



# Toll Brothers Provides Market Update in Anticipation of Participation in Reuters Real Estate Summit

June 16, 2010

HORSHAM, Pa., June 16, 2010 (GLOBE NEWSWIRE) -- In anticipation of its participation in the Reuters Real Estate Summit on Thursday, June 17, 2010, Toll Brothers, Inc. (NYSE:TOL) ([www.tollbrothers.com](http://www.tollbrothers.com)), the nation's leading builder of luxury homes, today offered the following update on current market conditions:

Joel H. Rassman, chief financial officer, stated: "Although we typically do not comment on our intra-quarter activity, given our participation in upcoming events involving the business media and financial community, we wanted to provide an update on the state of the housing market over the past few weeks and the impact of the recent highly-publicized belt-tightening by consumers. In that context, we are also providing an update on current trends in our deposit and traffic numbers at mid-quarter.

"While much of the attention surrounding the recent decline in housing indicators has focused on the expiration of the housing tax credit, we believe our customers' buying decisions have been driven more by consumer confidence than by the tax credit. As we noted in our second-quarter earnings press release of May 26, 2010, we believe the volatility in the financial markets and the high U.S. unemployment rate continue to weigh on the nation's psyche. Additionally, in the past several weeks, concerns about the financial crisis in Europe and escalating regional political tensions, coupled with worries about the oil spill in the Gulf of Mexico and its effects on the economy and the environment have negatively impacted the outlook of American consumers.

"In the three weeks following our earnings conference call on May 26, 2010, our per-community deposits have been running about 20% behind the comparable period in last year's third quarter and our per-community traffic has been running about 3% behind. Thus, for the first six weeks of our FY 2010 third quarter beginning May 1, 2010, we are slightly ahead of last year's third-quarter pace of contracts signed on a per community basis. However, we have 21% fewer communities than one year ago.

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"Although demand in recent weeks has been quite choppy, in general, we continue to believe that the housing market has emerged from its darkest period of late 2008 through early 2009. Interest rates remain near historic lows, affordability is near historic highs and there are positive signs of growth in the economy. We believe pent-up demand exists. At the moment, consumers view the economic glass as half empty: volatile financial markets, global deficit concerns and the oil spill in the Gulf are all contributing to this gloom. We believe that once the employment picture begins to brighten and the economy stabilizes, consumer confidence will improve and the housing market should begin a steadier recovery."

Toll Brothers, Inc. 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 home buyers and operates in 20 states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Carolina, Pennsylvania, South Carolina, Texas and Virginia.

Toll Brothers builds luxury single-family detached and attached home communities, master planned luxury residential resort-style golf communities 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, and house component assembly and manufacturing operations.

Toll Brothers, a FORTUNE 1000 Company, is honored to have won the three most coveted awards in the homebuilding industry: America's Best Builder from the National Association of Home Builders, the National Housing Quality Award, and Builder of the Year. Toll Brothers was recently honored to receive the #1 ranking in Fortune Magazine's 2010 World's Most Admired Companies Survey among home building companies. Toll Brothers proudly supports the communities in which it builds; among other philanthropic pursuits, the Company sponsors the Toll Brothers - Metropolitan Opera International Radio Network, bringing opera to neighborhoods throughout the world. For more information, visit [tollbrothers.com](http://tollbrothers.com).

Certain information included herein and in Company reports, SEC filings, verbal or written statements and presentations 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; home deliveries; financial resources; changes in revenues; changes in profitability; changes in margins; selling, general and administrative expenses; inventory write-downs; effects of home buyer cancellations; growth and expansion; the ability to gain approvals and to open new communities; the ability to sell homes and properties; the ability to deliver homes from backlog; the ability to produce the liquidity and capital necessary to expand and take advantage of opportunities in the future; and industry trends.

Such forward-looking information results and cause them to differ SEC filings, statements and press international economic conditions, global credit and financial markets, attacks; effects of governmental operations; changes in consumer

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changes in home prices, foreclosure rates and sales activity in the markets where the Company builds homes; 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 deferred tax assets; the availability of capital; uncertainties in the capital and securities markets; liquidity in the credit markets; the outcome of various claims and legal proceedings; the availability of adequate insurance at reasonable cost; the impact of construction defect, product liability and home warranty claims, including the applicability and sufficiency of the Company's insurance coverage and the insurance coverage and ability to pay of other responsible parties relating to such claims; the ability of customers to obtain adequate and affordable 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; and weather conditions.

Any or all of the forward-looking statements included herein and in any Company reports or public statements 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.

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