

Toll Brothers Reports Preliminary 4th Quarter and FY 2015 Results for Contracts, Backlog and Home Building Revenues

November 09, 2015

HORSHAM, Pa., Nov. 9, 2015 (GLOBE NEWSWIRE) -- In anticipation of its webcast presentation and related investor meetings on November 11, 2015 at the UBS Building and Building Products Annual CEO Conference in New York City, Toll Brothers, Inc. (NYSE:TOL) (www.tollbrothers.com), the nation's leading builder of luxury homes, today announced preliminary results for contracts, backlog and home building revenues for its fourth quarter and fiscal year ended October 31, 2015. These results are preliminary and unaudited. The Company will announce final totals when it releases fourth quarter and fiscal year earnings results on December 8, 2015, followed by an 11:00 A.M. (EST) conference call that will be broadcast live on its website.



Fourth Quarter and Fiscal Year 2015 Financial Highlights (preliminary and unaudited):

- FY 2015's fourth-quarter total revenues of \$1.44 billion and 1,820 units increased 6% in dollars and 1% in units, compared to FY 2014's fourth-quarter results of \$1.35 billion and 1,807 units. The average price of homes delivered was \$790,000, compared to \$747,000 in FY 2014's fourth quarter.

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- FY 2015's fourth-quarter net units, compared to FY 2014's average price of net contract

use 29% in dollars and 12% in million and 1,282 units. The , compared to \$834,000 in FY

2015's third quarter and \$757,000 in FY 2014's fourth quarter.

- The Company ended FY 2015 with a backlog of approximately \$3.50 billion and 4,064 units, an increase of 29% in dollars and 10% in units, compared to FY 2014's year-end backlog of \$2.72 billion and 3,679 units. The average price of homes in FY 2015's fourth-quarter-end backlog was \$862,000 compared to \$829,000 at FY 2015's third-quarter end and \$739,000 at FY 2014's fourth-quarter end.
- FY 2015's home building revenues of \$4.17 billion and 5,525 units increased 7% in dollars and 2% in units, compared to FY 2014's results of \$3.91 billion and 5,397 units.
- FY 2015's net signed contracts of \$4.96 billion and 5,910 units increased 27% in dollars and 12% in units, compared to net signed contracts of \$3.90 billion and 5,271 units in FY 2014.

Douglas C. Yearley, Jr., Toll Brothers' chief executive officer, stated: "This is the fifth consecutive quarter of year-over-year growth in contract dollars and units. Based on our strong backlog and pace of demand, we believe we will have significant growth and increased profitability in FY 2016."

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 Commercial and Toll Apartment Living, and the affiliated Toll Brothers Realty Trust, and develops urban low-, mid-, and high-rise for-sale condominiums through Toll Brothers City Living.

Toll Brothers was recently named the World's Most Admired Commercial Builder™ by *Lifestory Research*, one of the nation's top 27 housing markets honored to have been awarded a two-time recipient. Toll Brother

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in Fortune magazine's survey of America's Most Trusted Home Builders, chosen by new home shoppers in the United States, as reported by *Builder* magazine, and is the only home builder to be named to the magazine, making it the first company to be named to the list of America's Most Trusted Home Builders; 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 www.tollbrothers.com.

Toll Brothers discloses information about its business and financial performance and other matters, and provides links to its securities filings, notices of investor events, and earnings and other news releases, on the Investor Relations section of its website (tollbrothers.com/investor_relations).

Forward Looking Statement

Information presented herein for the fourth quarter ended October 31, 2015 is subject to finalization of the Company's regulatory filings, related financial and accounting reporting procedures and external auditor procedures.

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 Exc

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Any or all of the forward-looking information contained in this document may be deemed to be "forward-looking information" within the meaning of applicable securities laws. Such forward-looking information is based on the current beliefs, estimates and expectations of management and involves significant risks and uncertainties. Actual results may differ significantly from those expressed or implied by such forward-looking information. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

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Toll Brothers operates in two segments: Traditional Home Building and Urban Infill ("City Living"). Within Traditional Home Building, Toll operates in five geographic segments:

North:	Connecticut, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, and New York
Mid-Atlantic:	Delaware, Maryland, Pennsylvania, and Virginia
South:	Florida, North Carolina, and Texas
West:	Arizona, Colorado, Nevada, and Washington
California:	California

The fiscal 2015 information presented below is preliminary.

Three Months Ended October 31,						
	Units		\$ (Millions)		Average Price Per Unit \$	
	2015	2014	2015	2014	2015	2014
HOME BUILDING REVENUES						
North	391	392	\$ 239.0	\$ 234.3	\$ 611,300	\$ 597,800
Mid-Atlantic	413	427	266.2	264.9	644,400	620,500
South	351	363	281.0	259.9	800,600	716,000
West (1)	319	277	209.7	178.9	657,400	645,800
California (1)	269	225	310.2	245.4	1,153,200	1,090,600
Traditional Home Building	1,743	1,684	1,306.1	1,183.4	749,300	702,700
City Living	77	123	131.1	167.3	1,702,800	1,360,000
Total consolidated	1,820	1,807	\$ 1,437.2	\$ 1,350.7	\$ 789,700	\$ 747,500

CONTRACTS

North	311	286	\$ 219.7	\$ 174.0	\$ 706,400	\$ 608,400
Mid-Atlantic	---	---	---	---	653,300	647,300
South			OK		769,000	762,900
West (1)					726,700	655,500
California (1)					1,492,000	1,112,000
Traditional Home Building					821,100	721,100
City Living	75	48	134.6	81.0	1,794,300	1,686,500

Total consolidated	<u>1,437</u>	<u>1,282</u>	<u>\$ 1,252.9</u>	<u>\$ 970.8</u>	<u>\$ 871,900</u>	<u>\$ 757,200</u>
BACKLOG						
North	890	878	\$ 619.2	\$ 564.6	\$ 695,800	\$ 643,100
Mid-Atlantic	811	830	518.9	519.5	639,900	625,900
South	824	963	669.2	723.2	812,100	751,000
West (1)	816	589	573.5	392.6	702,800	666,600
California (1)	<u>609</u>	<u>275</u>	<u>897.8</u>	<u>304.6</u>	<u>1,474,200</u>	<u>1,107,600</u>
Traditional Home Building	3,950	3,535	3,278.6	2,504.5	830,000	708,500
City Living	<u>114</u>	<u>144</u>	<u>225.4</u>	<u>215.2</u>	<u>1,977,200</u>	<u>1,494,200</u>
Total consolidated	<u>4,064</u>	<u>3,679</u>	<u>\$ 3,504.0</u>	<u>\$ 2,719.7</u>	<u>\$ 862,200</u>	<u>\$ 739,200</u>

Twelve Months Ended
October 31,

	Units		\$ (Millions)		Average Price Per Unit \$	
	2015	2014	2015	2014	2015	2014
HOME BUILDING REVENUES						
North	1,126	1,110	\$ 702.2	\$ 662.7	\$ 623,600	\$ 597,000
Mid-Atlantic	1,342	1,292	845.3	817.3	629,900	632,600
South	1,175	1,204	892.3	836.5	759,400	694,800
West (1)	994	814	665.3	517.9	669,300	636,200
California (1)	669	713	750.0	795.8	1,121,100	1,116,100
Traditional Home Building	5,306	5,133	3,855.1	3,630.2	726,600	707,200
City Living	219	264	316.1	281.4	1,443,400	1,065,900
Total consolidated	5,525	5,397	\$ 4,171.2	\$ 3,911.6	\$ 755,000	\$ 724,800

CONTRACTS

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North				\$ 665,000	\$ 639,200	
Mid-Atlantic				638,500	626,100	
South				809,200	731,800	
West (1)				693,000	650,100	
California (1)	1,003	639	1,343.2	694.2	1,339,200	1,086,400

Traditional Home Building	5,721	5,061	4,629.2	3,627.3	809,200	716,700
City Living	189	210	326.4	269.2	1,727,000	1,281,900
Total consolidated	<u>5,910</u>	<u>5,271</u>	<u>\$ 4,955.6</u>	<u>\$ 3,896.5</u>	<u>\$ 838,500</u>	<u>\$ 739,200</u>

(1) Prior to October 31, 2015, California was included in the West geographic segment. Due to the increase in our assets and operations in California, it is now presented as a separate geographic segment. Prior year amounts have been reclassified to conform to the fiscal 2015 presentation.

Unconsolidated entities:

Information related to revenues and contracts of entities in which we have an interest for the three-month and twelve-month periods ended October 31, 2015 and 2014, and for backlog at October 31, 2015 and 2014 is as follows:

	Units		\$ (Millions)		Average Price Per Unit \$	
	2015	2014	2015	2014	2015	2014
Three months ended October 31,						
Revenues	21	21	\$ 17.2	\$ 15.3	\$ 820,000	\$ 730,400
Contracts	40	22	\$ 74.6	\$ 49.9	\$ 1,865,300	\$ 2,268,700
Twelve months ended October 31,						
Revenues	96	70	\$ 78.1	\$ 54.9	\$ 813,300	\$ 784,600
Contracts	147	143	\$ 260.2	\$ 293.2	\$ 1,770,100	\$ 2,050,000
Backlog at October 31,	186	135	\$ 466.6	\$ 284.4	\$ 2,508,500	\$ 2,107,000

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