

Toll Brothers Announces New Gibraltar Capital and Asset Management Venture

April 18, 2016

HORSHAM, Pa., April 18, 2016 (GLOBE NEWSWIRE) -- Toll Brothers, Inc. (NYSE:TOL) (www.tollbrothers.com), the nation's leading builder of luxury homes, through its Gibraltar Capital and Asset Management subsidiary ("Gibraltar"), today announced the creation of a venture with a large institutional investor to provide builders and developers with land banking and joint venture capital. The venture will finance builders' and developers' acquisition and development of land and home sites, and pursue other complementary opportunistic investment strategies. The venture, which will be managed by Gibraltar, will have a total of \$400 million of funding commitments: 75% from the institutional investor and 25% from Toll Brothers.

Roger A. Brush, Gibraltar's president and managing director, stated: "This exciting new platform will provide much needed acquisition and development capital to third-party residential builders and developers in lot constrained markets across the country. The venture will provide financing that meets the varying strategic needs of private and public builders.

"Many builders require capital beyond the capacity of their balance sheets to fund land acquisition and development. Gibraltar has established relationships with many builders to whom it is selling land and improved lots. We are also securing approvals and installing site improvements on many projects. Our track record and land development expertise give us particular insight in working with builder clients."

Douglas C. Yearley, Jr., Toll Brothers' chief executive officer, stated: "This new venture allows Gibraltar to pursue opportunities to provide builders and developers unique solutions to their financing needs. Gibraltar was originally formed in 2010 to acquire distressed real estate loan portfolios from financial institutions. On its own and in partnerships, it was a successful investor and manager in the acquisition and workout of over \$2.2 billion of residential and commercial loan portfolios, a portion of which Gibraltar directly managed."

Robert I. Toll, executive chairman, stated: "Building upon Gibraltar's expertise and track record of value creation, we look forward to continued success as it opportunistically pivots its investment strategy during this new stage of the housing recovery. We be

OK

In conjunction with this transaction, Toll Brothers and Gibraltar formed a joint venture which acquired most of the assets of Gibraltar. Toll Brothers owns a 25% interest in the joint venture, and Gibraltar owns a 75% interest.

We formed a separate 75/25 joint venture which acquired most of the assets of Gibraltar. Toll Brothers and Gibraltar

Moelis & Company LLC served as financial advisor to Toll Brothers and Gibraltar

Moelis & Company LLC served as financial advisor to Toll Brothers and Gibraltar

on the transaction.

About Gibraltar Capital and Asset Management

Gibraltar Capital and Asset Management, LLC, a subsidiary of Toll Brothers, Inc., is a leading opportunistic investor and developer in both residential and commercial real estate. Gibraltar's primary focus is providing acquisition and development capital to residential builders and developers across the country, in addition to direct development of certain projects. Gibraltar's target investments also include value-add commercial assets and other alternative ventures. Gibraltar's investment portfolio comprises several properties consisting of finished and undeveloped lots – which Gibraltar continues to sell to home builders and land developers – as well as income producing commercial and multi-family assets. To learn more, please visit <http://www.gibraltarcm.com/>.

About Toll Brothers

Toll Brothers, Inc., A FORTUNE 1000 Company, is the nation's leading builder of luxury homes. The Company began business in 1967 and became a public company in 1986. Its common stock is listed on the New York Stock Exchange under the symbol "TOL." The Company serves move-up, empty-nester, active-adult, and second-home buyers and operates in 19 states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Carolina, Pennsylvania, Texas, Virginia, and Washington, as well as in the District of Columbia.

Toll Brothers builds an array of luxury residential single-family detached, attached home, master planned resort-style golf, and urban low-, mid-, and high-rise communities, principally on land it develops and improves. The Company operates its own architectural, engineering, mortgage, title, land development and land sale, golf course development and management, home security, and landscape subsidiaries. The Company also operates its own lumber distribution, house component assembly, and manufacturing operations. The Company purchases distressed loan and real estate asset portfolios through its wholly owned subsidiary, Gibraltar Capital and Asset Management. The Company acquires and develops commercial and apartment properties through Toll Brothers Apartment Living, Toll Brothers Campus Living, and the affiliated Toll Brothers Realty Trust, and develops urban low-, mid-, and high-rise for-sale condominiums through Toll Brothers City Living.

In 2016, Toll Brothers ranked #6 among all 1,500 companies in *Fortune* magazine's survey of the World's Most Admired Companies in the Quality of Products/Services Offered category behind only Apple, Walt Disney, Amazon, Alphabet, and Nordstrom. The firm was also named as the Most Admired Home Building Company for 2016, the second year in a row it has been so honored. Toll Brothers was named 2014 Builder of the Year by *Builder* magazine, and is honored to have been awarded Builder of the Year in 2012 by *Professional*

Builder magazine, making it the first two-time recipient. Toll Brothers proudly supports the communities in which it builds; among other philanthropic efforts, the Company is a proud sponsor of the New York City Ballet, the

International Radio Network, and the National Symphony Orchestra.

Toll Brothers discloses information about its securities, including links to its securities filings, notices of material events, and other information, in the Investor Relations section of its website at www.tollbrothers.com.

OK

hers Metropolitan Opera
world. For more information,

nd other matters, and provides
vs releases, on the Investor

Forward Looking Statement

Certain information included in this release is forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, information related to: anticipated operating results; anticipated financial performance, resources and condition; selling communities; home deliveries; average home prices; consumer demand and confidence; contract pricing; business and investment opportunities; and market and industry trends.

Such forward-looking information involves important risks and uncertainties that could significantly affect actual results and cause them to differ materially from expectations expressed herein and in other Company reports, SEC filings, statements and presentations. These risks and uncertainties include, among others: local, regional, national and international economic conditions; fluctuating consumer demand and confidence; interest and unemployment rates; changes in sales conditions, including home prices, in the markets where we build homes; conditions in our newly entered markets and newly acquired operations; the competitive environment in which we operate; the availability and cost of land for future growth; conditions that could result in inventory write-downs or write-downs associated with investments in unconsolidated entities; the ability to recover our deferred tax assets; the availability of capital; uncertainties in the capital and securities markets; liquidity in the credit markets; changes in tax laws and their interpretation; effects of governmental legislation and regulation; the outcome of various legal proceedings; the availability of adequate insurance at reasonable cost; the impact of construction defect, product liability and home warranty claims, including the adequacy of self-insurance accruals, and the applicability and sufficiency of our insurance coverage; the ability of customers to obtain financing for the purchase of homes; the ability of home buyers to sell their existing homes; the ability of the participants in various joint ventures to honor their commitments; the availability and cost of labor and building and construction materials; the cost of raw materials; construction delays; domestic and international political events; and weather conditions. For a more detailed discussion of these factors, see the information under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K and our subsequent quarterly reports on Form 10-Q filed with the Securities and Exchange Commission.

Any or all of the forward-looking statements included in this release are not guarantees of future performance and may turn out to be inaccurate. Forward-looking statements speak only as of the date they are made. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTACT: Frederick N. Cooper, IR/Financial Media
fcooper@tollbrothersinc.com (215) 938-8312
Kira Sterling, General Media
ksterling@tollbrothersinc.com (215) 938-8220



OK