

Toll Brothers' Record 1st Qtr Net Income Rises 120% To \$110.2 Million

February 23, 2005

Record 1st Qtr Contracts Grow 60% To \$1.44 Billion

Record 1st Qtr Revenues Rise 67% To \$999.1 Million

Record 1st Qtr-End Backlog Increases 66% To \$4.89 Billion

HORSHAM, Pa., Feb. 23, 2005 (PRIMEZONE) -- Toll Brothers, Inc. (NYSE:TOL) (www.tollbrothers.com), the nation's leading builder of luxury homes, today reported record results for earnings, revenues, contracts and backlog for its first quarter ended January 31, 2005. First quarter 2005 earnings per share of \$1.33 increased 115% over first quarter 2004.

Robert I. Toll, chairman and chief executive officer, stated: "We are enjoying strong pricing power and increasing profit margins as demand for luxury homes continues to outpace supply."

Joel H. Rassman, chief financial officer, noted: "With the highest backlog in our history, which includes most of this year's projected deliveries, we are raising our guidance on FY 2005 deliveries to a range of between 8,050 and 8,400 homes. Based on the strength of our first quarter earnings and the increase in expected deliveries, we also are raising our earnings guidance: We now believe net income will grow approximately 60% in FY 2005 over FY 2004."

Robert Toll continued: "Continuing strong demand, a recovering economy, our diversified offerings in the luxury move-up, active-adult, and empty-nester urban and suburban niches, and our growing portfolio of well-positioned communities in upscale markets all bode well for our future prospects: Based on these factors, as we have previously discussed, we believe fiscal 2006 will be another record year.

"Increasing numbers of high-income households are competing for a constrained supply of home sites; gaining approvals to build in affluent, well-located neighborhoods is a complex, expensive and lengthy undertaking. In response to the widening gap between demand and supply, we will continue to expand our pipeline of new product offerings to meet near supply based on our historic pace of expansion. With our diverse mix of products and our highly respected brand name in the luxury home building industry, we expect continued growth in the years ahead."

Toll Brothers' financial highlight

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- FY 2005 first-quarter net income of \$110.2 million, (\$1.33 per share diluted), increased 120% over FY 2004 first-quarter net income of \$50.1 million, (\$0.62 per share diluted), the previous first-quarter record.
- FY 2005 first-quarter revenues of \$999.1 million increased 67% over FY 2004 first-quarter revenues of \$597.9 million. FY 2005 first-quarter home building revenues of \$989.1 million (1,590 homes), increased 68% over FY 2004's first-quarter home building revenues of \$589.6 million (1,085 homes), the previous first-quarter record. Revenues from land sales totaled \$1.2 million for FY 2005's first quarter, compared to \$6.0 million in FY 2004's.
- In addition, in the Company's fiscal 2005 first quarter, unconsolidated entities in which the Company had an interest delivered \$26.4 million (63 homes) compared to \$1.5 million (5 homes) in the first quarter of fiscal 2004. The Company's share of the profits from the delivery of these homes is included in 'Equity Earnings in Unconsolidated Entities' on the Company's Income Statement.
- The Company's FY 2005 first-quarter contracts of \$1.44 billion (2,173 homes), grew by 60% over FY 2004's first-quarter contracts of \$902.8 million (1,512 homes), the previous first-quarter record. In addition, in first quarter 2005, unconsolidated entities in which the Company had an interest signed contracts of \$15.6 million (36 homes).
- FY 2005 first-quarter-end backlog of \$4.89 billion (7,292 homes), the highest backlog in the Company's history, increased 66% over FY 2004's record first-quarter-end backlog of \$2.95 billion (5,079 homes), the previous first-quarter record. In addition, at the end of fiscal 2005's first quarter, unconsolidated entities in which the Company had an interest had a backlog of \$65.0 million.
- The Company raised its 2005 revenue guidance to \$5.5 billion and expects to deliver in 2005 between 8,050 and 8,400 homes, up from its previous range of 7,900 to 8,300 homes. The Company's first quarter earnings and net income were \$110.2 million, or \$1.33 per share, compared to \$50.1 million, or \$0.62 per share, in the first quarter of 2004. The Company now believes net income will grow approximately 60% in FY

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2005 over FY 2004, compared to its previous guidance of more than 40% net income growth in FY 2005.

Toll Brothers will be broadcasting live via the Investor Relations section of its website, www.tollbrothers.com, a conference call hosted by chairman and chief executive officer Robert I. Toll at 2:00 p.m. (EST) today, February 23, 2005, to discuss these results and our outlook for the remainder of fiscal 2005. Prior to this conference call, the company intends to file a Form 8-K with the Securities and Exchange Commission containing its guidance for expected results of operations for Fiscal 2005 which will be discussed on the call. To access the call, enter the Toll Brothers website, then click on the Investor Relations page, and select "Conference Calls". Participants are encouraged to log on at least fifteen minutes prior to the start of the presentation to register and download any necessary software. The call can be heard live with an on-line replay which will follow and continue through May 9, 2005.

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 and the Pacific 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, Illinois, Massachusetts, Maryland, Michigan, Nevada, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, 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, landscape, cable T.V. and broadband Internet delivery subsidiaries. The Company also operates its own lumber distribution, and house component assembly and manufacturing operations.

Toll Brothers is the only publicly traded national home building company to have won all three of the industry's highest honors: America's Best Builder from the National Association of Home Builders, the National Housing Quality Award and Builder of the Year. For more information visit www.tollbrothers.com.

Certain information included herein and in other Company reports, SEC filings, statements and presentations is forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements concerning anticipated operating results, financial resources, changes in revenues, changes in profitability, interest expense, growth and expansion, anticipated income from joint ventures and the Toll Brothers Realty Trusts Group, the ability to acquire land, the ability to secure governmental approvals and the ability to open new communities, the ability to sell homes and properties, the ability to deliver homes from backlog, the average delivered price of homes, the ability to secure materials and subcontractors, the ability to maintain the liquidity and capital resources of the Company, the Company's stock price and market valuations. Such forward-looking statements are subject to various risks and uncertainties that could significantly affect actual results. The risks and uncertainties include those discussed in other Company reports, SEC filings, statements and presentations and other uncertainties include local, regional and national economic conditions, changes in interest rates, international political events, changes in tax laws, the competitive environment in which the Company operates, fluctuations in the price of oil and other commodities, the availability and cost of land for future growth, the availability of capital, uncertainties and fluctuations in capital and securities markets, and other factors. Investors are cautioned that such forward-looking statements are not guarantees of performance and are subject to these and other uncertainties.

changes in tax laws and their interpretation, legal proceedings, the availability of adequate insurance at reasonable cost, the ability of customers to finance the purchase of homes, the availability and cost of labor and materials, and weather conditions.

TOLL BROTHERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	January 31, 2005	October 31, 2004
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	(Unaudited)	

ASSETS

Cash and cash equivalents	\$ 485,411	\$ 580,863
Inventory	4,145,727	3,878,260
Property, construction and office equipment, net	58,176	52,429
Receivables, prepaid expenses and other assets	154,050	146,212
Mortgage loans receivable	74,395	99,914
Customer deposits held in escrow	69,344	53,929
Investments in and advances to unconsolidated entities	109,871	93,971
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	\$ 5,096,974	\$ 4,905,578
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Loans payable	\$ 372,408	\$ 340,380
Senior notes	845,790	845,665
Senior subordinated notes	450,000	450,000
Mortgage company warehouse loan	64,416	92,053
Customer deposits	329,150	291,424
Accounts payable		
Accrued expenses		
Income taxes payable		

Total liabilities

Stockholders' equity:

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Common stock	770	770
Additional paid-in capital	232,728	200,938
Retained earnings	1,880,923	1,770,730
Treasury stock	(5,790)	(52,451)
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Total stockholders' equity	2,108,631	1,919,987
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	\$ 5,096,974	\$ 4,905,578
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TOLL BROTHERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share data)
(Unaudited)

	Quarter ended	
	January 31,	
	2005	2004
	-----	-----
Revenues:		
Home sales	\$989,097	\$589,577
Land sales	1,225	5,987
Equity earnings in unconsolidated entities	1,935	665
Interest and other	6,883	1,683
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	999,140	597,912
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Costs and expenses:		
Home sales	685,493	422,428
Land sales	779	5,303
Selling, general and administrative expenses	107,065	76,653
Interest	21,812	14,558
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	815,149	518,942
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Income before income taxes	183,991	78,970
Income taxes	73,798	28,886

Net income

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Earnings per share:

Basic

Diluted

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Weighted average number of shares:

Basic	72,826	73,839
Diluted	83,042	80,819

	UNITS		\$ (MILL)	
	1st Qtr.		1st Qtr.	
CLOSINGS	2005	2004	2005	2004
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Northeast				
(CT, MA, NH, NJ, NY, RI)	229	183	123.3	104.6
Mid-Atlantic (DE, MD, PA, VA)	663	405	386.9	201.4
Midwest (IL, MI, OH)	95	72	57.0	40.9
Southeast (FL, NC, SC, TN)	155	121	84.4	53.7
Southwest (AZ, CO, NV, TX)	248	149	155.8	81.8
West Coast (CA)	200	155	181.7	107.2
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	1,590	1,085	989.1	589.6
Unconsolidated entities	63	5	26.4	1.5
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	1,653	1,090	1,015.5	591.1
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CONTRACTS

Northeast				
(CT, MA, NH, NJ, NY, RI)	319	222	200.6	137.9
Mid-Atlantic (DE, MD, PA, VA)	767	527	471.4	283.8
Midwest (IL, MI, OH)	112	120	78.0	71.7
Southeast (FL, NC, SC, TN)	381	174	205.4	85.4
Southwest (AZ, CO, NV, TX)	366	233	254.3	143.5
West Coast (CA)	228	236	233.4	180.5
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	2,173	1,512	1,443.1	902.8
Unconsolidated entities	36	5	15.6	1.6
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	2,209	1,517	1,458.7	904.4
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BACKLOG

Northeast				
(CT, MA, NH, NJ, NY, RI)				7
Mid-Atlantic (DE, MD, PA,				5
Midwest (IL, MI, OH)				0
Southeast (FL, NC, SC,				1
Southwest (AZ, CO, NV, TX)	1,469	793	948.2	458.5

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West Coast (CA)	941	713	916.2	570.3
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	7,292	5,079	4,887.9	2,945.1
Unconsolidated entities	147	15	65.0	4.8
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	7,439	5,094	4,952.9	2,949.9
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CONTACT:

Toll Brothers, Inc.
Frederick N. Cooper
 (215) 938-8312
 fcooper@tollbrothersinc.com
Joseph R. Sicree
 (215) 938-8045
 jsicree@tollbrothersinc.com

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