

**TOLL BROTHERS, INC.**  
Regulation "G Disclosure  
HISTORICAL CASH FLOW BEFORE INVENTORY GROWTH AND TAXES

(In Thousands)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Pretax Income	\$8,444	\$27,492	\$42,820	\$56,840	\$79,439	\$85,793	\$103,215	\$132,523	\$160,432	\$230,966	\$337,889	\$347,318	\$411,153
Interest Expense	9,920	16,047	17,129	18,196	22,207	24,189	29,390	35,941	39,905	46,169	58,247	64,529	73,245
Depreciation and Amortization	2,075	2,255	2,453	2,687	2,943	3,306	4,055	5,611	6,594	8,528	9,356	10,495	12,075
Amortization of Deferred Marketing Costs	3,371	3,492	4,367	4,649	5,647	6,513	8,965	12,012	14,074	17,583	19,885	23,114	27,081
Writedown of Future Communities	1,371	2,228	354	2,657	1,566	4,611	2,048	2,010	5,092	7,448	13,034	6,081	5,638
Net Realizable Value Reserve Adj	1,500	(3,866)	373	2,424	2,409	(1,378)	(1,648)	(2,769)	(1,278)	0	0	0	0
<b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION</b>	<b>26,681</b>	<b>47,648</b>	<b>67,496</b>	<b>87,453</b>	<b>114,211</b>	<b>123,034</b>	<b>146,025</b>	<b>185,328</b>	<b>224,819</b>	<b>310,694</b>	<b>438,411</b>	<b>451,537</b>	<b>529,192</b>
<b>ADD:</b>													
<b>INVENTORY LAND COSTS:</b>													
Land	20,817	35,919	52,399	63,484	79,126	97,753	119,312	151,486	180,580	216,587	229,847	218,806	268,831
Improvements	19,762	29,583	35,864	46,240	59,231	65,395	88,235	109,738	119,826	137,257	189,111	208,144	265,604
Predevelopment	1,487	1,691	2,005	2,606	3,928	5,007	6,789	9,781	10,701	13,559	16,517	21,575	32,241
<b>CASH FLOW BEFORE LAND &amp; IMPROVEMENT REPLACEMENT, INVENTORY GROWTH, TAXES, INTEREST, DEPRECIATION AND AMORTIZATION</b>	<b>68,747</b>	<b>114,841</b>	<b>157,764</b>	<b>199,783</b>	<b>256,496</b>	<b>291,189</b>	<b>360,361</b>	<b>456,333</b>	<b>535,926</b>	<b>678,097</b>	<b>873,886</b>	<b>900,062</b>	<b>1,095,868</b>
<b>LESS:</b>													
<b>Improvements to Maintain Current Inventories</b>	<b>19,762</b>	<b>29,583</b>	<b>35,864</b>	<b>46,240</b>	<b>59,231</b>	<b>65,395</b>	<b>88,235</b>	<b>109,738</b>	<b>119,826</b>	<b>137,257</b>	<b>189,111</b>	<b>208,144</b>	<b>265,604</b>
<b>CASH FLOW BEFORE LAND REPLACEMENT, INVENTORY GROWTH, TAXES, INTEREST DEPRECIATION AND AMORTIZATION</b>	<b>48,985</b>	<b>85,258</b>	<b>121,900</b>	<b>153,543</b>	<b>197,265</b>	<b>225,794</b>	<b>272,126</b>	<b>346,595</b>	<b>416,100</b>	<b>540,840</b>	<b>684,775</b>	<b>691,918</b>	<b>830,264</b>
Interest Incurred	12,800	15,300	20,900	21,700	25,780	27,695	35,242	38,331	51,396	60,236	79,209	90,313	104,754
<b>CASH FLOW BEFORE LAND REPLACEMENT, INVENTORY GROWTH, TAXES, DEPRECIATION AND AMORTIZATION</b>	<b>\$36,185</b>	<b>\$69,958</b>	<b>\$101,000</b>	<b>\$131,843</b>	<b>\$171,485</b>	<b>\$198,099</b>	<b>\$236,884</b>	<b>\$308,264</b>	<b>\$364,704</b>	<b>\$480,604</b>	<b>\$605,566</b>	<b>\$601,605</b>	<b>\$725,510</b>