 0.96x; Lennar Corporation, 0.53x; M.D.C. Holdings, Inc., 1.63x; NVR, Inc., not applicable; The Ryland Group, 1.16x; and Toll Brothers, Inc., 1.00x. The ratios of 2009 and 2010 estimated price to book value of shareholders' equity per share were calculated using Centex's closing share price on April 6, 2009 and IBES median estimates for book value of shareholders' equity per share as of April 6, 2009. The results of these analyses are summarized as follows:

	<b>Selected Companies</b>			
	<b>Range</b>	<b>Median</b>	<b>Centex</b>	<b>Pulte</b>
LTM Price/Book Value	2.02x-0.46x	1.05x	0.78x	1.05x
2009 Price/Book Value	1.63x-0.53x	1.14x	1.34x	1.12x
2010 Price/Book Value	1.72x-0.53x	1.05x	0.72x	1.12x
Five-year EPS CAGR (CY2009E-2014E)	15%-5%	10%	8%	15%

Goldman Sachs also analyzed certain publicly available information relating to selected transactions involving companies in the homebuilding industry. The following precedent transactions were considered in Goldman Sachs analysis (target / acquiror): William Lyon Homes / General William Lyon; Crossman Comm. / Beazer Homes; Forecast / Hovnanian; Schuler Homes / DR Horton; Del Webb / Pulte Homes; Engle Homes / Technical Olympic; US Home / Lennar; Lewis Homes / KB Home; Continental / DR Horton.

*Analysis at Various Prices.* Goldman Sachs performed certain analyses, based on publicly available historical information and projections provided by Centex management. Assuming an exchange ratio of 0.975 shares of Pulte common stock for each share of Centex common stock, Goldman Sachs calculated for Centex the implied Centex share price per share as of April 6, 2009, the implied total equity consideration (on a diluted basis), implied enterprise value, the implied book value per share multiple and the implied earnings per share multiple. The analysis was undertaken to assist the Centex board of directors understanding as to how Pulte's proposal, converted into an implied per share cash value based on the market price of Pulte's common stock, compared to recent market prices of Centex common stock and how such price could be compared as a multiple of Centex's historical and estimated future book value. The following table presents the results of Goldman Sachs's analysis (dollar amounts in millions, except for implied value per share):

Implied price per Centex Common Stock (as of April 6, 2009)		\$ 11.28
Premium to market price (as of February 27, 2009)		81.7%
Premium to market price (as of April 6, 2009)		36.1%
Implied Fully-diluted Equity Value		\$ 1,403
Implied Enterprise Value		\$ 3,135
Implied Book Value per Share Multiple	12/31/2008	1.07x
	FY2009E	1.43x
	FY2010E	1.41x

*Illustrative Discounted Cash Flow Analysis.* Goldman Sachs performed illustrative discounted cash flow analyses on Centex using (1) illustrative multiples of book value, which is referred to as the book value methodology, (2) illustrative perpetuity growth rates of free cash flow, which is referred to as the perpetuity growth methodology, and (3) illustrative multiples of net income, which is referred to as the P/E multiple methodology, in each case using Centex management's projections and Pulte projections provided by Pulte management as adjusted by Centex management. This analysis was undertaken to assist the Centex board of directors in understanding how Pulte's proposal, converted into an implied per share cash value might compare to Centex's projections of its stand-alone future cash flows. Goldman Sachs calculated indications of net present value of cash flows for Centex for the fiscal years ended March 31, 2010 through 2014 using discount rates ranging from 13.5% to 14.5%. Goldman Sachs calculated implied values per share of Centex common stock using illustrative terminal values in the year 2014 based on (1) book value multiples ranging from 1.0x to 1.5x, (2) perpetuity growth rate of free cash flow from 0% to 2%, and (3) net income multiples ranging from 6.0x to 8.0x. Terminal multiples were estimated based upon the average trading multiples of Centex and Pulte over time as well as the multiples of their peers. These illustrative terminal or end values were then discounted to calculate implied indications of present values using discount rates ranging from 13.5% to 14.5%. For the purposes of calculating an illustrative terminal value for both perpetuity growth and P/E multiple methodologies, Goldman Sachs assumed a 35% marginal tax rate per Centex management's guidance. The estimated tax expense in each year was provided by Centex management and based upon company projections. The 35% tax rate was only used in conjunction with the calculation of the terminal value in the discounted cash flow analysis. The ranges of implied values in this analysis were calculated based on ranges of multiples, including a range of price to earnings multiples (P/E multiples), derived by Goldman Sachs utilizing its experience and professional judgment, taking into account current and historical trading data and the current P/E multiples for selected homebuilding companies. The ranges of discount rates used by Goldman Sachs in this analysis were derived by

Goldman Sachs utilizing a weighted average cost of capital analysis, based on the capital asset pricing model, which takes into account certain financial metrics, including betas, for Centex and selected homebuilding companies, the risk free rate, by reference to the U.S. government bond,

and an equity risk premium, which represents the excess return demanded by investors over a risk-free rate. The following table presents the results of this analysis:

#### Illustrative Per Share Value Indications

Book Value Methodology	\$ 8.83 - \$14.85
Perpetuity Growth Methodology	\$ 9.28 - \$13.47
P/E Multiple Methodology	\$ 11.21 - \$16.29

In addition, Goldman Sachs performed an illustrative pro forma discounted cash flow analysis of the combined company following consummation of the transaction using Centex management's projections and Pulte management's projections as adjusted by Centex management, assuming levels of synergies achieved as provided by both Centex and Pulte management. Goldman Sachs's analysis assumed a perpetuity growth methodology for terminal or end value calculation based on a range of free cash flow growth rates from 0% to 2%. The illustrative terminal or end values were then discounted to calculate implied indications of net present values using discount rates ranging from 13.5% to 14.5% for Centex stand-alone and from 11.5% to 12.5% for the combined company per Pulte's cost of capital. For the purposes of calculating an illustrative terminal or end value, Goldman Sachs assumed a 35% marginal tax rate per Centex management's guidance. The ranges of implied values in this analysis were calculated based on ranges of multiples, including a range of price to earnings multiples (P/E multiples), derived by Goldman Sachs utilizing its experience and professional judgment, taking into account current and historical trading data and the current P/E multiples for selected homebuilding companies. The ranges of discount rates used by Goldman Sachs in this analysis were derived by Goldman Sachs utilizing a weighted average cost of capital analysis, based on the capital asset pricing model, which takes into account certain financial metrics, including betas, for Centex and selected homebuilding companies, the risk free rate, by reference to the U.S. government bond, and an equity risk premium, which represents the excess return demanded by investors over a risk-free rate. The following table presents the results of this analysis:

#### Illustrative Per Share Value Indications

Centex Stand-alone Value	\$ 9.28 - \$13.47
Combined Company Value	\$ 13.19 - \$17.57
Pro Forma Value to Centex Stockholders Assuming Pulte Management Synergies	\$ 20.08 - \$27.17
Pro Forma Value to Centex Stockholders Assuming Centex Management Synergies	\$ 21.85 - \$29.26

*Contribution Analysis.* Goldman Sachs reviewed specific historical and estimated future operating and financial information including, among other things, book value of stockholders' equity, market capitalization, implied fair market value of stockholders' equity based on publicly available research of a leading homebuilder research firm and relative discounted cash flows for Centex and Pulte. The analysis was undertaken to assist the Centex board of directors in understanding how the Pulte proposal, expressed as a percentage of the combined company's total common equity, compared to the percentage of the combined company's book value and projected cash flows, among other measures, contributed to the combined company by Centex or Pulte, as the case may be. The analysis indicated that Centex's stockholders would receive 31.9% of the outstanding common equity of the combined company following completion of the transaction. Goldman Sachs analyzed the relative potential cash flow contribution of Centex and Pulte to the combined company following completion of the transaction pursuant to the perpetuity growth methodology and assumed a 14% discount rate for Centex and a 12% discount rate for Pulte, and a 1.0% perpetuity

growth rate of free cash flow. Centex has a different weighted average cost of capital than Pulte, which accounts for the difference in discount rates.

	<b>Pro Forma Contribution by Centex</b>	<b>Pro Forma Contribution by Pulte</b>
Book Value (December 31, 2008)	31.7%	68.3%
Market Capitalization (April 6, 2009)	25.6%	74.4%
Implied Fair Market Value of Stockholders' Equity	25.7%	74.3%
Relative Discounted Cash Flow	25.2%	74.8%
Equity Ownership in Combined Company	31.9%	68.1%

*Present Value of Future Share Price Analysis.* Goldman Sachs performed an illustrative analysis of the implied present value of the future price per share of Centex common stock, which is designed to provide an indication of the present value of a theoretical future value of a company's equity as a function of such company's estimated future earnings and its assumed price to future book value of stockholders' equity per share multiple. For this analysis, Goldman Sachs used Centex management projections for fiscal years ended March 31, 2010 to 2014 and Pulte projections provided by Pulte management as adjusted by Centex management.

Goldman Sachs first calculated, based on an assumed book value of stockholders' equity multiple of 1.0x, the projected future value per share of Centex common stock, and then discounted the projected future value per share back, using a discount rate of 16.0%, to derive the present value of the projected future value of Centex common stock. Goldman Sachs also performed the same calculation based on an assumed book value multiple of 1.5x. The discount rate used in this analysis reflects the cost of equity which is calculated by taking into account certain financial metrics, including betas, for Centex, the risk free rate, by reference to the 10-year U.S. Government Treasury bond, and an equity risk premium, which represents the excess return demanded by investors over a risk-free rate. The following table presents the results of this analysis:

	<b>Present Value of Centex's Stand-Alone Future Stock Price</b>				
	<b>FY2010E</b>	<b>FY2011E</b>	<b>FY2012E</b>	<b>FY2013E</b>	<b>FY2014E</b>
1.5x Book	\$ 11.15	\$ 8.24	\$ 8.51	\$ 11.69	\$ 14.67
1.0x Book	\$ 7.43	\$ 5.49	\$ 5.67	\$ 7.79	\$ 9.78

In addition, Goldman Sachs also performed an illustrative analysis of implied pro forma present value per share of common stock of the combined company based on Centex management projections and Pulte management projections as adjusted by Centex management. Goldman Sachs first calculated, based on an assumed book value multiple of 1.0x, the projected future value per Centex share of common stock of the combined company for each of the fiscal years ended March 31, 2009 to March 31, 2013, and then discounted the projected future value per share back, using a discount rate of 14.0%, to calculate the present value of the projected future value of common stock of the combined company. Goldman Sachs also performed the same calculation based on an assumed book value multiple of 1.5x. The following table presents the results of this analysis:

	<b>Present Value of Pro Forma Future Stock Price</b>				
	<b>FY2009E</b>	<b>FY2010E</b>	<b>FY2011E</b>	<b>FY2012E</b>	<b>FY2013E</b>
1.5x Book	\$ 13.48	\$ 12.84	\$ 13.64	\$ 16.80	\$ 20.13
1.0x Book	\$ 8.99	\$ 8.56	\$ 9.10	\$ 11.20	\$ 13.42

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs's opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Centex or Pulte, respectively, or the contemplated transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs's providing its opinion to Centex's board of directors as to the fairness from a financial point of view of the exchange ratio pursuant to the Merger Agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Centex, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The exchange ratio was determined through arm's-length negotiations between Centex and Pulte and was approved by Centex's board of directors. Goldman Sachs provided advice to Centex during these negotiations. Goldman Sachs did not, however, recommend any specific exchange ratio to Centex or the Centex board of directors or that any specific exchange ratio constituted the only appropriate exchange ratio for the transaction.

As described above, Goldman Sachs's opinion to Centex's board of directors was one of many factors taken into consideration by Centex's board of directors in making its determination to approve the Merger Agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached to this joint proxy statement/prospectus as Annex C.

Goldman, Sachs & Co. and its affiliates are engaged in investment banking and financial advisory services, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman, Sachs & Co. and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of Centex, Pulte and any of their respective affiliates or any currency or commodity that may be involved in the transaction for their own account and for the accounts of their customers. Goldman Sachs acted as financial advisor to Centex in connection with, and participated in certain of the negotiations leading to, the transaction. In addition, Goldman Sachs has provided certain investment banking and other financial services to Centex and its affiliates from time to time, including having acted as financial advisor to Centex in connection with the sale of certain of its land assets in March 2008. During the two-year period prior to April 7, 2009, the date on which Goldman Sachs rendered its fairness opinion, Goldman Sachs has received aggregate fees from Centex for investment banking and other financial services unrelated to the transaction of approximately \$5,000,000. Goldman Sachs also has provided certain investment banking and other financial services to Pulte and its affiliates from time to time. Goldman Sachs also may provide investment banking and other financial services to Centex, Pulte and their respective affiliates in the future. In connection with the above-described services Goldman Sachs has received, and may receive in the future, compensation.

The Centex board of directors selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction. During the two-year period prior to April 7, 2009, the date on which Goldman Sachs rendered its fairness opinion, Goldman Sachs received aggregate fees from Centex for investment banking and other financial services unrelated to the transaction of approximately \$5,000,000 and has not been engaged by Pulte to provide investment banking or other financial services. Pursuant to a letter agreement dated March 10, 2009, Centex engaged Goldman Sachs to act as its financial advisor in connection with the contemplated transaction. Pursuant to the terms of this engagement letter, Centex has agreed to pay Goldman Sachs a transaction fee of approximately \$18 million, \$5 million of which was payable upon execution of the Merger Agreement and approximately \$13 million of which is contingent upon consummation of the transaction. In addition, Centex has agreed to reimburse Goldman Sachs for its expenses,

including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

## Regulatory Approvals

The merger was subject to review by the DOJ and the FTC under the HSR Act. Under the HSR Act, Pulte and Centex were required to make pre-merger notification filings and to await the expiration or early termination of the statutory waiting period prior to completing the merger. The notifications required under the HSR Act to the FTC and the DOJ were filed on April 21, 2009 by Centex and on April 22, 2009 by Pulte. The statutory waiting period under the HSR Act expired on May 22, 2009 at 11:59 p.m., eastern time. No further regulatory approvals are a condition to the completion of the merger.

At any time before or after completion of the merger, either the DOJ, the FTC or any state attorneys general could challenge or seek to block the merger under the antitrust laws, as it deems necessary or desirable in the public interest. In addition, in some jurisdictions, a private party could initiate legal action under the antitrust laws challenging or seeking to enjoin the merger, before or after it is completed. Pulte and Centex cannot be sure that a challenge to the merger will not be made or that, if a challenge is made, Pulte and Centex will prevail.

## Litigation

Following the announcement of the Merger Agreement on April 8, 2009, the following actions were filed purporting to challenge the merger:

The first case, styled *Roseman, et al. v. Alexander, et al.* (Case No. 09-04396), was filed in the District Court of Dallas County, Texas on April 15, 2009. This case asserts claims on behalf of a purported class of Centex stockholders against Centex and each of its directors, related to an alleged breach of fiduciary duty in connection with the merger. The complaint alleges, among other things, that the Centex directors, aided and abetted by Centex, breached their fiduciary duties by failing to maximize stockholder value. Among other things, the complaint seeks to enjoin Centex and its directors from completing the merger. The complaint also seeks damages.

The second case, styled *Hanson v. Eller, et al.* (Case No. 09-04425), was filed in the District Court of Dallas County, Texas on April 16, 2009. This case asserts claims on behalf of a purported class of Centex stockholders against Centex, Pulte and each of Centex's directors, related to an alleged breach of fiduciary duty in connection with the merger. The complaint alleges, among other things, that the Centex directors, aided and abetted by Centex and Pulte, breached their fiduciary duties by taking steps to avoid competitive bidding, by failing properly to value Centex, and by not protecting against supposed conflicts of interest. Among other things, the complaint seeks to enjoin the defendants from completing the merger. The complaint also seeks a constructive trust into which the court should direct any benefits improperly received by the defendants as a result of their alleged wrongful conduct.

The third case, styled *Praytor v. Alexander, et al.* (Case No. 09-04518), was filed in the District Court of Dallas County, Texas on April 17, 2009. This case asserts claims on behalf of a purported class of Centex stockholders against each of Centex's directors. The complaint alleges, among other things, that the Centex directors breached their fiduciary duties by taking steps to avoid competitive bidding, by failing properly to value Centex, and by not protecting against supposed conflicts of interest. Among other things, the complaint seeks to enjoin Centex's directors from completing the merger.

On April 21, 2009, plaintiffs in the *Roseman* and *Hanson* actions moved to consolidate those cases with the *Praytor* action, and for appointment of interim class counsel and liaison counsel. On April 23, 2009, plaintiff in the *Praytor* action filed a motion to consolidate that action with the *Roseman* and *Hanson* actions, and requested a briefing schedule on the issue of lead and liaison counsel.

The fourth case, styled *Witmer v. Eller, et al.* (Case No. 09-04751), was filed in the District Court of Dallas County, Texas on April 22, 2009. This case asserts claims on behalf of a purported class of Centex stockholders against Centex, Pulte and each of Centex's directors, related to an alleged breach of fiduciary duty and an alleged abuse of control. The complaint alleges, among other things, that the Centex directors, aided and abetted by Centex and Pulte, breached their fiduciary duties by failing to obtain an adequate price for Centex, by acting to deter competing bids, by engaging in self-dealing, and by soliciting shareholder votes

based upon inadequate disclosures. The complaint also alleges that the Centex directors abused their ability to control and influence Centex. Among other things, the complaint seeks to enjoin the defendants from completing the merger. The complaint also seeks a constructive trust into which the court should direct any benefits improperly received by the defendants as a result of their alleged wrongful conduct.

The fifth case, styled *Gottlieb v. Centex Corp., et al.* (Case No. 09-05010), was filed in the District Court of Dallas County, Texas on April 23, 2009. This case asserts claims on behalf of a purported class of Centex stockholders against Centex, Pulte, each of Centex's directors and Pi Nevada Building Company, related to an alleged breach of fiduciary duty in connection with the merger. The complaint alleges, among other things, that the Centex directors, aided and abetted by Centex, Pulte and Pi Nevada Building Company, breached their fiduciary duties by failing to obtain an adequate price for Centex, by acting to deter competing bids, by engaging in self-dealing, and by soliciting stockholder votes based upon inadequate disclosures. Among other things, the complaint seeks to enjoin the defendants from completing the merger. The complaint also seeks damages.

On June 1, 2009, the five cases pending in the District Court of Dallas County, Texas were consolidated under the case number 09-4396 for all purposes, including pretrial proceedings and trial. The consolidated case is styled *In re Centex Corporation Shareholder Class Action Litigation* and will proceed in the 160th Judicial District of the District Court of Dallas County, Texas.

On June 22, 2009, the plaintiffs in *In re Centex Corporation Shareholder Class Action Litigation* filed a consolidated amended class action complaint. This consolidated complaint asserts claims on behalf of a purported class of Centex stockholders against Centex, Pulte and each of Centex's directors, related to an alleged breach of fiduciary duty in connection with the merger. The consolidated complaint alleges, among other things, that the Centex directors, aided and abetted by Centex and Pulte, breached their fiduciary duties by failing to obtain an adequate price for Centex shares, by conducting a flawed process culminating in the sale of Centex, by engaging in self-dealing, and by soliciting stockholder votes based upon inadequate disclosures. Among other things, the consolidated complaint seeks to enjoin the defendants from completing the merger. The consolidated complaint also seeks a constructive trust into which the court should direct any benefits improperly received by the defendants as a result of their alleged wrongful conduct. No due date has been set for an answer or responsive pleading.

On July 10, 2009, the plaintiffs in *In re Centex Corporation Shareholder Class Action Litigation* filed a motion to compel and expedite discovery. The plaintiffs allege that they require expedited discovery in order to prepare for a temporary injunction hearing. The plaintiffs' motion to compel and expedite discovery further states that the plaintiffs expect to file a motion to temporarily enjoin the merger once Centex mails the final joint proxy statement/prospectus to Centex's stockholders. The court set a hearing on July 24, 2009 to hear the plaintiffs' motion to compel and expedite discovery.

On July 17, 2009, the plaintiffs in *In re Centex Corporation Shareholder Class Action Litigation* and the defendants entered into a memorandum of understanding reflecting a preliminary settlement of the case. The memorandum of understanding sets forth the general terms of a settlement to be embodied in a stipulation of settlement to be submitted to the court. The settlement is subject to, among other things, approval by the court and additional confirmatory discovery by the plaintiffs. Pursuant to the memorandum of understanding, the defendants agreed to provide certain additional disclosure that is included in this joint proxy statement/prospectus.

The sixth case, styled *Anbar Holdings Ltd. v. Eller, et al.* (Case No. 09-588699), was filed in the District Court of Clark County, Nevada on April 24, 2009. This case asserts claims on behalf of a purported class of Centex stockholders against Centex, Pulte and each of Centex's directors, related to an alleged breach of fiduciary duty in connection with the merger. The complaint alleges, among other things, that the Centex directors, aided and abetted by Centex and Pulte, breached their fiduciary duties by failing to obtain an adequate price for Centex and by acting to

deter competing bids. Among other things, the complaint seeks to enjoin the defendants from completing the merger. The complaint also seeks damages. On June 4, 2009, Centex and the Centex directors responded to the complaint. Both Centex and its directors moved to stay the Nevada case pending the resolution of the earlier-filed consolidated action in Dallas County, Texas. In a

separate filing, Centex's directors moved to dismiss the claims against them for lack of personal jurisdiction. Finally, Centex moved to dismiss, for failure to state a claim upon which relief can be granted, the allegations against Centex for aiding and abetting the Centex directors' alleged breach of fiduciary duty. On June 23, 2009, Pulte filed a motion joining in the motion to stay, and also filed a separate motion to dismiss the complaint. The plaintiffs filed an amended class action complaint on June 22, 2009, which largely restates the allegations from the complaint filed on April 24, 2009, and adds new allegations asserting, among other things, that the Centex directors, aided and abetted by Centex and Pulte, breached their fiduciary duties by not protecting against alleged conflicts of interest and soliciting stockholder votes based upon inadequate disclosures. No due date has been set for an answer or responsive pleading to the amended complaint.

Based on the facts known to date, the defendants believe that the claims asserted against them in these cases are without merit, and the defendants intend to defend themselves vigorously against the claims.

### **Material United States Federal Income Tax Consequences**

The following discussion is a summary of the material U.S. federal income tax consequences of the merger to U.S. Holders (as defined below) of Centex common stock. This discussion is based on the Internal Revenue Code, applicable U.S. Treasury regulations promulgated thereunder, administrative rulings and judicial authorities, each as in effect as of the date of this document and all of which are subject to change at any time, possibly with retroactive effect. In addition, this discussion does not address any state, local or foreign tax consequences of the merger.

This discussion addresses only Centex stockholders who are U.S. Holders and hold Centex common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code (generally, property held for investment). It does not address all aspects of U.S. federal income taxation that may be relevant to a particular Centex stockholder in light of that stockholder's individual circumstances or to a Centex stockholder who is subject to special treatment under U.S. federal income tax law, including, without limitation:

- a bank, insurance company or other financial institution;
- a tax-exempt organization;
- a mutual fund;
- a non-U.S. Holder (as defined below);
- a U.S. expatriate;
- an entity or arrangement treated as a partnership for U.S. federal income tax purposes or an investor in such partnership;
- a dealer in securities;
- a holder who has a functional currency other than the United States dollar;
- a holder liable for the alternative minimum tax;
- a trader in securities who elects to apply a mark-to-market method of accounting;

a holder who holds Centex common stock as part of a hedge, straddle, constructive sale or conversion transaction; and

a holder who acquired Centex common stock pursuant to the exercise of employee stock options or otherwise as compensation.

For purposes of this discussion, U.S. Holder refers to a beneficial owner of Centex common stock that is, for U.S. federal income tax purposes, (1) an individual citizen or resident of the United States, (2) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust if it (A) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the

authority to control all substantial decisions of the trust or (B) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person. The term **non-U.S. Holder** means a beneficial owner of Centex common stock that is neither a U.S. Holder nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Centex common stock, the tax treatment of a partner in such entity will generally depend upon the status of the partner and the activities of that partnership. A partner in a partnership holding Centex common stock should consult its tax advisor regarding the tax consequences of the merger.

**Centex stockholders should consult their tax advisors as to the specific tax consequences to them of the merger in light of their particular circumstances, including the applicability and effect of U.S. federal, state, local and foreign income and other tax laws.**

The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. It is a condition to the completion of the merger that Pulte receive a written opinion from its counsel, Honigman Miller Schwartz and Cohn LLP or Sidley Austin LLP, and that Centex receive a written opinion from its counsel, Wachtell, Lipton, Rosen & Katz, in each case dated as of the date of completion of the merger, to the effect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. These opinions will be based on representations provided by Pulte and Centex to be delivered at the time of closing and on customary assumptions. If any such representation or assumption is inaccurate, the tax consequences of the merger to holders of Centex common stock could differ materially from those described below.

No ruling has been or will be sought from the IRS as to the U.S. federal income tax consequences of the merger and an opinion of counsel is not binding on the IRS or any court. Accordingly, there can be no assurances that the IRS will not disagree with or challenge any of the conclusions described herein.

In addition, in connection with the filing of the registration statement of which this joint proxy statement/prospectus is a part, each of Pulte and Centex has received a legal opinion from Honigman Miller Schwartz and Cohn LLP and Wachtell, Lipton, Rosen & Katz, respectively, to the same effect as the opinions described above. Neither Pulte nor Centex intends to waive the receipt of an opinion of counsel, dated as of the date of completion of the merger, as a condition to its obligation to complete the merger, and neither Pulte nor Centex will waive the receipt of this opinion as a condition to its obligation to complete the merger without the approval of Centex stockholders.

Accordingly, the material U.S. federal income tax consequences of the merger to U.S. Holders of Centex common stock are as follows:

a holder of Centex common stock will not recognize gain or loss upon receipt of Pulte common stock solely in exchange for Centex common stock, except with respect to cash received in lieu of fractional shares of Pulte common stock (as discussed below);

the aggregate tax basis in the shares of Pulte common stock received in the merger (including any fractional shares deemed received and exchanged for cash) will be equal to the aggregate tax basis of the Centex common stock surrendered; and

the holding period of the shares of Pulte common stock received in the merger will include the holding period of the shares of Centex common stock surrendered in exchange therefor.

If a holder acquired different blocks of Centex common stock at different times or different prices, such holder's tax basis and holding periods in its Pulte common stock may be determined with reference to each block of Centex common stock.

***Cash in Lieu of Fractional Shares.*** A holder of Centex common stock who receives cash in lieu of a fractional share of Pulte common stock generally will be treated as having received such fractional share in the merger and then as having received cash in exchange for such fractional share. Gain or loss generally will be recognized based on the difference between the amount of cash received in lieu of the fractional share and

the tax basis allocated to such fractional share of Pulte common stock. Such gain or loss generally will be long-term capital gain or loss if, as of the effective date of the merger, the holding period in the Centex common stock exchanged is greater than one year.

**Information Reporting and Backup Withholding.** A Centex stockholder may be subject to information reporting and backup withholding on any cash payment received in lieu of a fractional share of Pulte common stock, unless such stockholder properly establishes an exemption or provides a correct taxpayer identification number, and otherwise complies with backup withholding rules. Any amounts withheld under the backup withholding rules are not an additional tax and may be allowed as a refund or credit against such holder's United States federal income tax liability, provided the required information is timely furnished to the IRS.

### **Accounting Treatment**

Statement of Financial Accounting Standards No. 141(R), *Business Combinations*, which we refer to as SFAS 141(R), requires the use of the acquisition method of accounting for business combinations. In applying the acquisition method, it is necessary to identify the acquirer and the acquiree for accounting purposes. In a business combination effected through an exchange of equity interests, the entity that issues the equity interests is generally considered the acquirer, but there are other factors in SFAS 141(R) that must also be considered. Pulte management considered these other factors and determined that Pulte will be considered the acquirer of Centex for accounting purposes. The total purchase price will be allocated to the identifiable assets acquired and liabilities assumed from Centex based on their fair values as of the date of the completion of the transaction, with any excess allocated to goodwill. Reports of financial condition and results of operations of Pulte issued after completion of the merger will reflect Centex's balances and results after completion of the merger, but will not be restated retroactively to reflect the historical financial position or results of operations of Centex. Following the completion of the merger, the earnings of the combined company will reflect acquisition accounting adjustments; for example, additional depreciation of property, plant and equipment, amortization of identified intangible assets or other impacts from the purchase price allocation.

In accordance with the Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, goodwill resulting from the purchase business combination will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). If Pulte management determines that the value of goodwill has become impaired, the combined company will incur an accounting charge for the amount of impairment during the fiscal quarter in which the determination is made.

### **Listing of Pulte Common Stock**

It is a condition to the completion of the merger that the shares of Pulte common stock to be issued in connection with the merger be approved for listing on the NYSE, subject to official notice of issuance.

### **Dissenters' Rights**

#### ***Pulte***

Under Michigan law, holders of Pulte common stock are not entitled to dissenters' rights with respect to their Pulte shares in connection with the proposal to approve the issuance of shares in the merger, the proposal to approve the charter amendment to increase the number of authorized shares of common stock or the proposal to approve the charter amendment to change Pulte's corporate name.

#### ***Centex***

Under Nevada law, holders of Centex common stock are not entitled to dissenters' rights in connection with the merger.

**Delisting and Deregistration of Centex Common Stock**

If the merger is completed, Centex common stock will be delisted from the NYSE and deregistered under the Exchange Act and Centex will no longer file periodic reports with the SEC.

### **Restrictions on Sales of Shares of Pulte Common Stock Received in the Merger**

The shares of Pulte common stock to be issued in connection with the merger will be registered under the Securities Act and will be freely transferable, except for certain transfers to persons who own, or would own as a result of such transfer, 4.9% or more of Pulte's outstanding securities, as described under Description of Pulte Capital Stock Transfer Restrictions beginning on page 122, and except for shares issued to any Centex stockholder who may be deemed to be an affiliate of Pulte for purposes of Rule 144 under the Securities Act. Persons who may be deemed to be affiliates of Pulte include individuals or entities that control, are controlled by, or are under common control with, Pulte and may include the executive officers, directors and significant shareholders of Pulte.

### **Management and Board of Directors of Pulte After the Merger**

Upon completion of the merger, Mr. Dugas, currently president and chief executive officer of Pulte, will also assume the position of chairman of Pulte. The other members of Pulte's senior management team following completion of the merger will include Steven C. Petruska as executive vice president and chief operating officer, Roger A. Cregg as executive vice president and chief financial officer, James R. Ellinghausen as executive vice president, human resources, Debra W. Still as president and chief executive officer of Pulte Mortgage LLC and Steven M. Cook as senior vice president, general counsel and secretary, each of whom currently holds such position with Pulte. Mr. Eller will join the Pulte board of directors as vice chairman and will serve as a consultant to the company for two years following the completion of the merger. In connection with the completion of the merger, the Pulte board of directors will be expanded to twelve directors and will include four members of the current Centex board of directors, namely Mr. Eller, Clint W. Murchison, III, James J. Postl and Thomas M. Schoewe, and eight members of the current Pulte board of directors, namely Pulte's founder and current chairman William J. Pulte, Mr. Dugas, Brian P. Anderson, Cheryl W. Gris , Debra J. Kelly-Ennis, David N. McCammon, Patrick J. O'Leary and Bernard W. Reznicek. Pulte has agreed to appoint each of the Centex designees to serve on the Pulte board of directors until Pulte's next annual meeting of shareholders and to nominate each of the Centex designees at its next annual meeting of shareholders, such that one will be nominated to a term expiring at the second annual meeting following the date of completion of the merger, one will be nominated to a term expiring at the third annual meeting following the date of completion of the merger and two will be nominated to terms expiring at the fourth annual meeting following the date of completion of the merger. In accordance with Pulte's Restated Articles of Incorporation, each of the Centex designees appointed to serve on the Pulte board of directors until Pulte's next annual meeting of shareholders will serve without classification until such annual meeting of shareholders takes place. The Pulte board of directors has not yet determined the class of the Pulte board of directors to which each of the Centex designees will be nominated at the next Pulte annual meeting of shareholders.

### **Interests of Pulte's Directors and Executive Officers in the Merger**

Pulte believes that none of the executive officers and directors of Pulte has interests in the merger that differ from, or are in addition to, the interests of Pulte's shareholders.

### **Interests of Centex's Directors and Executive Officers in the Merger**

In considering the recommendation of Centex's board of directors that Centex stockholders vote for the proposal to approve the Merger Agreement, Centex stockholders should be aware that some of Centex's executive officers and directors have financial interests in the merger that are different from, or in addition to, those of Centex's stockholders generally. For purposes of all of the Centex agreements and plans described below, the completion of the transactions contemplated by the Merger Agreement will constitute a change in control.

*Equity Compensation Awards*

The Centex equity compensation plans generally provide that outstanding options, restricted shares, restricted stock units and deferred stock units vest in full upon a change in control of Centex, such as the

merger. However, the Merger Agreement provides that restricted stock granted as long-term incentive awards under the Centex equity compensation plans after execution of the Merger Agreement and before the completion of the merger will not vest upon completion of the merger. Instead, the Merger Agreement provides that upon completion of the merger, subject to continued employment (1) 25% of the number of shares of restricted stock that were subject to those awards on the date of grant will be forfeited, (2) 25% will vest on March 31, 2010, (3) 25% will vest on March 31, 2011 and (4) 25% will vest on March 31, 2012. In May 2009, with Pulte's consent, Centex awarded 278,482 restricted stock units and 835,505 shares of restricted stock to executive officers and other employees pursuant to Centex's annual long-term award practices. Consistent with the intent of the Merger Agreement, all of the 2009 restricted stock units (representing 25% of the aggregate 2009 long-term award to each participant) will be forfeited upon completion of the merger, and 33 1/3% of each participant's 2009 restricted stock award (representing 25% of the aggregate 2009 long-term award to each participant) will vest on each of March 31, 2010, 2011 and 2012. If, following completion of the merger, the holder of such a restricted stock award is terminated from employment in a severance-qualifying termination, the next installment of the award will immediately vest. Consistent with Centex's outside director compensation plan, and with Pulte's consent, Centex currently anticipates that it will award to each of its non-employee directors in July 2009 restricted stock units having a grant date value of \$100,000 that will vest immediately but not be settled until the third anniversary of grant, with no provision for accelerated settlement upon the change in control resulting from the merger.

In addition, the Merger Agreement provides that, with respect to stock options issued to employees under the Centex equity compensation plans with an exercise price of less than \$40.00 per share, if the employment of the holder of the option is terminated during the two-year period following the merger under circumstances that would entitle the holder to severance benefits under a severance plan or agreement to which the holder is a party, the stock option will remain exercisable until the later of (1) the third anniversary of the date of the termination of employment and (2) the date on which the option would cease to be exercisable in accordance with its terms (or, in either case, if earlier, the expiration of the scheduled term of the option).

### ***Long Term Performance Units***

Each of Centex's executive officers holds unvested long-term performance units issued under Centex's 2003 Equity Incentive Plan. Long-term performance units represent the right to receive cash amounts based upon the achievement of certain performance goals and the value of Centex common stock. The Merger Agreement provides that each unvested unit outstanding prior to the merger will be converted into the right to receive an amount of cash equal to the product of (1) the total number of shares of Centex common stock subject to the unit, assuming the achievement of all performance goals applicable to the performance unit at target levels, and (2) the fair market value (as defined in the 2003 Equity Incentive Plan) of a share of Centex common stock on the day immediately prior to the date on which the merger occurs.

### ***Equity Compensation Vesting Table***

The table below sets forth on an individual basis the number of stock options, deferred stock units, restricted stock units, restricted stock, and long-term performance units that will vest upon consummation of the merger for each Centex named executive officer, as well as for the remaining executive officers and directors as a group. The table also includes the aggregate value of all such awards, based on the closing price of Pulte common stock (or Centex common stock, as applicable) as of July 13, 2009, and valuing all stock options based on the excess, if any, of fair market value of the underlying shares over the exercise price. The table (including the aggregate value amounts) also includes the following unvested restricted stock awards held by Centex executive officers that would vest upon a termination of service without cause immediately after the completion of the merger: Ms. Smith 23,986, Mr. Stewart 13,325, Mr. Woram 14,658, and all other executive officers as a group 30,648. The table does not include the portion of the awards granted subsequent to the execution of the Merger Agreement which would be forfeited upon a

termination of service without cause immediately after completion of the merger. The table is based on Centex equity compensation awards outstanding as of the Pulte record date, and assumes that the merger is completed on August 18, 2009. See

Equity Compensation Awards beginning on page 70 for a description of the terms of awards granted subsequent to execution of the Merger Agreement.

		<b>Range of Exercise Prices</b>	<b>Deferred Stock Units</b>	<b>Restricted Stock Units</b>	<b>Restricted Shares</b>	<b>Long-Term Performance Units</b>	<b>Value of All Accelerated Equity Awards</b>
	<b>Stock Options</b>						
Timothy R. Eller	228,768	\$ 22.08-\$45.53	0	0	341,763	130,163	\$ 3,730,277
Catherine R. Smith	113,493	\$ 22.08-\$52.48	0	0	135,988	53,055	\$ 1,494,159
David L. Barclay	0		0	0	0	0	\$ 0
Robert S. Stewart	31,104	\$ 22.08-\$45.53	0	0	44,326	22,636	\$ 528,807
Brian J. Woram	40,335	\$ 22.08-\$45.53	0	0	61,160	30,134	\$ 721,044
All other executive officers and directors as a group	88,468	\$ 22.08-\$50.90	3,478	12,056	216,114	59,985	\$ 2,307,557

#### ***Annual Incentive Plan***

Centex maintains the 2003 Annual Incentive Compensation Plan, which provides senior executives with the opportunity to earn incentive-based compensation based on the achievement of certain performance goals. Certain of Centex's executive officers have been selected as participants in the plan for fiscal year 2010.

The plan provides for the payment of the target award to each participant for the fiscal year in which a change in control, such as the merger, occurs, upon such change in control. Assuming that the merger is completed on August 18, 2009, each of Timothy R. Eller, Catherine R. Smith, Robert S. Stewart and Brian J. Woram, and all other executive officers entitled to payments under this plan will receive \$2,750,800, \$572,000, \$312,000, \$450,000 and \$328,000, respectively, in respect of the payment of the target award pursuant to the annual bonus plan in connection with the merger.

#### ***Plan Regarding Severance After a Change in Control***

On April 7, 2009, the Centex board of directors approved the Centex Corporation Plan Regarding Severance After a Change in Control, which we refer to as the CIC Severance Plan, which will supersede the Centex Corporation Executive Severance Policy upon a change in control of Centex, such as the merger. The executive severance policy will continue to govern benefits for participants whose employment is terminated prior to a change in control or who are not participants in the CIC Severance Plan.

Each of Centex's executive officers is a participant in the CIC Severance Plan. Under this plan, in the event that, during the two year period following a change in control, a participant's employment is terminated by Centex without cause, or by the participant for good reason (in each case as defined in the plan), the participant will generally be entitled to receive a lump sum cash payment equal to two times (in the case of Mr. Eller) or 1.5 times (in the case of Ms. Smith and Messrs. Stewart and Woram) the executive's base salary and annual target bonus, as well as customary outplacement services.

If a participant receives a bonus payment under the change in control provision of the annual bonus plan described above and is subsequently terminated during the same fiscal year in which the change in control occurs, the cash severance payable under the CIC Severance Plan will be reduced by an amount equal to the portion of the bonus payment attributable to the portion of the year with respect to which the participant did not perform services. In addition, the cash severance payable under the CIC Severance Plan may not exceed 2.99 times the sum of the participant's base salary, annual bonus, and the value of other incentive compensation granted to the participant in the CIC Severance Plan during the year immediately prior to the year in which the change in control occurs. If a participant in the CIC Severance Plan would be subject to the golden parachute excise tax under Section 4999 of the Internal Revenue Code, amounts payable to participants under the plan will be reduced to the maximum amount that the participant could receive without being subject to the tax if such a reduction would place the executive in a better after-tax position than no such reduction. This provision would not apply to any participant who is party to a change in control

agreement. As noted below, each of Centex's executive officers (other than Scott J. Richter) is subject to such an agreement.

Based on compensation and benefit levels in effect on July 13, 2009 and assuming the merger is completed on August 18, 2009 and the employment of each executive officer is terminated by Centex without cause or by the executive for good reason immediately thereafter, each of Timothy R. Eller, Catherine R. Smith, Robert S. Stewart and Brian J. Woram, and each of the remaining executive officers as a group, will be entitled to receive \$5,645,901, \$1,363,397, \$860,671, \$1,072,603 and \$2,759,166, respectively, in cash severance payments under the CIC Severance Plan.

### ***Change in Control Agreements***

Each of Centex's executive officers (other than Mr. Richter) is party to an agreement with Centex which provides that, in the event that the executive would be subject to the excise tax under Section 4999 of the Internal Revenue Code, the executive would receive an additional payment such that the executive would be placed in the same after-tax position as if no excise tax had been imposed, unless the underlying payments to which the executive is entitled are less than 110% of the maximum amount of payments that would not be subject to the excise tax, in which case the payments will be reduced to the maximum amount of payments that would not be subject to the excise tax.

### ***Consulting Agreement Between Timothy R. Eller and Pulte***

On April 7, 2009, Timothy R. Eller, chairman and chief executive officer of Centex, entered into a consulting agreement with Pulte, which will become effective upon the completion of the merger. The consulting agreement provides that, upon the completion of the merger, Mr. Eller (1) will resign his positions with Centex and become vice chairman of Pulte's board of directors and a consultant to Pulte, reporting to Pulte's chief executive officer, with the consulting period and board service to continue for 24 months following the occurrence of the merger and (2) will be entitled to all payments and benefits under the CIC Severance Plan resulting from a termination for good reason, plus an additional payment of \$293,000, and all of his Centex equity awards will vest in full, with his stock options becoming exercisable for their full term. See *The Merger - Interests of Centex's Directors and Executive Officers in the Merger - Plan regarding Severance After a Change in Control* beginning on page 72 for a description of the payments and benefits to which Mr. Eller will be entitled under the CIC Severance Plan.

The consulting agreement also provides that Pulte (1) will pay to Mr. Eller board fees equal to the fees paid to other non-chairman directors of Pulte, an annual consulting fee of \$750,000 and an annual guaranteed performance bonus of \$300,000, (2) will grant to Mr. Eller on the date on which the merger occurs options to purchase 650,000 shares of Pulte common stock having a 10-year term and an exercise price per share equal to the fair market value of a share of Pulte common stock on such date and becoming exercisable in two equal installments on the first and second anniversaries of such date and (3) will provide Mr. Eller during the consulting period with an office and an administrative assistant in Pulte's Dallas office. Upon a termination of the consulting period for any reason, except by Pulte for cause or by Mr. Eller without good reason (as defined in the consulting agreement), Mr. Eller would be entitled to the consulting fees and guaranteed performance bonuses that would have been payable over the remainder of the consulting period, and equity awards in respect of board fees not yet paid. In addition, his equity awards would vest in full, with his stock options remaining exercisable for their full term. During the period that Mr. Eller renders services under the consulting agreement, Mr. Eller will be subject to a standard non-competition and non-solicitation covenant provided by senior executive officers of Pulte.

### ***Nonqualified Deferred Compensation Plans***

Each of Centex's executive officers participates in the Centex Corporation Executive Deferred Compensation Plan. In general, the plan provides that, upon a change in control (such as the merger), each participant will receive full vesting of any deferred compensation cash award granted to the participant under the plan and lump sum cash settlement of the participant's account balance under the plan.

Based on compensation and benefit levels in effect on July 13, 2009, and assuming the merger is completed on August 18, 2009, each of Timothy R. Eller, Catherine R. Smith, David L. Barclay, Robert S. Stewart and Brian J. Woram, and each of the remaining executive officers as a group, will receive \$0, \$915,200, \$0, \$0, \$720,000 and \$297,941, respectively, in respect of additional vesting of deferred compensation cash awards.

***Indemnification of Directors and Officers; Directors and Officers Insurance***

The Centex directors and officers are entitled under the Merger Agreement to continued indemnification and insurance coverage (see The Merger Agreement Other Covenants and Agreements beginning on page 87.

## **THE MERGER AGREEMENT**

*The following summary describes the material provisions of the Merger Agreement. The summary is qualified in its entirety by reference to the Merger Agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and is incorporated into this joint proxy statement/prospectus by reference. You should read the Merger Agreement carefully in its entirety, as it is the legal document governing the transaction.*

*The Merger Agreement and the following summary have been included to provide you with information regarding the terms of the Merger Agreement and the transaction described in this joint proxy statement/prospectus. We do not intend for the representations and warranties contained in the Merger Agreement to be a source of business or operational information about Pulte or Centex as they are made as of a specified date, are tools used to allocate risk between the parties, are subject to contractual standards of knowledge and materiality and are modified or qualified by information contained in the parties' public filings and in the disclosure schedules exchanged by the parties. Business and operational information regarding Pulte or Centex can be found elsewhere in this joint proxy statement/prospectus and in the other public documents that Pulte and Centex file with the SEC. See *Additional Information Where You Can Find More Information* beginning on page 134.*

### **Structure and Completion of the Merger**

Pursuant to the Merger Agreement, Pi Nevada Building Company, a wholly owned subsidiary of Pulte, will merge with and into Centex, with Centex surviving the merger as a wholly owned subsidiary of Pulte.

The merger will occur as soon as possible but no later than the second business day after the date upon which all of the conditions to completion of the merger contained in the Merger Agreement (other than those conditions that are waived or by their nature are to be satisfied at the closing of the merger) are satisfied or at such other date as Pulte and Centex may agree (see *Conditions to Completion of the Merger* beginning on page 78). The merger will become effective at the time that Centex and Pi Nevada Building Company file the articles of merger with the Secretary of State of the State of Nevada, or at such later time agreed to by the parties and specified in the articles of merger.

We currently expect that the merger will be completed during the third quarter of 2009.

### **Merger Consideration**

#### ***Centex Common Stock***

Each share of Centex common stock issued and outstanding immediately prior to completion of the merger (including the preferred share purchase rights granted under Centex's stockholder rights agreement), other than shares of Centex common stock held by Pulte, Pi Nevada Building Company or by Centex in its treasury, will be converted automatically into a right to receive 0.975 shares of Pulte common stock, which we refer to as the exchange ratio. The exchange ratio is fixed, which means that it is not subject to adjustment. We refer to the consideration to be paid to the Centex stockholders by Pulte as the merger consideration. Shares of Centex common stock held by Pulte or Pi Nevada Building Company or held by Centex in its treasury immediately prior to the completion of the merger will be cancelled and retired, and will not be converted into the right to receive the merger consideration.

#### ***Stock Options and Other Equity Awards***

The Merger Agreement provides that:

upon the completion of the merger, each Centex stock option granted under a Centex stock plan, whether vested or unvested, that is outstanding immediately prior to the completion of the merger will be converted into a vested option to purchase Pulte common stock on the same terms and conditions as were applicable to such Centex stock option immediately prior to the completion of the merger (except for vesting conditions), with adjustments to the number of shares subject to the stock option and the

exercise price per share to reflect the exchange ratio. In addition, each stock option resulting from the conversion of a Centex stock option that was granted with an exercise price of less than \$40.00 per share will provide that, if the option holder experiences a severance-qualifying termination during the two-year period following the merger, the stock option will remain exercisable until the later of (1) the third anniversary of the date of the termination of employment and (2) the date on which the option would cease to be exercisable in accordance with its terms (or, in either case, if earlier, the expiration of the scheduled term of the option);

upon the completion of the merger, each award of restricted shares of, or restricted or deferred stock units with respect to, Centex common stock granted under a Centex stock plan that is outstanding immediately prior to the completion of the merger will vest and be converted into a number of shares of, or units with respect to, Pulte common stock on the same terms and conditions (except for vesting conditions) as were applicable to such award immediately prior to the completion of the merger, with adjustments to the number of shares of, or units with respect to, Pulte common stock to reflect the exchange ratio, except that restricted stock and restricted stock units granted to executive officers and employees as long-term incentive awards under the Centex equity compensation plans after execution of the Merger Agreement and before the completion of the merger will not vest upon completion of the merger and will be treated as described in *Interests of Centex's Directors and Executive Officers in the Merger - Equity Compensation Awards* beginning on page 70.

immediately prior to the completion of the merger, each award of performance units granted under a Centex stock plan that is then outstanding will vest and be converted into the right to receive an amount in cash equal to the product of (1) the fair market value of a share of Centex common stock on the day immediately prior to the completion of the merger and (2) the number of shares of Centex common stock subject to such award (assuming the achievement of all applicable performance goals at target levels).

### **Fractional Shares**

Pulte will not issue fractional shares in the merger. Instead, each holder of shares of Centex common stock who would otherwise be entitled to a fractional share of Pulte common stock will be entitled to receive a cash payment, without interest, from the exchange agent in lieu of such fractional shares in an amount equal to the product of:

the fractional share interest to which such holder (after taking into account all fractional share interests then held by such holder) would otherwise be entitled, multiplied by,

the per share value of one share of Pulte common stock calculated as the average of the closing sale prices of Pulte common stock over the five trading days immediately preceding the date on which the completion of the merger occurs.

The cash payable in lieu of fractional shares is the only merger consideration payable in cash by Pulte in connection with the proposed merger.

### **Exchange of Centex Stock Certificates for Pulte Stock Certificates**

Pulte has retained Computershare Trust Company, N.A., or Computershare, as the exchange agent for the merger to handle the exchange of shares of Centex common stock for the merger consideration, including the payment of cash for fractional shares.

Only those holders of Centex common stock who properly surrender their Centex stock certificates in accordance with the exchange agent's instructions will receive:

a statement indicating book-entry ownership of Pulte common stock or, if requested, a certificate representing Pulte common stock;

cash in lieu of any fractional share of Pulte common stock; and

dividends or other distributions, if any, on Pulte common stock to which they are entitled under the terms of the Merger Agreement.

After the completion of the merger, each certificate representing shares of Centex common stock that has not been surrendered will represent only the right to receive upon surrender of that certificate each of the items listed in the preceding sentence. Following the completion of the merger, Centex will not register any transfers of Centex common stock outstanding on its stock transfer books prior to the merger.

As soon as reasonably practicable after the completion of the merger, and in any event not later than the third business day following the completion of the merger, the exchange agent will mail to each holder of shares of Centex common stock a letter of transmittal (which will specify that the delivery will be effected, and risk of loss and title will pass, only upon proper delivery of such holder's certificates representing shares of Centex common stock) and instructions for surrendering the certificates representing shares of Centex common stock or book-entry shares in exchange for the merger consideration. Upon surrender of certificates representing shares of Centex common stock or book-entry shares, together with an executed letter of transmittal, to the exchange agent, the holder of those certificates or book-entry shares will be entitled to receive the merger consideration. The surrendered certificates representing Centex common stock and the book-entry shares will be cancelled. If any Centex stockholder's certificates have been lost, stolen or destroyed, Pulte may require the stockholder to provide a customary affidavit of loss in lieu of the actual certificates, and to deliver a bond in a reasonable amount as indemnity against any claim that may be made against Computershare or Pulte with respect to the certificates.

#### **Distributions with Respect to Unexchanged Shares**

Holders of Centex common stock are not entitled to receive any dividends or other distributions on Pulte common stock until the merger is completed. After the merger is completed, holders of Centex common stock certificates will be entitled to (1) all dividends and other distributions payable in respect of such shares of Pulte common stock with a record date after the completion of the merger and a payment date on or prior to the date of such surrender and not previously paid and (2) at the appropriate payment date, an amount equal to the dividends or other distributions payable with respect to such shares of Pulte common stock with a record date after the completion of the merger but with a payment date subsequent to such surrender.

#### **Termination of Exchange Fund**

Twelve months after the completion of the merger, Pulte may require the exchange agent to deliver to Pulte all shares of Pulte common stock and any cash remaining in the exchange fund. Thereafter, Centex stockholders must look only to Pulte for payment of the merger consideration on their shares of Centex common stock, subject to applicable law. Any shares of Pulte common stock or cash remaining unclaimed by holders of shares of Centex common stock five years following the completion of the merger (or immediately prior to such time as such amounts would otherwise escheat to or become property of any governmental authority) will, to the extent permitted by applicable law, become the property of Pulte free and clear of any claims or interest of any person previously entitled to such shares of Pulte common stock or cash.

#### **No Liability**

None of Pulte, Centex or Pi Nevada Building Company will be liable to any holder of a certificate representing shares of Centex common stock for any merger consideration delivered to a public official pursuant to any abandoned property laws.



### Conditions to Completion of the Merger

The obligations of Pulte, Pi Nevada Building Company and Centex to effect the merger are subject to the fulfillment, or waiver by Pulte, Pi Nevada Building Company and Centex, of the following conditions at or prior to the completion of the merger:

the approval of the Merger Agreement by the holders of a majority of the outstanding shares of Centex common stock;

the approval of (1) the proposal to approve the charter amendment to increase the number of authorized shares of common stock by the holders of a majority of the outstanding shares of Pulte common stock and (2) the proposal to approve the issuance of shares in the merger by a majority of the votes cast on the proposal, provided that the total votes cast on this proposal represent over 50% of the outstanding shares of Pulte common stock entitled to vote on this proposal;

the absence of any temporary restraining order or preliminary or permanent injunction issued by any court of competent jurisdiction that prohibits or prevents the completion of the merger, except that no party may assert this condition to avoid its obligation to effect the merger unless it has used its reasonable best efforts to prevent the order or injunction, and to appeal the order or injunction promptly;

the expiration or termination of any applicable waiting period under the HSR Act, which condition was satisfied upon expiration of the applicable waiting period on May 22, 2009;

the approval for listing on the NYSE of the shares of Pulte common stock to be issued in the merger and to be reserved for issuance in connection with the merger;

the effectiveness under the Securities Act of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part and the absence of any stop order or proceedings initiated by the SEC for that purpose;

(1) the accuracy and correctness, in all respects as so qualified at and as of the date of the Merger Agreement and at and as of the date of completion of the merger as though made at and as of the date of completion of the merger (except with respect to the foregoing to the extent that any representation and warranty is made as of a particular date or period), of the representations and warranties of the other party, subject to certain exceptions, which are qualified by a Material Adverse Effect qualification, (2) the accuracy and correctness, at and as of the date of the Merger Agreement and at and as of the date of completion of the merger as though made at and as of the date of completion of the merger (except with respect to the foregoing to the extent that any representation and warranty is made as of a particular date or period), except for such failures to be true and correct as are not having or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on such party, of the representations and warranties of the other party, subject to exceptions, which are not qualified by a Material Adverse Effect qualification, (3) the accuracy and correctness, except for *de minimis* inaccuracies, on the date of the Merger Agreement and on the date of completion of the merger as if made on and as of such dates (except with respect to the foregoing to the extent that any representation and warranty is made as of a particular date or period), of certain of the representations and warranties relating to the capital structure of such party, (4) the accuracy and correctness on the date of the Merger Agreement of the representation relating to absence of certain changes between December 31, 2008 and the date of the Merger Agreement, and (5) the accuracy and correctness, in all respects on the date of

completion of the merger as if made on and as of such date (except to the extent that any representation and warranty is made as of a particular date or period) of the representation relating to absence of certain changes after the date of the Merger Agreement, and the receipt of a certificate from the officers of the other party to that effect;

the other party s having performed and complied with its covenants in the Merger Agreement in all material respects prior to the completion of the merger, and the receipt of a certificate from the officers of the other party to that effect; and

the receipt by each party of an opinion from its counsel that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Pulte, Centex and Pi Nevada Building Company may elect to waive certain of the foregoing conditions in accordance with the terms of the merger agreement and applicable law. However, despite their ability to do so, none of Pulte, Centex or Pi Nevada Building Company currently expects to do so. The conditions to completion of the merger relating to the approval of the Merger Agreement by Centex stockholders, the approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock by Pulte's shareholders, the prohibition or prevention of the merger by a governmental authority and the effectiveness under the Securities Act of the registration statement on Form S-4 may not be waived by any party to the Merger Agreement. If any condition to completion of the merger is waived, Pulte and Centex will evaluate the materiality of such waiver to determine whether amendment of this joint proxy statement/prospectus and resolicitation of proxies is necessary under applicable law or the rules of the NYSE. If Pulte and Centex determine any such waiver is not significant enough to require resolicitation of proxies, they will have the discretion to complete the merger without seeking further shareholder or stockholder approval. Neither Pulte nor Centex will waive the receipt of the opinion from its respective counsel that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code as a condition to its obligation to complete the merger without the approval of Centex stockholders.

Neither the approval by Pulte shareholders of the proposal to approve the charter amendment to change Pulte's corporate name nor the approval by Pulte shareholders of the Pulte meeting adjournment proposal is a condition to completion of the merger.

#### **Definition of Material Adverse Effect**

Material Adverse Effect, when used in the Merger Agreement in reference to Pulte or Centex, means any such event, change, development, state of facts, condition, circumstance or occurrence that is materially adverse to the business, financial condition or continuing results of operations of such party and its subsidiaries, taken as a whole. However, none of the following events, changes, developments, facts, conditions, circumstances or occurrences will be deemed to have a Material Adverse Effect if they:

affect economic conditions generally (including changes in interest rates) or the financial, mortgage or securities markets in the United States or elsewhere in the world;

affect the industries in which such party or its subsidiaries operate generally or in any specific jurisdiction or geographical area;

result from or arise out of the announcement or the existence of, or compliance with, or taking any action required or permitted by the Merger Agreement or the transactions contemplated by the Merger Agreement;

result from or arise out of the taking of any action at the written request of the other party;

result from or arise out of any litigation arising from allegations of a breach of fiduciary duty or other violation of applicable law relating to the Merger Agreement or the transactions contemplated by the Merger Agreement;

result from or arise out of changes in applicable law, GAAP or accounting standards;

result from or arise out of any weather-related or other force majeure event or outbreak or escalation of hostilities or acts of war or terrorism, except to the extent that such party and its subsidiaries are adversely

affected in a disproportionate manner relative to other participants in the industries in which such party and its subsidiaries operate; or

result from or arise out of any changes in the share price or trading volume of such party's common stock, such party's credit rating or in any analyst's recommendations, or the failure of such party to meet projections or forecasts (including any analyst's projections) (although the events, changes, effects,

developments, conditions or occurrences underlying such change are not excluded to the extent they would otherwise constitute a Material Adverse Effect).

### **Non-Solicitation of Alternative Transactions**

The Merger Agreement provides that, except as described further below, Centex and its subsidiaries may not and may not publicly announce any intention to, and must direct their respective representatives not to:

solicit, initiate or knowingly encourage any inquiries with respect to, or the making or submission of, any alternative proposal;

participate in any negotiations regarding an alternative proposal with, or furnish any nonpublic information regarding an alternative proposal to any person that has made or to Centex's knowledge is considering making an alternative proposal;

engage in discussions regarding an alternative proposal with any person;

submit to a vote of its stockholders, approve, endorse or recommend any alternative proposal; or

enter into any letter of intent or agreement in principle or any agreement providing for any alternative proposal.

Centex is also required to promptly notify Pulte if it receives any alternative proposal, any indication or inquiry with respect to or that would reasonably be expected to lead to an alternative proposal, or any request for non-public information relating to Centex or its subsidiaries, including in each case the identity of the person making any such alternative proposal or indication or inquiry and the material terms of any such alternative proposal or indication or inquiry.

Centex may, however, before the Centex stockholders' approval of the proposal to approve the Merger Agreement, in response to an alternative proposal which constitutes a superior proposal or which its board of directors determines, in good faith, could reasonably be expected to result in a superior proposal (1) furnish nonpublic information to the third party making such acquisition proposal and (2) engage in discussions or negotiations with such third party with respect to the alternative proposal, if, and only if, prior to so furnishing such information or engaging in discussions or negotiations, it receives from such third party an executed confidentiality agreement with confidentiality provisions no less favorable to it than the confidentiality agreement entered into by Pulte and Centex.

Centex has also agreed to terminate any discussions relating to an alternative proposal that occurred prior to the date of the Merger Agreement. It has further agreed to not terminate, amend, modify or waive any standstill provision of any confidentiality or standstill agreement between Centex and any other person that relates to a transaction that could constitute an alternative proposal and to use reasonable best efforts to enforce any existing standstill agreements with third parties, unless the Centex board of directors determines in good faith, after consultation with Centex's outside legal advisors, that such action or inaction would be inconsistent with the directors' fiduciary obligations to Centex stockholders, or is otherwise permitted by the section of the Merger Agreement imposing restrictions on the solicitation of alternative proposals.

An alternative proposal means any bona fide inquiry, proposal or offer made by any person or group of persons prior to the approval of the proposal to approve the Merger Agreement by Centex's stockholders (other than a proposal or offer by Pulte or its subsidiaries) for:

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a merger, reorganization, share exchange, consolidation, business combination, recapitalization, dissolution, liquidation or similar transaction involving Centex;

a tender offer or exchange offer that, if completed, would result in any person beneficially owning 20% or more of the outstanding shares of Centex common stock;

the acquisition by any person or group of persons of 20% or more of the assets of Centex and its subsidiaries, taken as a whole; or

the direct or indirect acquisition by any person or group of persons of 20% or more of the outstanding shares of Centex common stock.

A superior proposal means an alternative proposal (with references to 20% being replaced by references to 50%) made by any person or group of persons on terms that Centex's board of directors determines in good faith, after consultation with Centex's financial and legal advisors, is more favorable to Centex's stockholders than the transactions contemplated by the Merger Agreement.

### **Special Meetings; Board Recommendations**

#### ***Special Meeting of Centex Stockholders; Recommendation of Centex Board of Directors***

Centex is required to hold a meeting of its stockholders to consider the approval of the proposal to approve the Merger Agreement. Centex has agreed to use reasonable best efforts to solicit proxies in favor of the Merger Agreement, and its board of directors has agreed to recommend that Centex's stockholders approve the proposal to approve the Merger Agreement, unless, in each case, it has made a change of recommendation as described below.

The Merger Agreement provides that, at any time prior to, but not after, the Centex stockholders' approval of the proposal to approve the Merger Agreement, Centex's board of directors may change its recommendation that Centex's stockholders approve the proposal to approve the Merger Agreement if:

Centex provides Pulte with written notice at least three business days prior to making a change of recommendation that it has received a superior proposal and specifying the material terms and conditions of such superior proposal and the identity of the person making such proposal, which notice period would be extended by one business day to the extent any material revisions are made to such superior proposal;

following Centex's compliance with the advance notice period described above, such proposal continues to constitute a superior proposal; and

it determines in good faith, after consultation with its outside legal and financial advisors, that failing to do so would be inconsistent with the directors' fiduciary duties under applicable law.

Centex's board of directors may also withdraw, modify or qualify its recommendation at any time prior to the approval of the proposal to approve the Merger Agreement by Centex's stockholders if it is required to do so under applicable law, so long as it has provided Pulte notice of its intent to do so three business days in advance.

Nothing in the Merger Agreement prohibits Centex or its board of directors from taking and disclosing to its stockholders a position contemplated by Rules 14d-9 and 14e-2(a) of the Exchange Act or from making any legally required disclosure to Centex's stockholders or taking any position with respect to the merger if, in the good faith judgment of the Centex board of directors, after consultation with Centex's outside legal advisors, failure to do so would be inconsistent with the directors' fiduciary obligations or obligations under the rules and regulations of the NYSE. However, any such action that would constitute a change of recommendation may only be made in compliance with the provisions of the Merger Agreement governing a change of recommendation.

Centex's board of directors may not recommend any acquisition proposal (other than the Merger Agreement and the transactions contemplated by the Merger Agreement), except as specifically contemplated by, and in accordance with the restrictions and obligations described above under "Non-Solicitation of Alternative Transactions" beginning on page 80.

***Special Meeting of Pulte Shareholders; Recommendation of Pulte Board of Directors***

Pulte is required to hold a meeting of its shareholders to consider the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the issuance of shares in the merger and to use reasonable best efforts to solicit proxies in favor of these

proposals. The Pulte board of directors also must recommend that Pulte's shareholders approve the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the issuance of shares in the merger, unless, in each case, it has made a change of recommendation as described below.

Pulte's board of directors may withdraw, modify or qualify its recommendation at any time if it is required to do so under applicable law, so long as it has provided Centex with written notice at least three business days prior to doing so.

### **Efforts to Complete the Merger**

Both Pulte and Centex are required to use their reasonable best efforts to take promptly all necessary or advisable actions under applicable laws to complete the merger and the other transactions contemplated by the Merger Agreement, including the obtaining of necessary consents and approvals from governmental entities and third parties and the defense of lawsuits challenging the Merger Agreement or the transactions contemplated by the Merger Agreement, subject to certain exceptions.

The Merger Agreement provides that Pulte and Centex will make any required filings under the HSR Act and will use reasonable best efforts to take all actions that may be necessary or advisable to complete the transaction, including taking all further action as may be necessary to resolve any objections that the FTC, the DOJ, state antitrust enforcement authorities or other competition authorities may assert with respect to the transactions contemplated by the Merger Agreement, including (1) the sale, divestiture or disposition of assets or businesses of Pulte or Centex and (2) otherwise taking or committing to take actions that after the date of completion of the merger would limit Pulte's freedom of action with respect to, or its ability to retain, one or more of its businesses, product lines or assets, in each case as may be required to avoid any prevention or material delay of the closing. However, Pulte is not obligated to take any such action that would have a Material Adverse Effect with respect to Pulte or Centex.

### **Conduct of Business Pending the Merger**

Each of Pulte and Centex has agreed that, prior to the completion of the merger or the termination of the Merger Agreement, unless required by applicable law, consented to by the other party (which consent may not be unreasonably withheld, conditioned or delayed), contemplated or required by the Merger Agreement, or previously agreed to by Centex and Pulte, it will conduct its business in the ordinary course and use its reasonable best efforts to:

maintain the services of its current officers, key employees and consultants;

preserve its business organization and maintain its relations and goodwill with customers, suppliers, distributors, creditors and lessors;

maintain existing insurance policies (or similar replacement policies); and

comply in all material respects with all applicable laws.

### ***Restrictions on Centex's Interim Operations***

Centex has further agreed to not take certain actions prior to the completion of the merger or the termination of the Merger Agreement unless the actions are required by applicable law, consented to by Pulte (which consent may not be unreasonably withheld, conditioned or delayed), contemplated or required by the Merger Agreement, or previously agreed to by Centex and Pulte. In particular, subject to the above exceptions, Centex may not, and in certain cases may not permit any of its subsidiaries to:

pay or authorize any dividends or distributions, or permit any of its non-wholly owned subsidiaries to do so, except for dividends and distributions paid on a pro rata basis by subsidiaries;

redeem, repurchase, defease or cancel any indebtedness for borrowed money, except (1) for transactions between Centex and its wholly owned subsidiaries or between Centex's wholly owned subsidiaries,

(2) for certain required payments, or (3) with respect to indebtedness of \$1 million or less or certain other indebtedness agreed to by Pulte;

acquire or agree to acquire any other entity or business, or make any capital expenditures, loans, advances or capital contributions to, or investments in, any other entity with a value of more than \$15 million in the aggregate, except (1) for certain ordinary course land acquisitions, including finished lots in an amount not to exceed \$8 million individually or \$150 million in the aggregate or raw land in an amount not to exceed \$20 million in the aggregate, (2) as required by existing contracts or (3) as between Centex and its wholly owned subsidiaries or between Centex's wholly owned subsidiaries;

split, combine, reclassify, subdivide or amend the terms of any of its or its subsidiaries' capital stock, or issue or authorize any other securities in respect of its or its subsidiaries' capital stock, except by a wholly owned subsidiary of Centex that remains a wholly owned subsidiary after the transaction;

enter into any voting agreements with respect to its or its subsidiaries' capital stock;

increase compensation or benefits of Centex's directors, executive officers or employees, except as required by existing agreements or benefit plans, as required by applicable law, or as set forth under "Employee Matters";

enter into any employment, change of control, severance or retention agreement with any employee, except as required by existing agreements or benefit plans, as required by applicable law, or as further described under "Employee Matters", and subject to certain additional exceptions for newly-hired employees, promotions, employment agreements terminable on less than thirty days' notice without penalty and ordinary course severance agreements with non-executive officers;

establish any plan, policy, program or arrangement for the benefit of any current or former directors, officers or employees or any of their beneficiaries, except as permitted pursuant to the preceding bullet point, or for ordinary course collective bargaining agreements or amendments;

materially change financial accounting policies or procedures, except as required by GAAP, SEC rule or policy or applicable law;

except as required by a change in law, make, change or revoke any material tax election, file any material amended tax return, or settle or compromise any material tax liability or refund, if such action could have an adverse effect that, individually or in the aggregate, is material to Centex and its subsidiaries;

adopt any material amendments to its or its subsidiaries' articles of incorporation, by-laws or similar applicable charter documents;

except for transactions between Centex and its wholly owned subsidiaries or between Centex's wholly owned subsidiaries, issue, sell, pledge, dispose of, grant, transfer or encumber, any shares of Centex's or its subsidiaries' capital stock or other ownership interests, or any options or other related securities, or take any action that would cause otherwise unexercisable options to become exercisable (except as permitted by the Merger Agreement or pursuant to certain options or warrants outstanding on the date of the Merger Agreement), other than certain issuances or sales of Centex common stock in respect of certain Centex equity compensation awards, other ordinary course grants of equity compensation awards in accordance with Centex's customary long-term compensation award practices and as set forth under "Employee Matters";

except for transactions between Centex and its wholly owned subsidiaries or between Centex's wholly owned subsidiaries, purchase, redeem or otherwise acquire any shares of Centex or its subsidiaries' capital stock, or any options or other related convertible or exchangeable securities;

incur, assume, guarantee, prepay or otherwise become liable for any indebtedness for borrowed money, except for (1) intercompany indebtedness, (2) indebtedness to replace, renew, extend, refinance or refund any existing indebtedness, (3) certain guarantees of indebtedness as permitted by the Merger Agreement, (4) indebtedness incurred in the ordinary course of business pursuant to funding facilities

for Centex's financial services subsidiaries and (5) guarantees, letters of credit or surety bonds for the benefit of commercial counterparties in the ordinary course of business;

sell, pledge, lease, license, transfer, guarantee, exchange or swap, mortgage (including securitizations), or otherwise dispose of any material portion of its material properties or material assets, including the capital stock of subsidiaries, except (1) for sales of land or homes in the ordinary course of business, (2) for transactions between Centex and its wholly owned subsidiaries or between Centex's wholly owned subsidiaries, (3) pursuant to certain existing agreements, or (4) as may be required by applicable law or any governmental entity in connection with the merger;

adopt, adopt resolutions providing for, vote in support of, consent to or approve any liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Centex, its subsidiaries or any joint venture, other than the merger and any other mergers or reorganizations that would not result in material adverse tax consequences or material loss of tax benefits or loss of any material asset;

enter into any contract that would materially restrict, after the completion of the merger, Pulte and its subsidiaries (including Centex and its subsidiaries) from engaging or competing in any line of business or in any geographic area;

settle or compromise any litigation, or otherwise dispose of any claim, liability, obligation or arbitration, unless the settlement (1) does not require Centex to pay more than \$15 million individually or \$75 million in the aggregate (excluding from the aggregate total any individual claim involving a payment of less than \$1 million), and (2) does not involve any material injunctive or other non-monetary relief or impose material restrictions on the business or operations of Centex;

enter into interest rate swaps and other similar hedging arrangements other than for purposes of offsetting a bona fide exposure;

issue or forgive any loans to directors, officers, employees, contractors or any of their respective affiliates, except for any such issuances that would not violate the Sarbanes-Oxley Act; or

authorize any of its subsidiaries or agree itself to take any of the foregoing actions.

### ***Restrictions on Pulte's Interim Operations***

In addition to the covenants described above, Pulte has agreed to not take certain actions prior to the completion of the merger or the termination of the Merger Agreement unless the actions are required by applicable law, consented to by Centex (which consent may not be unreasonably withheld, conditioned or delayed), contemplated or required by the Merger Agreement, or previously agreed to by Centex and Pulte. In particular, subject to the above exceptions, Pulte may not and in certain cases may not permit any of its subsidiaries to:

except in the ordinary course of business, pay or authorize any dividends or distributions, or permit any of its non-wholly owned subsidiaries to do so, other than dividends and distributions paid on a pro rata basis by subsidiaries;

acquire or agree to acquire any entity or business, other than acquisitions that could not reasonably be expected to make it materially more difficult to obtain any authorization, consent or approval required in connection with the merger and that could not reasonably be expected to prevent or materially delay or impede the merger or the other transactions contemplated by the Merger Agreement;

split, combine, reclassify, subdivide or amend the terms of any of its or its subsidiaries' capital stock, or issue or authorize any other securities in respect of its or its subsidiaries' capital stock, except by a wholly owned subsidiary of Centex that remains a wholly owned subsidiary after the transaction;

enter into any voting agreements with respect to its or its subsidiaries' capital stock;

except for the amendment to Pulte's Restated Articles of Incorporation contemplated by the proposal to approve the charter amendment to increase the number of authorized shares of common stock and an amendment to the Certificate of Designation for Pulte's Series A Junior Participating Preferred Shares and an amendment to increase the number of shares, adopt or propose to adopt any material amendments to its or its subsidiaries articles of incorporation or by-laws or similar applicable charter documents;

except for transactions between Pulte and its wholly owned subsidiaries or between Pulte's wholly owned subsidiaries, issue, sell, pledge, dispose of, grant, transfer or encumber any shares of Pulte or its subsidiaries capital stock or other ownership interests, or any options or other related securities, or take any action that would cause otherwise unexercisable options to become exercisable (except as permitted by the Merger Agreement or pursuant to certain options or warrants outstanding on the date of the Merger Agreement), other than certain issuances or sales of Pulte common stock in respect of certain Pulte equity compensation awards, and other ordinary course grants of equity compensation awards in accordance with Pulte's customary schedule;

adopt, adopt resolutions providing for, vote in support of, consent to or approve any liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of Pulte, its subsidiaries or any joint venture, other than the merger and any other mergers or reorganizations that would not result in material adverse tax consequences or material loss of tax benefits or loss of any material asset; or

authorize any of its subsidiaries or agree itself to take any of the foregoing actions.

## **Employee Matters**

Under the Merger Agreement, after completion of the merger, Pulte will provide to Centex employees not covered by collective bargaining agreements compensation and benefits through December 31, 2009 that are, in the aggregate, no less favorable than the compensation and benefits provided to such employees immediately prior to the completion of the merger (without considering, for this purpose, benefits provided under Centex's Salary Continuation Plan).

Thereafter, it is Pulte's intention over the long term that Centex employees and similarly situated employees of Pulte will be treated alike in terms of compensation and benefits. Without limiting the immediately preceding sentence, Pulte has agreed that, during calendar year 2010, any change in the salary or annual incentive bonus of any Centex employee not covered by a collective bargaining agreement will not affect such Centex employee in a manner which is disproportionate to any change in the salary or annual incentive bonus of any similarly-situated Pulte employee over that period. From and after December 31, 2009, Pulte has agreed to provide each Centex employee not covered by collective bargaining agreements with pension and welfare benefits (including medical, dental, pharmaceutical and vision benefits) that are, in the aggregate, no less favorable than those provided to similarly-situated Pulte employees over that period.

Additionally, Pulte has agreed, with respect to Centex employees, to:

credit years of service for all purposes under its employee benefit plans and programs (but not for purposes of benefit accrual under a defined benefit plan) to the same extent such service was credited under similar Centex plans prior to the completion of the merger, except where such credit would result in duplication of benefits; provided, however, that prior service will not be credited for purposes of the Seventy Year Rule (as defined in Pulte's equity compensation plans and option award agreements issued thereunder) unless such employee terminates employment after December 31, 2011;

make each Centex employee immediately eligible to participate, without any waiting time, in any Pulte plan providing benefits to Centex employees after the completion of the merger, to the extent coverage under such

plan is comparable to a plan in which the Centex employee participated immediately prior to the completion of the merger;

waive all limitations relating to pre-existing conditions and exclusions under its welfare plans to the same extent that such limitations would have been waived under a comparable Centex plan, and

recognize any deductible, co-insurance and maximum out-of-pocket expenses incurred by such employees during the portion of the plan year of the Centex plan ending on the date such employee's participation in the corresponding Pulte plan begins as if such amounts had been paid under its plans;

provide severance and paid time-off benefits through December 31, 2010 that are no less favorable, in each case on an individual-by-individual basis, than the severance and paid time-off benefits provided to each Centex employee under the applicable Centex plan as of immediately prior to the completion of the merger (except that benefits under the Centex Salary Continuation Plan will be disregarded for this purpose); and

permit Centex, prior to the completion of the merger, to allocate an amount not to exceed \$2,000,000 for purposes of (1) increasing base salaries (other than the base salaries of non-employee directors and executive officers that participate in the CIC Severance Plan) in connection with individually targeted salary adjustments, promotional raises and retention bonuses and (2) establishing a retention plan to be allocated to the employees of Centex, the terms of which will be determined in consultation with Pulte.

Under the Merger Agreement, Centex is permitted to establish a short-term incentive compensation program for the fiscal year that commenced on April 1, 2009, and may establish, with respect to each individual who participates in this program, a target payout level no greater than 100% of the individual's target payout under the applicable Centex short-term incentive program for the fiscal year ended March 31, 2009. If the merger is completed, Pulte has agreed to pay to each Centex employee participating in this program (except for employees who participate in Centex's 2003 Annual Incentive Compensation Plan) who is still employed on December 31, 2009 a cash bonus equal to 75% of the employee's target bonus under the program as soon as practicable after such date, but in no event later than March 15, 2010. In addition, if the merger is completed, Pulte has agreed to pay to each Centex employee (except for employees who participate in Centex's 2003 Annual Incentive Compensation Plan) who experiences a severance-qualifying termination of employment prior to December 31, 2009 an amount equal to 75% of the employee's target bonus under the program, prorated for the portion of the period between April 1, 2009 and December 31, 2009 during which the employee rendered services. In accordance with Centex's 2003 Annual Incentive Compensation Plan, each Centex senior executive who participates in such plan will receive prior to completion of the merger an amount equal to 100% of the individual's target bonus for the fiscal year that commenced on April 1, 2009, provided that any severance payable to any such individual under the CIC Severance Plan will, in the event that the individual experiences a termination of employment prior to March 31, 2010, be reduced by the portion of the bonus payment attributable to the portion of the year in which the termination occurs that the participant does not work. Pulte also has agreed to provide a bonus opportunity to Centex employees for its fiscal year commencing January 1, 2010 that is consistent with its other commitments with respect to benefits and compensation for Centex employees.

The Merger Agreement also provides that Centex may grant to each of its employees a long-term incentive award consisting of a number of restricted shares having a fair market value on the date of grant no greater than 100% of the total value on the date of grant of the aggregate long-term incentive awards granted to the employee with respect to Centex's fiscal year ended March 31, 2009. The Merger Agreement provides that, if the merger is completed, 25% of the restricted shares that were subject to these long-term incentive awards on the grant date will be forfeited, 25% will vest on March 31, 2010, 25% will vest on March 31, 2011 and 25% will vest on March 31, 2012. The Merger Agreement also provides that if, following the completion of the merger, the holder of a long-term incentive award experiences a severance-qualifying termination of employment, the next installment of the award will vest immediately. In addition, under the Merger Agreement, Pulte has agreed that, for calendar year 2010, it will provide Centex employees long-term incentive awards that are no less favorable than the awards provided to similarly-situated Pulte employees.

#### **Management and Board of Directors of Pulte After the Merger**

Pulte has agreed to take all actions necessary to cause its board of directors upon the completion of the merger to be comprised of eight current Pulte directors and four current Centex directors designated by Centex. Pulte has also agreed to appoint each of the Centex designees to serve until Pulte's next annual

meeting of shareholders and to nominate each of the Centex designees at its next annual meeting of shareholders, such that one will be nominated to a term expiring at the second annual meeting following the date of completion of the merger, one will be nominated to a term expiring at the third annual meeting following the date of completion of the merger and two will be nominated to terms expiring at the fourth annual meeting following the date of completion of the merger.

Upon completion of the merger, Mr. Dugas, currently president and chief executive officer of Pulte, will also assume the position of chairman of Pulte. The rest of Pulte's senior management team following completion of the merger will include Steven C. Petruska as executive vice president and chief operating officer, Roger A. Cregg as executive vice president and chief financial officer, James R. Ellinghausen as executive vice president, human resources, Debra W. Still as president and chief executive officer of Pulte Mortgage LLC and Steven M. Cook as senior vice president, general counsel and secretary, each of whom currently hold such positions with Pulte. Mr. Eller will join the Pulte board of directors as vice chairman and will serve as a consultant to Pulte for two years following completion of the merger. The Pulte board of directors will be expanded to twelve directors and will include four members of the current Centex board of directors, namely Mr. Eller, Clint W. Murchison, III, James J. Postl and Thomas M. Schoewe, and eight members of the current Pulte board of directors, namely Pulte's founder and current chairman William J. Pulte, Mr. Dugas, Brian P. Anderson, Cheryl W. Gris , Debra J. Kelly-Ennis, David N. McCammon, Patrick J. O'Leary and Bernard W. Reznicek. See The Merger Management and Board of Directors of Pulte After the Merger beginning on page 70.

#### **Other Covenants and Agreements**

Pulte and Centex have agreed to take certain additional actions pursuant to the Merger Agreement. In particular, Pulte and Centex have agreed to:

afford the other party and its representatives reasonable access during normal business hours throughout the period following the date of the Merger Agreement and the earlier of the completion of the merger or the date on which the Merger Agreement is terminated to the personnel, properties, contracts, books and records of the party granting such access, but only to the extent that such access would not unreasonably disrupt the operations of the party granting such access, cause a violation of an existing agreement to which such party granting access is a party or would cause a risk of a loss of privilege to the disclosing party, or any of their subsidiaries or would constitute a violation of any applicable law;

take certain actions under federal and state securities laws necessary to complete the transactions contemplated by the Merger Agreement, including the filing by Centex of this joint proxy statement/prospectus and the filing by Pulte of a registration statement on Form S-4 with the SEC, of which this joint proxy statement/prospectus is a part;

take any actions reasonably necessary to complete the transactions contemplated by the Merger Agreement on the terms contemplated by the Merger Agreement if any takeover statute becomes applicable;

use reasonable efforts to consult with each other before issuing any press release or making any public announcement primarily relating to the Merger Agreement or the transactions contemplated by the Merger Agreement;

take all steps required to cause dispositions of Centex common stock or acquisitions of Pulte common stock resulting from the transactions contemplated by the Merger Agreement by each individual subject to the reporting requirements of Section 16(a) of the Exchange Act to be exempt under Rule 16b-3 of the Exchange Act;

not take any action, or knowingly fail to take any action, that would prevent or impede, or be reasonably likely to prevent or impede the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code; and

not redeem the rights issued under their respective shareholder or stockholder rights agreements, or amend or terminate such rights agreements, subject to certain exceptions.

Pulte has further agreed to:

(1) maintain all rights to exculpation, indemnification and advancement of expenses under Centex's organizational documents or agreements, (2) indemnify Centex's current and former directors, officers and employees against all costs, expenses and other payments arising out of or relating to any action or omission occurring before or after the completion of the merger, and (3) for a period of six years from the completion of the merger, maintain Centex's existing directors' and officers' liability insurance or a tail policy with annual premiums not in excess of 300% of the last annual premium paid by Centex;

cause the shares of Pulte common stock to be issued in the merger to be approved for listing on the NYSE; and

maintain an office in Dallas, Texas as a home office extension of Pulte's Detroit headquarters, with certain support functions to be conducted from such office.

## **Termination of the Merger Agreement**

### *General*

The Merger Agreement may be terminated and abandoned at any time prior to the completion of the merger by the mutual written consent of the Pulte and Centex. Also, either Pulte or Centex may terminate the Merger Agreement and abandon the merger at any time prior to the completion of the merger if:

the merger does not occur on or before November 7, 2009, unless the party seeking to terminate the Merger Agreement for this reason fails to perform or comply in all material respects with its covenants and agreements set forth in the Merger Agreement;

a governmental entity permanently enjoins or otherwise prohibits the completion of the merger and such action becomes final and non-appealable, so long as the party seeking to terminate the Merger Agreement for this reason has used its reasonable best efforts to remove or prevent such action;

the Centex special meeting concludes without the approval of the proposal to approve the Merger Agreement by Centex's stockholders, except that Centex may not terminate the Merger Agreement for this reason if the failure to obtain the approval is caused by an action or failure to act by Centex that constitutes a material breach of the Merger Agreement; or

the Pulte special meeting concludes without the approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock and proposal to approve the issuance of shares in the merger by Pulte's shareholders, except that Pulte may not terminate the Merger Agreement for this reason if the failure to obtain the approvals is caused by an action or failure to act by Pulte that constitutes a material breach of the Merger Agreement.

Centex may terminate the Merger Agreement at any time prior to the approval of the proposal to approve the Merger Agreement by Centex's stockholders in light of a superior proposal if:

Centex is not in material breach of the section of the Merger Agreement imposing restrictions on the solicitation of alternative proposals, including its obligation to notify Pulte of the superior proposal, see Non-Solicitation of Alternative Transactions beginning on page 80;

the superior proposal continues to constitute a superior proposal at the conclusion of a three business day period that begins with notification to Pulte of the superior proposal, subject to any extensions as contemplated by the Merger Agreement; and

the Centex board of directors determines in good faith, after consultation with Centex's outside legal and financial advisors, that recommending the proposal to approve the Merger Agreement, or failing to change such recommendation in a manner adverse to Pulte, would be inconsistent with their fiduciary obligations to Centex stockholders under applicable law.

In addition, Centex may terminate the Merger Agreement at any time prior to the completion of the merger if:

Pulte breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Merger Agreement, which breach or failure to perform (1) would result in a failure of any of the conditions to Centex's obligation to complete the merger, see Conditions to Completion of the Merger beginning on page 78, and (2) cannot be cured by November 7, 2009, so long as Centex provides Pulte with at least 30 days' prior written notice of its intent to terminate the Merger Agreement for this reason; or

Pulte's board of directors changes its recommendation that Pulte's shareholders approve the proposal to approve the charter amendment to increase the number of authorized shares of common stock and proposal to approve the issuance of shares in the merger.

Pulte may terminate the Merger Agreement at any time prior to the completion of the merger if:

Centex breaches or fails to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Merger Agreement, which breach or failure to perform (1) would result in a failure of any of the conditions to Pulte's obligation to complete the merger, see Conditions to Completion of the Merger beginning on page 78, and (2) cannot be cured by November 7, 2009, so long as Pulte provides Centex with at least 30 days' prior written notice of its intent to terminate the Merger Agreement for this reason; or

the Centex board of directors changes its recommendation that Centex's stockholders approve the Merger Agreement, or recommends the approval or adoption of any alternative proposal to Centex's stockholders.

### ***Termination Fees***

Centex would be required to pay Pulte a termination fee of \$24 million if Pulte or Centex terminates the Merger Agreement because Centex stockholders, following a favorable recommendation to approve the proposal to approve the Merger Agreement by Centex's board of directors, do not approve this proposal at the Centex special meeting.

Centex would be required to pay Pulte a termination fee of \$48 million in the following circumstances:

if Pulte terminates the Merger Agreement because Centex's board of directors has changed its recommendation of the merger or recommended the approval or adoption of an alternative proposal to Centex's stockholders;

if Centex terminates the Merger Agreement in light of a superior proposal;

if Pulte or Centex terminates the Merger Agreement because Centex stockholders, following a change of recommendation of the proposal to approve the Merger Agreement by Centex's board of directors, do not approve this proposal at the Centex special meeting;

if (1) Pulte or Centex terminates the Merger Agreement because Centex stockholders do not approve the proposal to approve the Merger Agreement at the Centex special meeting, (2) prior to such termination an alternative proposal in respect of at least 50% of Centex was publicly proposed and (3) within 12 months of such termination, Centex enters into a definitive agreement regarding, or otherwise completes, any such alternative proposal in respect of at least 50% of Centex; or

if (1) Pulte or Centex terminates the Merger Agreement because the merger has not occurred on or before November 7, 2009 or Pulte terminates the Merger Agreement because of an intentional breach of the Merger Agreement by Centex, (2) prior to such termination an alternative proposal in respect of at least 50% of Centex was publicly proposed and (3) within 12 months of such termination, Centex enters into a definitive agreement regarding, or otherwise completes, any such alternative proposal in respect of at least 50% of Centex.

Pulte would be required to pay Centex a termination fee of \$51 million if Pulte or Centex terminates the Merger Agreement because Pulte's shareholders, following a favorable recommendation by Pulte's board of directors to approve the proposal to approve the charter amendment to increase the number of authorized shares of common stock and the proposal to approve the issuance of shares in the merger, do not approve both of these proposals at the Pulte special meeting.

Pulte would be required to pay Centex a termination fee of \$102 million in the following circumstances:

if Centex terminates the Merger Agreement because Pulte's board of directors has changed its recommendation of the proposal to approve the charter amendment to increase the number of authorized shares of common stock or proposal to approve the issuance of shares in the merger; or

if Pulte or Centex terminates the Merger Agreement because Pulte shareholders, following a change of recommendation of the proposal to approve the charter amendment to increase the number of authorized shares of common stock or proposal to approve the issuance of shares in the merger by Pulte's board of directors, do not approve both of these proposals at the Pulte special meeting.

### ***Effect of Termination***

If the Merger Agreement is terminated as described above, the Merger Agreement will terminate (except for the provisions governing payment of the termination fees and certain other miscellaneous provisions), and neither Pulte nor Centex will be liable to the other except for liability arising out of an intentional breach of the Merger Agreement, for fraud or as provided for in the confidentiality agreement between Pulte and Centex.

### **Representations and Warranties**

The Merger Agreement contains customary representations and warranties of Pulte, Centex and Pi Nevada Building Company relating to their respective businesses. These representations and warranties have been made solely for the benefit of the other party or parties, and such representations and warranties should not be relied on by any other person. In addition, such representations and warranties:

are qualified in their entirety by the information disclosed by the applicable party in documents filed with the SEC since January 1, 2007 and prior to the date of the Merger Agreement, excluding any risk-factor disclosure, disclosure of risks in any forward-looking statements disclaimer and any other statements that are similarly predictive or forward looking in nature;

have been further qualified by information contained in disclosure schedules that the parties exchanged in connection with the execution of the Merger Agreement;

will not survive completion of the merger or the termination of the Merger Agreement;

are in certain cases subject to a materiality standard described in the Merger Agreement which may differ from what may be viewed as material by you; and

are in certain cases, qualified by the knowledge of the parties making such representations and warranties.

Each of Pulte, Centex and Pi Nevada Building Company has made customary representations and warranties relating to, among other things:

organization and standing;

capital structure;

corporate power and authority;

conflicts, consents and approvals;

SEC filings and internal controls and procedures;

the absence of any undisclosed liabilities;

compliance with laws and the possession of necessary permits;

environmental matters;

employee benefit plans;

absence of certain changes or events;

investigations and litigation;

disclosure documents;

tax matters;

employment and labor matters;

intellectual property;

real property;

in the case of Centex, the required vote of Centex stockholders to approve the proposal to approve the Merger Agreement, and, in the case of Pulte, the required votes of Pulte shareholders to approve the proposal to approve the charter amendment to increase the number of authorized shares of common stock and proposal to approve the issuance of shares in the merger;

opinion of such party's financial advisor;

material contracts;

brokerage and finders' fees and expenses;

insurance;

tax treatment of the merger; and

the taking of all actions necessary to render such party's rights agreement inapplicable to the merger and the voting agreements, and, in the case of Centex, to cause its rights agreement to terminate as of the time the merger is completed.

Each of Pulte and Pi Nevada Building Company has also made representations and warranties relating to the lack of ownership of shares of Centex.

Centex has also made representations and warranties relating to the inapplicability of state anti-takeover laws to the Merger Agreement.

## **Expenses**

Each party is required to pay its own costs and expenses incurred in connection with the merger, the Merger Agreement and the transactions contemplated thereby, except that Pulte will pay all fees in respect of the filing under the HSR Act, and Pulte and Centex will share equally all costs and expenses incurred in connection with the printing, filing and mailing of this joint proxy statement/prospectus (including applicable SEC filing fees).

**Governing Law; Jurisdiction; Specific Enforcement**

The Merger Agreement is governed by, and is to be construed in accordance with, the laws of Delaware, except that issues involving the completion and effects of the merger are governed by the laws of Nevada to the extent the application of Nevada law is mandatory. All legal actions or proceedings with respect to the Merger Agreement are to be brought and determined in the Delaware Court of Chancery or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware. The parties to the Merger Agreement are entitled to injunctions to prevent breaches of the Merger Agreement and to specifically enforce the terms of the Merger Agreement.

**Amendments and Waivers**

Pulte, Centex and Pi Nevada Building Company may amend or waive any provision of the Merger Agreement at any time prior to the completion of the merger. However, any amendment or waiver that is made following the Centex special meeting will be subject to approval by Centex stockholders if further approval is required by applicable law or the rules and regulations of the NYSE.

**AMENDMENTS TO THE PULTE HOMES, INC.  
RESTATED ARTICLES OF INCORPORATION**

At the Pulte special meeting, Pulte shareholders will consider two proposed amendments to Pulte's Restated Articles of Incorporation, which are described below. A copy of the current Pulte Restated Articles of Incorporation is attached to this joint proxy statement/prospectus as Annex D. A copy of the form of amendment to Pulte's Restated Articles of Incorporation, which reflects the proposed amendment to increase the number of authorized shares of Pulte common stock, is attached to this joint proxy statement/prospectus as Annex E. A copy of the form of amendment to Pulte's Restated Articles of Incorporation, which reflects the proposed amendment to change Pulte's corporate name, is attached to this joint proxy statement/prospectus as Annex F.

**Proposal to Approve the Charter Amendment to Increase the Number of Authorized Shares of Common Stock**

The Pulte board of directors has proposed, subject to shareholder approval, to amend Pulte's Restated Articles of Incorporation to increase the number of shares of Pulte common stock authorized for issuance from 400 million to 500 million. If the proposal to approve the charter amendment to increase the number of authorized shares of common stock is approved by Pulte's shareholders, Pulte would only file the certificate of amendment to Pulte's Restated Articles of Incorporation reflecting the increased number of authorized shares of common stock with the Michigan Department of Energy, Labor and Economic Growth immediately prior to the completion of the merger, but if the Merger Agreement is terminated (and the merger is not completed), Pulte will not file the certificate of amendment to Pulte's Restated Articles of Incorporation reflecting the increased number of authorized shares of common stock with the Michigan Department of Energy, Labor and Economic Growth and the amendment will not become effective. If Pulte files the certificate of amendment reflecting the increased number of authorized shares of common stock with the Michigan Department of Energy, Labor and Economic Growth and the merger is not completed, Pulte reserves the right to abandon the amendment in accordance with the provisions of the MBCA.

As of the Pulte record date, Pulte had 258,603,672 shares of Pulte common stock issued and outstanding. As of such date, there were 13,778,847 shares of Pulte common stock reserved for issuance in respect of Pulte stock options. Based on the number of shares of Centex common stock outstanding as of the Centex record date, if the merger is completed, Pulte will issue approximately 122,186,622 additional shares of Pulte common stock to the Centex stockholders. Based on the options, other equity-based awards and arrangements to purchase or issue Centex common stock as of the Centex record date, if the merger is completed, Pulte will reserve for issuance approximately 5.9 million additional shares of Pulte common stock. The approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock is required to complete the merger because the existing number of authorized but unissued shares of Pulte common stock is not sufficient to support the number of shares of Pulte common stock required to be issued to the holders of Centex common stock and Centex equity-based awards pursuant to the terms of the Merger Agreement. Although Pulte's management currently has no definitive plans for the issuance of any additional authorized shares, the authorization of additional shares would permit the issuance of shares for future stock dividends, stock splits, possible acquisitions, stock option plans, and other appropriate corporate purposes. The additional shares of Pulte common stock will not be entitled to preemptive rights nor will existing shareholders have any preemptive right to acquire any of those shares when issued. Approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock requires the affirmative vote of a majority of the outstanding shares of Pulte common stock entitled to vote on the proposal. Pulte shareholders are entitled to one vote for each share of Pulte common stock held as of the record date. Abstentions and broker non-votes will have the same effect as a vote against the amendment.

Under the Merger Agreement, approval of the proposal to approve the charter amendment to increase the number of authorized shares of common stock is a condition to the completion of the merger. If the proposal to approve the charter amendment to increase the number of authorized shares of common stock is not approved, the merger will not be completed even if the proposal to approve the issuance of shares in the merger is approved by Pulte shareholders and the proposal to approve the Merger Agreement is approved by Centex stockholders.

The Pulte board of directors unanimously recommends a vote **FOR** the proposal to approve the charter amendment to increase the number of authorized shares of common stock.

**Proposal to Approve the Charter Amendment to Change Pulte's Corporate Name**

The Pulte board of directors has proposed, subject to shareholder approval, to amend Pulte's Restated Articles of Incorporation to change Pulte's corporate name from Pulte Homes, Inc. to PulteGroup, Inc. Pulte believes that the new corporate name will better reflect the company's new branding strategy, which it expects to implement in the months following the Pulte special meeting, whether or not the merger is completed.

Approval of the proposal to approve the charter amendment to change Pulte's corporate name by Pulte's shareholders is not a condition to the completion of the merger. Subject to approval of this proposal by Pulte's shareholders, Pulte intends to change its corporate name regardless of whether or not the merger is completed. Accordingly, if the proposal to approve the charter amendment to change Pulte's corporate name is approved by Pulte's shareholders, Pulte would file a certificate of amendment to Pulte's Restated Articles of Incorporation reflecting the change of Pulte's corporate name with the Michigan Department of Energy, Labor and Economic Growth at the appropriate time during the implementation of its new branding strategy.

Approval of the proposal to approve the charter amendment to change Pulte's corporate name requires the affirmative vote of a majority of the outstanding shares of Pulte common stock entitled to vote on the proposal. Pulte shareholders are entitled to one vote for each share of Pulte common stock held as of the record date. Abstentions and broker non-votes will have the same effect as a vote against the amendment.

The Pulte board of directors unanimously recommends a vote **FOR** the proposal to approve the charter amendment to change Pulte's corporate name.

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements, which we refer to as the pro forma financial statements, have been derived from the historical consolidated financial statements of Pulte and Centex, both of which are incorporated by reference into this joint proxy statement/prospectus. The transaction is accounted for by applying the acquisition method under Statement of Financial Accounting Standards No. 141(R), *Business Combinations*, which we refer to as SFAS 141(R), as outlined in the accompanying notes to the unaudited pro forma condensed combined financial statements, which we refer to as the pro forma notes. In accordance with SFAS 141(R), Pulte has been treated as the accounting acquirer in the proposed transaction. See *The Merger Accounting Treatment* beginning on page 69.

The transactions reflected in the pro forma financial statements include (1) the exchange of all outstanding shares of Centex common stock at the exchange ratio; (2) the exchange of all of Centex's vested and unvested restricted stock for Pulte common stock; (3) the exchange of unvested and vested Centex stock options for vested Pulte stock options with adjustments to reflect the exchange ratio; and (4) the conversion of vested and unvested Centex restricted stock units.

The following unaudited pro forma condensed combined balance sheet at March 31, 2009, which we refer to as the pro forma balance sheet, is presented on a basis to reflect the merger and related transactions as if they had occurred on March 31, 2009. The pro forma balance sheet is prepared by combining the balance sheet at March 31, 2009 for both Pulte and Centex. The following unaudited pro forma condensed combined statements of operations, which we refer to as the pro forma statements of operations, for the three months ended March 31, 2009 and year ended December 31, 2008 are presented on a basis to reflect the merger and related transactions as if they had occurred on January 1, 2008. The unaudited pro forma statement of operations for the three months ended March 31, 2009 is prepared by combining the statement of operations of Pulte for the three months ended March 31, 2009 with the statement of operations for Centex for the three months ended March 31, 2009 and then making pro forma adjustments. The unaudited pro forma statement of operations for the twelve months ended December 31, 2008 is prepared by combining the statement of operations of Pulte for the year ended December 31, 2008 with the statement of operations for Centex for the twelve months ended December 31, 2008 and then making pro forma adjustments. See Note (a) to the pro forma financial statements for additional information.

The process of valuing Centex's tangible and intangible assets and liabilities, as well as evaluating accounting policies for conformity, is still in the preliminary stages. Accordingly, the purchase price allocation adjustments included in the pro forma financial statements are preliminary and have been made solely for the purpose of providing these pro forma financial statements. For purposes of the pro forma financial statements, Pulte and Centex have made preliminary allocations, where sufficient information is available to make a fair value estimate, to those tangible and intangible assets to be acquired and liabilities to be assumed based on preliminary estimates of their fair value as of March 31, 2009. For those assets and liabilities where sufficient information is unavailable to make a reasonable estimate of fair value, the pro forma financial statements reflect the carrying value of these assets and liabilities at March 31, 2009. Any remaining unallocated purchase consideration has been reflected as excess purchase price (goodwill) in the pro forma balance sheet at March 31, 2009. In the event the fair value of the acquired net assets exceeds the purchase price, the amount of such excess would be recorded as a gain in post-merger operating results in accordance with SFAS 141(R). A final determination of the acquired fair values, which cannot be made prior to completion of the merger, will be based on the actual fair value of Pulte common stock and the net assets of Centex that exist on the date of the completion of the merger. Pulte currently expects that the process of determining fair value of the tangible and intangible assets acquired and liabilities assumed will be completed within one year of completion of the merger. Material revisions to Pulte's preliminary estimates could be necessary as more information

becomes available through the completion of this final determination. The actual amounts recorded following the completion of the merger may be materially different from the information presented in these pro forma financial statements due to a number of factors, including:

timing of completion of the merger;

changes in Pulte's share price;

changes in the fair value of Centex's senior notes;

changes in Centex's share price as it relates to the settlement of Centex performance units;

changes in the net assets of Centex;

changes in the market conditions and financial results impacting cash flow projections in the valuation; and

other changes in market conditions which impact the fair value of Centex's net assets.

The pro forma financial statements should be read in conjunction with the pro forma notes. The pro forma financial statements and pro forma notes were based on, and should be read in conjunction with:

Pulte's unaudited consolidated financial statements for the three months ended March 31, 2009 and the related notes in Pulte's Quarterly Report on Form 10-Q for the three months ended March 31, 2009;

Pulte's historical audited consolidated financial statements for the year ended December 31, 2008 and the related notes included in Pulte's Annual Report on Form 10-K for the year ended December 31, 2008;

Centex's historical audited financial statements for the years ended March 31, 2009 and 2008 and the related notes included in Centex's Annual Report on Form 10-K for the years ended March 31, 2009 and 2008; and

Centex's unaudited consolidated financial statements for the nine months ended December 31, 2008 and the related notes in Centex's Quarterly Report on Form 10-Q for the nine months ended December 31, 2008.

These reports are incorporated by reference into this joint proxy statement/prospectus.

Pulte's and Centex's historical consolidated financial information has been adjusted in the pro forma financial statements to give effect to pro forma events that are (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the pro forma statements of operations, expected to have a continuing impact on the combined results. The pro forma financial statements do not reflect any revenue enhancements or any cost savings from operating efficiencies, synergies or other restructurings that could result from the merger. The pro forma financial statements also do not reflect any restructuring charges to be incurred in connection with the merger, with the exception of estimated severance costs related to certain members of Centex's senior management that will be incurred concurrently with or shortly after completion of the merger. Pulte is continuing to assess the magnitude of the facilities and systems consolidation costs and other non-recurring employment-related costs that will be required in connection with the merger and, therefore, is unable to provide an estimate of these costs at this time. Such costs are expected to primarily relate to cost saving measures in corporate and field overhead. Therefore, these charges are excluded from the pro forma financial statements as they are not factually supportable at this time. In accordance with SFAS 141(R), these costs will be expensed as incurred.

In addition, the pro forma financial statements do not reflect any adjustments related to expected interest savings from retirements of debt subsequent to completion of the merger. Certain of these interest savings from retirements of debt are expected to occur prior to December 31, 2009. The specific amount and series of debt obligations to be retired for each company will be determined in the future and will be significantly influenced by future market conditions. Accordingly, the potential impact of any retirement of debt has been excluded from the pro forma financial statements as the amount of such potential impact is not factually supportable at this time.

The pro forma adjustments are based upon available information and assumptions that the managements of Pulte and Centex believe reasonably reflect the merger. We present the pro forma financial statements for informational purposes only. The pro forma financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Pulte would have been had the merger occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

**Pulte and Centex Unaudited  
Pro Forma Condensed Combined Balance Sheet  
March 31, 2009**

	<b>Historical Pulte</b>	<b>Condensed As Adjusted Centex (b)(c)</b>	<b>Pro Forma Adjustments (amounts in thousands)</b>	<b>Pro Forma Combined</b>
<b>ASSETS</b>				
Cash and equivalents (including restricted cash)(l)	\$ 1,745,796	\$ 1,768,548	\$ (30,000)(d) (21,019)(d) (20,000)(e) (9,629)(f) 21,517 (g)	\$ 3,455,213
Unfunded settlements	5,821	6,850		12,671
House and land inventory	3,854,041	3,152,955	(610,000)(d) 147,030 (g)	6,544,026
Land held for sale	101,020			101,020
Land, not owned, under option agreements	181,387	83,628		265,015
Residential mortgage loans available-for-sale	127,900	152,579		280,479
Investments in unconsolidated entities	91,754	138,908	(123,381)(g)	107,281
Other assets	597,037	365,261	(14,148)(d) 26,258 (g)	974,408
Goodwill		9,933	(9,933)(d) 241,617 (d)	241,617
Intangibles	100,517		110,000 (d) 8,000 (d)	218,517
Income taxes receivable	9,660	239,452	(h)	249,112
Total assets	\$ 6,814,933	\$ 5,918,114	\$ (283,688)	\$ 12,449,359
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 165,515	\$ 96,749	\$ 2,794 (g)	\$ 265,058
Customer deposits	40,889	27,792		68,681
Accrued and other liabilities	915,309	1,127,801	(3,514)(d) 68,630 (g)	2,108,226
Collateralized short-term debt, recourse solely applicable to non-guarantor subsidiary assets	66,968	119,052		186,020
Income tax liabilities(h)	131,853	526,118	(h)	657,971
Senior notes	3,166,612	3,102,788	(500,100)(d)	5,769,300

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Total liabilities	4,487,146	5,000,300	(432,190)	9,055,256
Shareholders' equity(j)(k)	2,327,787	917,814	1,090,410 (d) 5,535 (d) (917,814)(d) (20,000)(e) (9,629)(f)	3,394,103
Total liabilities and shareholders' equity	\$ 6,814,933	\$ 5,918,114	\$ (283,688)	\$ 12,449,359

See accompanying notes to unaudited pro forma condensed combined financial statements, which are an integral part of these statements.

**Pulte and Centex Unaudited Pro Forma  
Condensed Combined Statement Of Operations  
For the Three Months Ended March 31, 2009**

	<b>Historical Pulte</b>	<b>Condensed As Adjusted Centex (a)(b)(c)</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma Combined</b>
	<b>(amounts in thousands, except per share data)</b>			
Revenues:				
Homebuilding	\$ 565,343	\$ 791,079	\$	\$ 1,356,422
Financial Services	18,549	32,136		50,685
Other non-operating	3,528	3,600		7,128
Total revenues	587,420	826,815		1,414,235
Expenses:				
Homebuilding, principally cost of sales	1,022,249	1,172,725	62,297(g)	2,257,271
Financial Services	19,303	39,208		58,511
Other non-operating, net	7,593	34,144	24,000(d) 1,375(d)	67,112
Total expenses	1,049,145	1,246,077	87,672	2,382,894
Other income:				
Equity income (loss)	(50,521)	(51,854)	62,297(g)	(40,078)
Loss from continuing operations before income taxes	(512,246)	(471,116)	(25,375)	(1,008,737)
Income taxes (benefit)	2,572	(65,603)	(h)	(63,031)
Loss from continuing operations	\$ (514,818)	\$ (405,513)	\$ (25,375)	\$ (945,706)
Loss per share (from continuing operations):				
Basic(i)	\$ (2.02)	\$ (3.26)		\$ (2.51)
Diluted(i)	\$ (2.02)	\$ (3.26)		\$ (2.51)
Weighted average shares outstanding				
Basic(i)	254,578	124,366		376,276
Diluted(i)	254,578	124,366		376,276

See accompanying notes to unaudited pro forma condensed combined  
financial statements, which are an integral part of these statements.

**Pulte and Centex Unaudited Pro Forma  
Condensed Combined Statement Of Operations  
For the Year Ended December 31, 2008**

	<b>Historical Pulte</b>	<b>Condensed As Adjusted Centex (a)(b)(c)</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma Combined</b>
(amounts in thousands, except per share data)				
Revenues:				
Homebuilding	\$ 6,112,038	\$ 5,090,677	\$	\$ 11,202,715
Financial Services	151,016	226,943		377,959
Other non-operating	26,404	16,093		42,497
Total revenues	6,289,458	5,333,713		11,623,171
Expenses:				
Homebuilding, principally cost of sales	7,793,825	6,804,759		14,598,584
Financial Services	123,082	317,919		441,001
Other non-operating, net	42,337	88,472	96,000(d) 5,500(d)	232,309
Total expenses	7,959,244	7,211,150	101,500	15,271,894
Other income:				
Equity loss	(12,813)	(111,164)		(123,977)
Loss from continuing operations before income taxes	(1,682,599)	(1,988,601)	(101,500)	(3,772,700)
Income taxes (benefit)	(209,486)	(45,888)	(h)	(255,374)
Loss from continuing operations	\$ (1,473,113)	\$ (1,942,713)	\$ (101,500)	\$ (3,517,326)
Loss per share (from continuing operations):				
Basic(i)	\$ (5.81)	\$ (15.65)		\$ (9.37)
Diluted(i)	\$ (5.81)	\$ (15.65)		\$ (9.37)
Weighted average shares outstanding				
Basic(i)	253,512	124,155		375,214
Diluted(i)	253,512	124,155		375,214

See accompanying notes to unaudited pro forma condensed combined financial statements, which are an integral part of these statements.

**Notes to Unaudited Pro Forma  
Condensed Combined Financial Statements**

**(a) Conforming Year Ends**

Pulte's fiscal year ends on December 31 while Centex's fiscal year ends on March 31. Therefore, Centex financial information has been recast to conform with Pulte's quarter and year end. Centex's historical statements of operations for the three and twelve months ended March 31, 2009 and December 31, 2008 were derived from Centex's historical statements of operations for the nine months ended December 31, 2008 and the years ended March 31, 2009 and 2008, as follows:

**Centex  
Pro Forma Statement of Operations  
For the Three Months Ended March 31, 2009**

	<b>Year Ended March 31, 2009(1) A</b>	<b>Nine Months Ended December 31, 2008 B</b>	<b>Three Months Ended March 31, 2009 C = A-B</b>
	<b>(amounts in thousands)</b>		
Revenues:			
Homebuilding	\$ 3,636,530	\$ 2,845,451	\$ 791,079
Financial Services	190,000	157,864	32,136
Total revenues	3,826,530	3,003,315	823,215
Expenses:			
Homebuilding	4,176,107	3,161,168	1,014,939
Financial Services	13,769	11,513	2,256
Total cost of revenues	4,189,876	3,172,681	1,017,195
Selling, general and administrative expenses	984,795	779,604	205,191
Interest expense	52,716	28,911	23,805
Other income:			
Equity loss	(159,449)	(107,595)	(51,854)
Other income	33,535	29,821	3,714
Loss from continuing operations before income taxes	(1,526,771)	(1,055,655)	(471,116)
Income taxes (benefit)	(86,620)	(21,017)	(65,603)
Loss from continuing operations	\$ (1,440,151)	\$ (1,034,638)	\$ (405,513)

(1) Effective March 31, 2009, Centex adopted a revised presentation for its statement of operations. Accordingly, Centex's previously reported results of operations have been revised in the above table to conform with the presentation adopted by Centex as of March 31, 2009.

The pro forma statement of operations for Centex excludes amounts reported as discontinued operations in Centex's historical financial statements.

**Centex**  
**Pro Forma Statement of Operations**  
**For the Twelve Months Ended December 31, 2008**

	March 31, 2008	Three Months Ended(1) June 30,      September 30, 2008              2008			December 31, 2008	Twelve Months Ended December 31, E = A+B+C+D
	A	B	C	D		
(amounts in thousands)						
Revenues:						
Homebuilding	\$ 2,245,226	\$ 1,049,699	\$ 952,596	\$ 843,156	\$ 5,090,677	
Financial Services	69,079	76,423	52,409	29,032	226,943	
Total revenues	2,314,305	1,126,122	1,005,005	872,188	5,317,620	
Expenses:						
Homebuilding	2,831,793	997,582	908,173	1,255,413	5,992,961	
Financial Services	6,621	4,725	4,060	2,728	18,134	
Total cost of revenues	2,838,414	1,002,307	912,233	1,258,141	6,011,095	
Selling, general and administrative expenses	399,381	290,485	294,798	194,321	1,178,985	
Interest expense	8,642	6,180	4,973	17,758	37,553	
Other income:						
Equity loss	(3,569)	(20,297)	(12,902)	(74,396)	(111,164)	
Other income	2,755	10,400	7,856	11,565	32,576	
Loss from continuing operations before income taxes	(932,946)	(182,747)	(212,045)	(660,863)	(1,988,601)	
Income taxes (benefit)	(24,871)	(13,635)	(10,425)	3,043	(45,888)	
Loss from continuing operations	\$ (908,075)	\$ (169,112)	\$ (201,620)	\$ (663,906)	\$ (1,942,713)	

(1) Effective March 31, 2009, Centex adopted a revised presentation for its statement of operations. Accordingly, Centex's previously reported quarterly results of operations have been revised in the above table to conform with the presentation adopted by Centex as of March 31, 2009.

The pro forma statement of operations for Centex excludes amounts reported as discontinued operations in Centex's historical financial statements.

**(b) Reclassifications on the Pro Forma Balance Sheet and Pro Forma Statements of Operations**

Certain financial statement line items included in Centex's historical presentation have been reclassified to corresponding line items as included in Pulte's historical presentation as follows:

**Centex Reclassifications  
(amounts in thousands)**

	<b>Condensed Historical Presentation</b>	<b>Reclassification Adjustments (March 31, 2009)</b>	<b>Condensed As Adjusted Centex</b>
<b>BALANCE SHEET</b>			
<b>ASSETS</b>			
Cash and equivalents (including restricted cash)	\$ 1,768,548	\$	\$ 1,768,548
Receivables	589,941	(589,941)	
Unfunded settlements		6,850	6,850
House and land inventory	2,711,612	441,343	3,152,955
Land held for development and sale	470,561	(470,561)	
Land, not owned, under option agreements	107,614	(23,986)	83,628
Residential mortgage loans available-for-sale		152,579	152,579
Investments in unconsolidated entities	136,504	2,404	138,908
Other assets	123,401	241,860	365,261
Goodwill	9,933		9,933
Income taxes receivable		239,452	239,452
 Total assets	 \$ 5,918,114	 \$	 \$ 5,918,114
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 96,749	\$	\$ 96,749
Customer deposits		27,792	27,792
Accrued and other liabilities	1,679,627	(551,826)	1,127,801
Collateralized short-term debt, recourse solely applicable to subsidiary assets	119,052		119,052
Income tax liabilities		526,118	526,118
Senior notes	3,104,872	(2,084)	3,102,788
 Total liabilities	 5,000,300		 5,000,300
Shareholders' equity	917,814		917,814
	\$ 5,918,114	\$	\$ 5,918,114



	<b>Condensed Historical Presentation</b>	<b>Reclassification Adjustments</b>	<b>Condensed As Adjusted Centex</b>
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**(For the three months ended March 31, 2009)**

**STATEMENT OF OPERATIONS**

## Revenues:

Homebuilding	\$ 791,079	\$	\$ 791,079
Financial Services	32,136		32,136
Other non-operating		3,600	3,600
<b>Total revenues</b>	<b>823,215</b>	<b>3,600</b>	<b>826,815</b>
Expenses:			
Homebuilding	1,014,939	157,786	1,172,725
Financial Services	2,256	36,952	39,208
Selling, general and administrative expenses	205,191	(205,191)	
Interest expense	23,805	(23,805)	
Other non-operating, net		34,144	34,144
Equity loss	(51,854)		(51,854)
Other income (expense)	3,714	(3,714)	
<b>Loss from continuing operations before income taxes</b>	<b>(471,116)</b>		<b>(471,116)</b>
Income taxes (benefit)	(65,603)		(65,603)
<b>Loss from continuing operations</b>	<b>\$ (405,513)</b>	<b>\$</b>	<b>\$ (405,513)</b>

	<b>Condensed Historical Presentation</b>	<b>Reclassification Adjustments</b>	<b>Condensed As Adjusted Centex</b>
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**(For the twelve months ended December 31, 2008)**

**STATEMENT OF OPERATIONS**

## Revenues:

Homebuilding	\$ 5,090,677	\$	\$ 5,090,677
Financial Services	226,943		226,943
Other non-operating		16,093	16,093
<b>Total revenues</b>	<b>5,317,620</b>	<b>16,093</b>	<b>5,333,713</b>
Expenses:			
Homebuilding	5,992,961	811,798	6,804,759
Financial Services	18,134	299,785	317,919
Selling, general and administrative expenses	1,178,985	(1,178,985)	
Interest expense	37,553	(37,553)	
Other non-operating, net		88,472	88,472
Equity loss	(111,164)		(111,164)
Other income (expense)	32,576	(32,576)	

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Loss from continuing operations before income taxes	(1,988,601)		(1,988,601)
Income taxes (benefit)	(45,888)		(45,888)
Loss from continuing operations	\$ (1,942,713)	\$	\$ (1,942,713)

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The reclassifications presented in the Centex balance sheet as of March 31, 2009 and the Centex statements of operations for the three months ended March 31, 2009 and twelve months ended December 31, 2008 are as follows:

Balance sheet reclassifications:

*Receivables:* Includes the reclassification of \$152.6 million to mortgage loans available-for-sale, \$239.5 million to income taxes receivable, and \$6.9 million to unfunded settlements. In addition, \$129.5 million of trade and notes receivable and \$61.5 million of other loans receivable were reclassified to other assets.

*Unfunded settlements:* Includes the reclassification of \$6.9 million from receivables.

*House and land inventory:* Includes the reclassification of \$462.5 million from land held for development and sale and \$21.2 million of other inventory to other assets.

*Land held for development and sale:* Includes the reclassification of \$462.5 million to house and land inventory along with \$8.1 million of deposits and pre-acquisition costs to other assets. Upon completion of the merger, Pulte will determine which of Centex's land parcels meet the criteria for classification as held for sale assets and classify them accordingly.

*Land, not owned, under option agreements:* Includes the reclassification of deposits and pre-acquisition costs totaling \$24.0 million to other assets.

*Residential mortgage loans available-for-sale:* Includes the reclassification of \$152.6 million from receivables.

*Investments in unconsolidated entities:* Includes the reclassification of cost method investments totaling \$2.4 million from other assets.

*Other assets:* Includes the reclassification of \$129.5 million of trade and notes receivable and \$61.5 million of other loans receivable from receivables. Also includes the reclassification of \$21.2 million of other inventory from house and land inventory and \$8.1 million and \$24.0 million of deposits and pre-acquisition costs from land held for development and sale and land, not owned, under option agreement, respectively. Also includes the reclassification of \$2.4 million in cost method investments to investments in unconsolidated entities.

*Income taxes receivable:* Includes the reclassification of \$239.5 million from receivables.

*Customer deposits:* Includes the reclassification of \$27.8 million in customer deposits from accrued and other liabilities.

*Accrued and other liabilities:* Includes the reclassification of \$526.1 million to income tax liabilities and \$27.8 million to customer deposits, offset by the reclassification of \$2.1 million from senior notes.

*Income tax liabilities:* Includes the reclassification of \$526.1 million from accrued and other liabilities.

*Senior notes:* Includes the reclassification of \$2.1 million to accrued and other liabilities.

Statements of operations reclassifications:

*Revenues: Other non-operating:* Includes the reclassification of interest income totaling \$3.6 million for the three months ended March 31, 2009, and \$16.1 million for the twelve months ended December 31, 2008, from other income.

*Expenses: Homebuilding:* Includes the reclassification of selling, general and administrative expenses totaling \$158.5 million and \$824.8 million for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively, offset by other Homebuilding income totaling

\$0.7 million and \$13.0 million for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively, from other income (expense).

*Expenses: Financial Services:* Includes the reclassification of selling, general and administrative expenses totaling \$37.0 million and \$299.8 million during the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively.

*Selling, general and administrative expenses:* Includes the reclassification of \$158.5 million and \$824.8 million to Homebuilding expenses for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively. Includes the reclassification of \$37.0 million and \$299.8 million to Financial Services expenses for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively. Also includes the reclassification of \$9.7 million and \$54.4 million for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively, to other non-operating, net.

*Interest Expense:* Includes the reclassification of interest expense totaling \$23.8 million and \$37.6 million for the three months ended March 31, 2009 and twelve months ended December 31, 2009, respectively, to other non-operating, net.

*Other non-operating, net:* Includes the reclassification of interest expense totaling \$23.8 million and \$37.6 million for the three months ended March 31, 2009 and twelve months ended December 31, 2009, respectively; the reclassification of selling, general and administrative expenses totaling \$9.7 million and \$54.4 million for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively; and the reclassification of other income (expense) totaling (\$0.6 million) and \$3.5 million for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively.

*Other income (expense):* Includes the reclassification of \$3.6 million and \$16.1 million in interest income to other non-operating revenues for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively; the reclassification of \$0.7 million and \$13.0 million of other income to Homebuilding expenses for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively; and the reclassification of \$0.6 million and (\$3.5 million) for the three months ended March 31, 2009 and twelve months ended December 31, 2008, respectively, to other non-operating, net.

These reclassifications had no impact on the historical loss from continuing operations reported by Centex, are preliminary, and do not reflect the final identification of all differences in presentation which may be identified by the time Pulte completes its acquisition accounting, which Pulte currently expects will be completed within one year of completion of the merger. Material revisions to Pulte's preliminary estimates may be necessary as more information becomes available through the completion of this final determination. The actual amounts recorded following the completion of the merger may be materially different from the information presented in the pro forma financial statements.

### **(c) Accounting Policies**

Differences in the accounting practices or policies applied by Pulte and Centex may exist that would materially impact the pro forma financial statements. Based on preliminary reviews of Centex's accounting policies and discussions with Centex management, certain differences in historical accounting practices and policies are known to exist, including those related to the capitalization and allocation of certain construction and land development costs. Given the long time periods over which such costs are capitalized and allocated in the homebuilding industry as a result of the long life cycles of many communities, such differences are not readily quantifiable. It is also not readily determinable

whether such differences would result in either an increase or a decrease to pro forma expenses. Pulte does not believe that such differences would have a material impact on the pro forma financial statements. As part of the purchase price allocation process under SFAS 141(R), Pulte will record all acquired inventory at fair value, which will eliminate any differences in historical accounting policies. Upon completion of the merger, Pulte will perform a detailed evaluation of

Centex's accounting policies. As a result of that review, it may become necessary to harmonize the combined entity's financial statements to conform those accounting policies that are determined to be more appropriate for the combined entity. The pro forma financial statements do not reflect any potential differences in accounting policies.

**(d) Preliminary Purchase Price**

Pulte is subject to the terms and conditions of the Merger Agreement unanimously approved by the boards of directors of both Pulte and Centex. Pursuant to the terms and conditions of the Merger Agreement, Pulte will acquire all of the outstanding shares of Centex common stock at the fixed exchange ratio of 0.975 shares of Pulte common stock for each share of Centex common stock. In addition, each restricted share of Centex common stock and restricted stock unit with respect to Centex common stock granted under Centex's employee and director stock plans will vest and be converted per the exchange ratio into Pulte common stock or units with respect to Pulte common stock. Each outstanding vested and unvested Centex stock option granted under Centex's employee and director stock plans will be converted into a vested option to purchase shares of Pulte common stock, with adjustments to reflect the exchange ratio. The Merger Agreement requires that, with respect to Centex stock options that were granted with an exercise price less than \$40.00 per share, the terms of the converted, vested options to purchase shares of Pulte common stock provide that, if the holder of the option experiences a severance-qualifying termination of employment during the two-year period following the completion of the merger, the stock option will remain exercisable until the later of (1) the third anniversary of the date of the termination of employment and (2) the date on which the option would cease to be exercisable in accordance with its terms (or, in either case, if earlier, the expiration of the scheduled term of the option). This provision will result in incremental expense in the post-merger period. The valuation of the incremental fair value attributable to this change in exercise period has not been performed and thus has not been reflected in the pro forma financial statements. The Merger Agreement also provides that each outstanding Centex performance unit award granted under Centex's employee and director stock plans will vest and be converted into the right to receive an amount in cash equal to the fair market value of a share of Centex common stock on the day immediately prior to the completion of the merger, multiplied by the number of shares of Centex common stock subject to such award (assuming the achievement of all applicable performance goals at target levels). For purposes of the pro forma financial statements, the purchase price was computed using Centex's publicly available information and reflects the market value of Pulte common stock to be issued in connection with the merger based on Pulte's common stock closing price of \$8.96 per share on June 25, 2009. Based on these assumptions, the purchase price is estimated to be \$1.1 billion, which includes the issuance of Pulte common stock for the immediate vesting and conversion of unvested restricted stock and restricted stock units and the conversion of vested and unvested Centex stock

options into options to purchase Pulte common stock described below. The purchase price as of March 31, 2009 is calculated as follows:

		<b>March 31, 2009</b> <b>(amounts in thousands, except ratio and per share data)</b>	
Centex shares of common stock outstanding (including restricted stock) as of March 31, 2009			124,437
Centex restricted stock units outstanding as of March 31, 2009			381
Total Centex shares to be acquired			124,818
Exchange ratio			0.975
Number of shares of Pulte common stock to be issued in exchange			121,698
Assumed closing price per share of Pulte common stock, as of June 25, 2009	\$		8.96
Consideration attributable to common stock			1,090,410
Consideration attributable to Pulte stock options in exchange for Centex stock options			5,535
Total purchase price	\$		1,095,945

*Purchase Price Sensitivity* The pro forma financial statements reflect the closing share price of Pulte's common stock on June 25, 2009; however, the actual purchase price will fluctuate with the market price of Pulte's common stock until the merger is completed, and as a result, the final purchase price could differ significantly from the current estimate, which could materially impact these pro forma financial statements. The resulting sensitivity of the purchase price due to changes in the price of Pulte common stock are illustrated below:

**Sensitivity of the Purchase Price to Changes in Pulte's Share Price**  
**(amounts in thousands, except ratio and per share data)**

<b>Pulte Common Stock</b>	<b>Per Share Price of Pulte Common Stock at Closing</b>	<b>Exchange Ratio</b>	<b>Calculated Per Share Value of Centex Common Stock</b>	<b>Total Centex Shares to be Acquired</b>	<b>Fair Value of Stock Options</b>	<b>Calculated Purchase Price</b>
As of June 25, 2009	\$ 8.96	0.975	\$ 8.74	124,818	\$ 5,535	\$ 1,095,945
Down 10%	\$ 8.06	0.975	\$ 7.86	124,818	\$ 4,367	\$ 985,736
Up 10%	\$ 9.86	0.975	\$ 9.61	124,818	\$ 6,849	\$ 1,206,300

**Centex Pre-Merger Transactions**

*Centex transaction costs* Centex estimates that its expenses for this transaction will be approximately \$30.0 million, which will be reflected as an expense in Centex's pre-merger historical consolidated financial statements in the period the expense is incurred. These costs include fees for investment banking services, legal, accounting, due diligence, tax, valuation, printing and other various services necessary to complete the transaction. These estimated expenses of Centex are reflected in the pro forma balance sheet as of March 31, 2009 as a reduction to cash of \$30.0 million and a charge to shareholders' equity of \$30.0 million. This adjustment has also been reflected as a decrease in the net assets of Centex in the application of acquisition accounting.

*Centex change in control payments* Certain members of Centex's management have entered into incentive plan agreements with Centex that require a cash payment upon a change in control. In addition, under the terms of the performance unit plan, upon a change in control, all of the outstanding performance units will vest and be converted into the right to receive an amount of cash equal to the product of (1) the total number of shares subject to such performance units and (2) the fair value of Centex common stock just prior to the date of completion of the merger. The change in control cash payments have been reflected as a

one-time adjustment to the pro forma balance sheet as of March 31, 2009 as a reduction to cash of \$21.0 million, a reduction of accrued expenses of \$3.5 million and a charge to shareholders' equity of \$17.5 million. This adjustment has also been reflected as a decrease in the net assets of Centex in the application of acquisition accounting.

*Centex restricted stock, restricted stock units and stock options* For purposes of estimating the purchase price, Pulte has assumed that at the date on which the merger is completed, 100% of the unvested restricted stock, unvested restricted stock units and unvested stock options granted by Centex will vest and be exchanged for Pulte common stock and Pulte common stock options, respectively, with adjustments reflecting the exchange ratio. The vesting of the restricted stock, restricted stock units and stock options upon the change in control will result in accelerated compensation expense for Centex of approximately \$29.5 million. This estimated expense is not reflected in the pro forma financial statements at March 31, 2009 as it has no impact on Centex's net assets.

### **Estimate of Assets to be Acquired and Liabilities to be Assumed**

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by Pulte in the merger, reconciled to the estimate of consideration expected to be transferred:

		<b>March 31, 2009</b> <b>(amounts in thousands)</b>
<b>Book value of net assets acquired at March 31, 2009</b>	<b>\$</b>	<b>917,814</b>
Adjusted for:		
Centex transaction costs		(30,000)
Centex change in control payments (cash of \$21,019 net of accrued liabilities of \$3,514)		(17,505)
Elimination of pre-existing debt issue costs		(14,148)
Elimination of existing goodwill		(9,933)
<b>Adjusted book value of net assets acquired</b>		<b>846,228</b>
Adjustments to:		
House and land inventory		(610,000)
Tradenames		110,000
Backlog		8,000
Debt		500,100
Excess purchase price (goodwill)		241,617
<b>Total purchase price</b>	<b>\$</b>	<b>1,095,945</b>

Pulte has not yet finalized its detailed valuation analyses necessary to determine the fair value of the Centex assets to be acquired and liabilities to be assumed and the related allocations of purchase price. For the purposes of the pro forma financial statements, Pulte has made a preliminary estimate of the fair value for certain of the assets and liabilities for which sufficient information was available. These items include inventory, tradenames, backlog, and senior notes, and their estimated fair values have been based on the following methodology:

*House and Land Inventory:* Pulte determined the fair value of inventory primarily using a discounted cash flow model. These estimated cash flows are significantly impacted by estimates related to expected average selling prices and sales incentives, expected sales paces and cancellation rates, expected land development and construction timelines, and anticipated land development, construction, and overhead costs. Such estimates

must be made for each individual community and may vary significantly between communities. Due to uncertainties in the estimation process, the significant volatility in demand for new housing, and the long life cycles of many communities, actual results could differ significantly from such estimates. Pulte's determination of fair value also required discounting the estimated cash

flows at a rate commensurate with the inherent risks associated with each of the assets and related estimated cash flow streams. The discount rate used in determining each community's fair value depended on the stage of development of the community and other specific factors that increase or decrease the inherent risks associated with the community's cash flow streams. For example, communities that are entitled and near completion generally require a lower discount rate than communities that are not entitled and consist of multiple phases spanning several years of development and construction activity. Discount rates used in the pro forma fair value analysis ranged from 8% to 24%, with an average discount rate of 15%.

The aggregate fair value adjustment of \$(610.0) million as of March 31, 2009 relates to all components of Centex's consolidated inventory balance of \$3.2 billion. This adjustment primarily relates to land inventory, which was not impaired in the historical reporting of Centex as of March 31, 2009 primarily because the undiscounted cash flows were sufficient to recover the asset value and therefore, under Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long Lived Assets*, which we refer to as SFAS 144, did not require the assets to be measured at fair value. Applying a discount rate to these cash flows results in a decrease in value due to the holding period of the asset.

Due to the significant volatility in demand for new housing that has existed in recent years and the significant uncertainty that currently exists in the U.S. economy and financial markets, the fair value of inventory to be acquired in the merger may fluctuate significantly between March 31, 2009 and the final completion of the merger. The following analysis presents the sensitivity of Centex's inventory to hypothetical changes in fair values as if these changes occurred at March 31, 2009. The ranges of changes chosen for this analysis reflect Pulte's view of changes which are reasonably possible through the expected date of completion of the merger. Any such change would generally result in a corresponding offsetting change in the amount of goodwill.

	<b>As of March 31, 2009</b>
	<b>(amounts in thousands)</b>
Estimated fair value of inventory at March 31, 2009	\$ 2,542,955
Impact of a 10% change in fair value	254,296
Impact of a 15% change in fair value	381,443

No adjustments have been made to the pro forma statements of operations to remove inventory impairments taken by Centex over the period. As discussed above, determining the fair value of inventory in the homebuilding industry is complicated and relies significantly on management judgments and estimates regarding future market conditions and the operating performance of individual communities over extended periods, which can range to over ten years. While Pulte has estimated the fair value of inventory at March 31, 2009, insufficient information is available to perform a similar valuation as of January 1, 2008. Additionally, any pro forma presentation of cost of sales would require removing the inventory impairments taken by Centex over the period, which were significant, performing pro forma inventory impairment analyses at different points in time during 2008 and 2009, and then determining the impact of each of the above on the average per lost cost attributable to units sold during 2008 and 2009. Because Centex's inventory impairment analyses involve both undiscounted and fair value analyses as required by SFAS 144, any such pro forma impairment analyses would be complex and influenced by market conditions and management's judgments and estimates. Given the significant volatility in the demand for new housing and in both Pulte's and Centex's historical and expected future operating results, such a presentation in the pro forma statements of operations may not be indicative of future operating results.

*Tradenames:* The fair value of tradenames was estimated using a relief-from-royalty approach. The underlying premise of this method is that the economic value of the asset is directly related to the amount and timing of the future net cash flows resulting from the asset. A hypothetical construct is used to represent what a firm would be willing to pay, in the form of a royalty fee, for example, to continue to use the asset in business operations if the firm no longer had legal ownership of the asset. Since ownership of the asset

relieves the business from being required to make these payments, financial results are improved to the extent the royalty payments are avoided. The hypothetical royalties are discounted to present value and are adjusted for the present value of the hypothetical tax amortization benefit to arrive at the indication of the asset's fair value. The hypothetical royalties are estimated based on market participant assumptions and the discount rate utilized for calculating present value represents a risk-adjusted discount rate.

*Backlog:* The fair value of the backlog was estimated using an excess earnings method. The principle behind this method is that the value of an intangible asset is equal to the present value of the incremental after-tax cash flows attributable only to the subject intangible asset. The incremental after-tax cash flows attributable to the subject intangible asset are then discounted to their present value (after accounting for charges on contributory assets) and are adjusted for the present value of the tax amortization benefit to arrive at the indication of the asset's fair value. The discount rate utilized for calculating present value represents a risk-adjusted discount rate, and the charges for contributory assets are based on either the after-tax royalty rate for the asset or the fair values of the assets and their risk-adjusted discount rates. No adjustments have been made to the pro forma statement of operations for the fair value adjustments made to backlog as these adjustments are not expected to have an on-going impact on the results of operations beyond twelve months.

*Senior Notes:* The fair value of Centex's senior notes was estimated using a market approach. The market approach is used to estimate fair value through the analysis of recent sales of comparable liabilities with matching terms. Certain types of liabilities, such as the senior notes, trade in active secondary markets. As such, sale price information is readily available for a comparative analysis with the subject liabilities.

*Fair Value Sensitivity Analysis for Senior Notes:* The following analysis presents the sensitivity of the market value of Centex's senior notes to hypothetical changes in interest rates as if these changes occurred at March 31, 2009. The ranges of changes chosen for this analysis reflect Pulte's view of changes which are reasonably possible through the expected date of completion of the merger. The table below captures the potential change in the fair value of debt to isolated hypothetical movements in market values along with the impact such changes would have on the pro forma financial statements.

	<b>Impact at March 31, 2009 on Pro Forma</b>		<b>Impact on Pro Forma Interest Expense</b>	
	<b>Senior Notes</b>	<b>Goodwill</b>	<b>Three Months Ended March 31, 2009</b>	<b>Year Ended December 31, 2008</b>
Estimated fair value of Senior Notes at March 31, 2009	\$ 2,602,688	\$	\$	\$
Impact of a 10% change in fair value	260,269	260,269	15,000	59,000
Impact of a 15% change in fair value	390,403	390,403	22,000	88,000

As of June 25, 2009, the fair value of the senior notes approximated \$2.9 billion as compared with the fair value of approximately \$2.6 billion at March 31, 2009 reflected in the above table and in the pro forma financial statements. The fair value of the senior notes may continue to fluctuate significantly through the date of completion of the merger based on changes in interest rates and the market's expectations regarding Pulte's intentions to retire certain series of Centex's senior notes.

The carrying values of current assets and liabilities, such as cash, trade receivables, accounts payable and certain accrued liabilities, approximate fair value.

For certain other acquired assets and assumed liabilities, including land option agreements, lease contracts, non-compete agreements, investments in joint ventures, property and equipment, mortgage loans, and contingent liabilities, Pulte has assumed that the carrying value approximates fair value, with the remaining unallocated purchase price being characterized as excess purchase price (goodwill). Once Pulte finalizes its purchase price allocation, these assumptions may change and estimates of fair values may change. Additionally, Pulte may identify adjustments to the pro forma statements of operations, for example, due to additional depreciation of property and equipment or amortization of identified intangibles assets, or may

identify additional tangible or intangible assets or liabilities that have not been included on the pro forma balance sheet, all of which could have a material impact on the pro forma financial statements.

The merger is reflected in the pro forma balance sheet as follows:

the reduction of Centex's pre-merger net assets for transaction costs resulting in a \$30.0 million reduction in cash and change in control payments resulting in a \$21.0 million reduction in cash and a \$3.5 million reduction in accrued and other liabilities;

the allocation of fair value for assets and liabilities resulting in a decrease of \$610.0 million in house and land inventory, an increase of \$110.0 million in tradenames, an increase of \$8.0 million in backlog, a decrease of \$14.1 million in capitalized debt issuance costs, and a decrease of \$500.1 million in senior notes;

the excess purchase price over the book value of the assets acquired and liabilities assumed, which has not been allocated of \$241.6 million is reflected as an asset (goodwill);

the issuance of 121.7 million shares of Pulte common stock, which increases shareholders' equity by \$1,090.4 million;

the issuance of Pulte stock options, which increases shareholders' equity by \$5.5 million; and

the acquisition and cancellation of Centex's common stock and elimination of Centex equity, which reduces shareholders' equity by \$917.8 million.

The merger is reflected in the pro forma statement of operations as follows:

a reclassification of \$62.3 million from equity income (loss) to Homebuilding expenses for the three months ended March 31, 2009 related to the consolidation of a joint venture;

an increase of \$1.4 million and \$5.5 million in amortization expense for the three months ended March 31, 2009 and the year ended December 31, 2008, respectively, related to the amortization of acquired tradenames over the estimated useful life of 20 years; and

an increase of \$24.0 million and \$96.0 million in interest expense for the three months ended March 31, 2009 and the year ended December 31, 2008, respectively, related to the accretion of the fair value adjustment of senior notes to their value at maturity. Pro forma interest expense was determined by applying the effective interest rates of the assumed senior notes as of March 31, 2009, the aggregate average of which was 11.1%, to the fair values of such notes as of March 31, 2009 and eliminating the amortization of pre-existing debt issue costs recorded during the applicable periods.

#### **(e) Pulte Transaction Costs**

Pulte estimates that its expenses for this transaction will be approximately \$20.0 million, which will be reflected as an expense of Pulte in the period the expense is incurred. These costs include fees for investment banking services, legal, accounting, due diligence, tax, valuation, printing and other various services necessary to complete the transaction. These estimated expenses of Pulte are reflected in the pro forma balance sheet as of March 31, 2009 as a reduction to cash of \$20.0 million and a charge to retained earnings of \$20.0 million.

The Merger Agreement also provides for certain termination rights that may result in either Pulte or Centex paying a termination fee. The pro forma financial statements have been prepared under the assumption that the merger will be completed and reflect an estimate of those costs to be incurred by each company in connection with the merger. The pro forma financial statements do not reflect any potential termination fees that could be required if the merger was not completed.

**(f) Severance Payments**

Certain of Centex's executive officers have entered into agreements with Centex that require cash payments upon termination of employment under certain circumstances. The combined company expects to incur a severance cost relating to certain senior executive positions at Centex. These severance cash payments

have been reflected as a one-time adjustment to the pro forma balance sheet as of March 31, 2009 as a reduction to cash of \$9.6 million and a charge to retained earnings of \$9.6 million.

**(g) Entities of Common Ownership Between Pulte and Centex**

Pulte and Centex have common ownership in two land development joint ventures which historically have been reflected in each company's respective historical consolidated financial statements under the equity method. Upon completion of the merger, the combined entity will hold greater than 50% ownership in both of these joint ventures. The pro forma financial statements have been adjusted to present the two joint ventures historically accounted for as equity method investments as consolidated subsidiaries, resulting in the following adjustments to the pro forma balance sheet:

	<b>Adjustments</b> <b>(amounts in thousands)</b>	
<b>BALANCE SHEET</b> (As of March 31, 2009)		
Investments in unconsolidated entities	\$	(123,381)
Cash		21,517
House and land inventory		147,030
Other assets		26,258
Total adjustments to assets		71,424
Accounts payable		2,794
Accrued and other liabilities		68,630
Total adjustments to liabilities and shareholders' equity	\$	71,424

Both of these joint ventures represent land development agreements between Pulte and Centex that had only minimal expenses. Accordingly, the pro forma statement of operations for the year ended December 31, 2008 does not reflect the impact of consolidating these entities. However, one of these entities incurred a loss of \$62.3 million during the three months ended March 31, 2009, primarily related to inventory impairments. Such loss is reflected in the pro forma statement of operations for the three months ended March 31, 2009 as a reclassification from equity income (loss) to Homebuilding expenses to reflect the consolidation of this entity. There were no other material transactions between Pulte and Centex during the periods presented in the pro forma financial statements that would need to be eliminated or otherwise adjusted.

**(h) Income Taxes**

During 2008, Pulte and Centex recognized tax benefits related to NOL carryback claims. At March 31, 2009, both Pulte and Centex reported a valuation allowance in their historical consolidated financial statements in regards to future tax benefits. No pro forma tax adjustments have been reflected in the pro forma financial statements as the adjustments would require an immediate reassessment of the valuation allowance, which would result in an offsetting change in the valuation allowance eliminating any tax impact on the pro forma balance sheet and pro forma statement of operations. In addition, Centex has recorded provisions for uncertain tax positions. In accordance with SFAS 141(R), income taxes are an exception to both the recognition and fair value measurement principles; they continue to be accounted for under the guidance of Statement of Financial Accounting Standards No. 109, *Accounting*

*for Income Taxes.* On May 18, 2009, Centex and the IRS settled several disputed tax issues relating to the audit of the Company's federal income tax returns filed for fiscal years 2001 through 2004. As a result of the settlement with the IRS and the recognition of the uncertain tax benefits related to the disputed issues, Centex will record an income tax benefit and an increase to shareholders' equity of approximately \$270 million in the three months ending June 30, 2009. This increase to shareholders' equity will result in a corresponding decrease to pro forma goodwill. It is reasonably possible that Centex's liability for unrecognized tax benefits could be further reduced by as much as \$170 million within the next twelve months as a result of the resolution of various federal and state tax matters.

**(i) Net Loss Per Share Attributable to Pulte**

The unaudited pro forma net loss per share attributable to Pulte is calculated based on the assumed exchange of all outstanding Centex common stock for Pulte common stock. This exchange includes the conversion of Centex unvested restricted stock and restricted stock units. The outstanding share information for Centex utilizes the number of common shares outstanding and information related to unvested restricted stock at March 31, 2009 and December 31, 2008. The incremental number of common shares that are assumed to be issued by Pulte in the merger are 121.7 million at January 1, 2008. The weighted average shares outstanding used in the pro forma net loss per share attributable to Pulte calculations for the period are summarized below:

	<b>Three Months Ended March 31, 2009 (amounts in thousands, except per share data)</b>	<b>Year Ended December 31, 2008 (amounts in thousands, except per share data)</b>
Net pro forma loss attributable to Pulte	\$ (945,706)	\$ (3,517,326)
Basic and Diluted:		
Pulte weighted average common shares	254,578	253,512
Equivalent Centex common shares after exchange	121,698	121,702
Pro forma weighted average basic and diluted common shares	376,276	375,214
Basic and diluted net loss per common share attributable to Pulte	\$ (2.51)	\$ (9.37)

For the twelve months ended December 31, 2008, the loss per share for the Centex equivalent period has been calculated by dividing the equivalent loss from continuing operations by the sum of (1) the weighted average Pulte common shares outstanding for the three months ended March 31, 2008 multiplied by 25% (period outstanding), and (2) the weighted average Pulte common shares outstanding for the nine months ended December 31, 2008 multiplied by 75% (period outstanding).

**(j) Common Stock and Preferred Stock**

For a summary of the authorized and the issued and outstanding common stock of Centex and Pulte as well as the preferred stock of Pulte, see Description of Pulte Capital Stock beginning on page 119 and Comparison of Stockholder Rights and Corporate Governance Matters beginning on page 125.

**(k) Stock Options**

Pursuant to the terms and conditions of the Merger Agreement, upon the completion of the merger, vested and unvested Centex stock options will be converted into vested options to purchase shares of Pulte common stock with the same terms and conditions as the applicable Centex stock options, except that (i) the exercise period following certain terminations of employment will be extended for stock options granted with an exercise price less than \$40.00 per share and (ii) the number of shares of stock subject to the option and the exercise price will each be adjusted to reflect the exchange ratio. To determine the amount to be included in the purchase consideration, Pulte will value the options to purchase shares of its common stock using the same terms as the Centex stock options being converted. As

noted above, certain stock options to purchase shares of Pulte common stock will have a longer exercise period following certain terminations of employment than the original Centex option, which will impact the fair value of the option on the date of completion of the merger. The incremental value by which the fair value of the options to purchase Pulte common stock exceeds the fair value of Centex stock options will be treated as post-merger compensation expense and will be recognized over the implied service period. The valuation of the incremental fair value attributable to this change in exercise period has not been performed and thus has not been reflected in the pro forma financial statements.

At the merger announcement date, the Centex stock options were deep out of the money, which implies that there may be a derived service period because the employee may be required to provide service for some period to obtain value from the award. Therefore, a portion of the fair value of Centex stock options, along

with the incremental value by which the fair value of the options to purchase Pulte common stock exceeds the fair value of the Centex stock options, may need to be recognized in the post-merger period over the derived service period. These amounts have not been finalized and thus have not been reflected in the pro forma financial statements. For the purposes of the pro forma financial statements, the entire fair value of Centex stock options has been included in the purchase consideration. The portion of the fair value of Centex stock options that may need to be recognized in the post-merger period is not expected to be material to the pro forma financial statements.

**(l) Cash and Equivalents**

Cash and equivalents includes amounts related to cash with certain restrictions pursuant to insurance-related regulatory requirements, customer deposits that are temporarily restricted in accordance with regulatory requirements, and required cash balances for secured financing arrangements. Of the total cash and equivalents balance, approximately \$66.0 million is believed to be legally restricted as to withdrawal or usage. Cash and equivalents also includes \$746.8 million maintained in liquidity reserve accounts in connection with Pulte and Centex's revolving credit facilities. Pulte and Centex are required to maintain such liquidity reserve accounts due to the failure to satisfy the interest coverage tests as set forth in their respective revolving credit facility agreements. While Pulte and Centex's access to and utilization of such funds is not restricted, failure to maintain sufficient balances within the liquidity reserve accounts would restrict Pulte's and Centex's ability to utilize their respective revolving credit facilities. Upon completion of the merger, the amount required to be maintained in the liquidity reserve accounts will be based on Pulte's consolidated interest coverage ratio.

## FINANCIAL FORECASTS

Pulte and Centex are including in this joint proxy statement/prospectus certain financial forecasts that Pulte and Centex shared with one another in the course of their mutual due diligence. The financial forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the SEC or the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information or GAAP.

The financial forecasts of Pulte and Centex included in this joint proxy statement/prospectus were prepared by, and are the responsibility of, Pulte management and Centex management, respectively. Neither Pulte's nor Centex's independent auditors, nor any other independent auditors, have compiled, examined or performed any procedures with respect to the prospective financial information contained in the financial forecasts, nor have they expressed any opinion or given any form of assurance on the financial forecasts or their achievability. The auditors' reports incorporated by reference into this joint proxy statement/prospectus relate to Pulte's and Centex's historical financial information. The auditors' reports do not extend to prospective financial information and should not be read to do so. In addition, Pulte's and Centex's financial advisors did not prepare, and assume no responsibility for, the financial forecasts. Furthermore, the financial forecasts:

necessarily make numerous assumptions, many of which are beyond the control of Pulte and Centex and may not prove to be accurate;

do not necessarily reflect revised prospects for Pulte's and Centex's businesses, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the forecasts were prepared;

are not necessarily indicative of current values or future performance, which may be significantly more favorable or less favorable than as set forth below; and

should not be regarded as a representation that the financial forecasts will be achieved.

These financial forecasts were prepared by the respective managements of Pulte and Centex based on information they had at the time of preparation and are not a guarantee of future performance. Financial forecasts involve risks, uncertainties and assumptions. The future financial results of Pulte, Centex and, if the merger is completed, the combined company, may materially differ from those expressed in the financial forecasts due to factors that are beyond Pulte's and/or Centex's ability to control or predict. Neither Pulte nor Centex can assure you that their respective financial forecasts will be realized or that their respective future financial results will not materially vary from the financial forecasts. The financial forecasts cover multiple years and such information by its nature becomes subject to greater uncertainty with each successive year. The financial forecasts do not take into account any circumstances or events occurring after the date they were prepared. Pulte and Centex do not intend to update or revise the financial forecasts.

The financial forecasts are forward-looking statements. For more information on factors which may cause Pulte's and Centex's future financial results to materially vary from those projected in the financial forecasts, see "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 26 and "Risk Factors" beginning on page 19. Pulte's and Centex's management have prepared their respective financial forecasts using accounting policies consistent with their respective annual and interim financial statements, as well as any changes to those policies known to be effective in future periods. The financial forecasts do not reflect the effect of any proposed or other changes in GAAP that may be made in the future. Any such changes could have a material impact to the information shown below.

**Pulte Financial Forecasts**

Pulte provided two sets of financial forecasts to Centex in the course of their mutual due diligence, which we refer to as the Pulte strategic-case forecast and the Pulte liquidity-case forecast. The Pulte strategic-case forecast was prepared to assist the Pulte board of directors in its evaluation of the strategic rationale for the merger and also was provided to Pulte's financial advisor for purposes of its financial analysis in connection



homebuilding market until late 2010 or early 2011. The base case assumed modest average home selling price growth and sales volume growth during the period covered by the forecasts, while the high case assumed modest average home selling price growth and increased sales volume growth during the period covered by the forecasts. Both the base case and high case show a significant increase in net income beginning in 2010 as a result of anticipated improvement in the homebuilding market and operational improvements. The base case and high case both present Centex's Homebuilding Revenues, Net Income, Total Assets and Total Liabilities on a stand-alone basis.

**Base Case**

	2009	Projected Fiscal Year Ending March 31,					2014
		2010	2011	2012	2013		
		(In millions)					
Homebuilding Revenues	\$ 3,639	\$ 2,282	\$ 2,137	\$ 4,053	\$ 7,376	\$ 8,157	
Net Income (Loss)	\$ (1,391)	\$ 17	\$ (142)	\$ 169	\$ 606	\$ 743	
Total Assets	\$ 5,631	\$ 5,349	\$ 4,354	\$ 4,246	\$ 4,734	\$ 5,202	
Total Liabilities	\$ 4,652	\$ 4,354	\$ 3,500	\$ 3,224	\$ 3,106	\$ 2,831	

**High Case**

	2009	Projected Fiscal Year Ending March 31,					2014
		2010	2011	2012	2013		
		(In millions)					
Homebuilding Revenues	\$ 3,639	\$ 2,282	\$ 3,434	\$ 5,259	\$ 7,376	\$ 9,516	
Net Income (Loss)	\$ (1,391)	\$ 18.6	\$ (171)	\$ 320	\$ 685	\$ 1,183	
Total Assets	\$ 5,631	\$ 5,351	\$ 5,116	\$ 4,771	\$ 4,937	\$ 6,103	
Total Liabilities	\$ 4,652	\$ 4,354	\$ 4,289	\$ 3,625	\$ 3,106	\$ 3,089	

**Adjustments**

The Pulte and Centex forecasts were created utilizing different assumptions regarding future housing industry conditions, including homebuilding revenue growth rates, average home selling prices, inventory turn rates, selling, general and administrative expenses and costs of goods sold. Both Pulte's and Centex's managements therefore made adjustments to the financial forecasts provided by the other to reconcile such forecasts with their own assumptions. These adjusted forecasts were presented by Pulte's and Centex's managements to their respective boards of directors, together with the actual forecasts of Pulte and Centex provided by each other during due diligence. The adjustments made by Pulte's and Centex's respective managements are discussed below.

***Pulte's Adjustments to the Centex Financial Forecasts***

Pulte's management adjusted the Centex base case forecasts provided by Centex's management to reconcile such forecasts with the assumptions used by Pulte's management to create Pulte's forecasts. Thus, Pulte's management created two sets of adjusted Centex financial forecasts, which we refer to as the Centex strategic-case forecasts and the Centex liquidity-case forecasts. The Centex strategic-case forecasts were prepared to assist the Pulte board of directors in its evaluation of the strategic rationale for the merger and also were provided to Pulte's financial advisor for purposes of its financial analysis in connection with its opinion, and the Centex liquidity-case forecasts were prepared to assist the Pulte board of directors in its evaluation of the combined company's ability to service its debt obligations in the event of a more sustained downturn in the homebuilding industry. Consistent with the assumptions underlying