SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)
X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JANUARY 31, 2003

OR

___ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____TO_____

Commission file number 1-9186

Toll Brothers, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	23-2416878 (I.R.S. Employer Identification No.)

3103 Philmont Avenue, Huntingdon Valley, Pennsylvania (Address of principal executive offices)	19006 (Zip Code)

(215) 938-8000
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _X_ No ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes _X_ No __

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Common Stock, $.01 par value: 69,567,076 shares at March 11, 2003.

TOLL BROTHERS, INC. AND SUBSIDIARIES
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STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information included herein and in our other 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 our anticipated operating results, financial resources, changes in revenues, changes in profitability, anticipated income to be realized from our investments in joint ventures and the Toll Realty Trust Group, interest expense, growth and expansion, ability to acquire land, ability to sell homes and properties, ability to deliver homes from backlog, ability to gain approvals and to open new communities, ability to secure materials and subcontractors, average delivered prices of homes, ability to maintain the liquidity and capital necessary to expand and take advantage of future opportunities and stock market valuations. In some cases you can identify those so called forward-looking statements by words such as "may," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "project," "intend," "can," "could," "might," or "continue" or the negative of those words or other comparable words. 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 our other reports, SEC filings, statements and presentations. These risks and uncertainties include local, regional and national economic and political conditions, the consequences of any future terrorist attacks such as those that occurred on September 11, 2001, the effects of governmental regulation, the competitive environment in which we operate, fluctuations in interest rates, changes in home prices, the availability and cost of land for future growth, the availability of capital, fluctuations in capital and securities markets, the availability and cost of labor and materials, and weather conditions.

Additional information concerning potential factors that we believe could cause our actual results to differ materially from expected and historical results is included under the caption "Factors That May Affect Our Future Results" in Item 1 of our Annual Report on Form 10-K for the fiscal year ended October 31, 2002. If one or more of the assumptions underlying our forward-looking statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by the forward-looking statements contained in this report. Therefore, we caution you not to place undue reliance on our forward-looking statements. This statement is provided as permitted by the Private Securities Litigation Reform Act of 1995.

When this report uses the words "we," "us," and "our," they refer to Toll Brothers, Inc. and its subsidiaries, unless the context otherwise requires.

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	January 31, 2003	October 31, 2002
ASSETS	(Unaudited)	
Cash and cash equivalents	$206,387	$102,337
Inventory	2,716,195	2,551,061
Property, construction and office equipment, net	40,075	38,496
Receivables, prepaid expenses and other assets	95,506	95,065
Mortgage loans receivable	57,738	63,949
Customer deposits held in escrow	21,024	23,019
Investments in unconsolidated entities	23,908	21,438
	$3,160,833	$2,895,365
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Loans payable	$244,486	$253,194
Senior notes	298,087	-
Subordinated notes	719,970	819,663
Mortgage company warehouse loan	49,936	48,996
Customer deposits	134,234	134,707
Accounts payable	170,837	126,391
Accrued expenses	271,130	281,275
Income taxes payable	92,311	101,630
	1,980,991	1,765,856
Stockholders' equity:		
Preferred stock		
Common stock	740	740
Additional paid-in capital	104,214	102,600
Retained earnings	1,147,213	1,101,799
Treasury stock	(72,325)	(75,630)
Total stockholders' equity	1,179,842	1,129,509
	$3,160,833	$2,895,365

See accompanying notes

TOLL BROTHERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share data)
(Unaudited)

	Three months ended January 31,	
	2003	2002
Revenues:		
Housing sales	$557,886	$482,702
Land sales	9,434	6,423
Equity earnings in unconsolidated entities	253	-
Interest and other	2,687	3,054
	570,260	492,179
Costs & expenses:		
Housing sales	405,172	351,425
Land sales	7,614	4,217
Selling, general and administrative	65,623	52,398
Interest	16,041	14,155
Expenses related to early retirement of debt	3,890	-
	498,340	422,195
Income before income taxes	71,920	69,984
Income taxes	26,506	25,490
Net income	$45,414	$44,494
Earnings per share:		
Basic	$0.65	$0.64
Diluted	$0.61	$0.60
Weighted average number of shares:		
Basic	70,407	70,001
Diluted	74,308	74,244

See accompanying notes

TOLL BROTHERS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	Three months ended January 31,	
	2003	2002
Cash flows from operating activities:		
Net income	$45,414	$44,494
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	3,045	2,903
Equity earnings in unconsolidated entities	(253)	-
Deferred tax provision	166	(1,414)
Provision for write-offs	280	1,265
Write-off of unamortized debt issuance costs	973	-
Changes in operating assets and liabilities		
Increase in inventory	(161,376)	(94,017)
Origination of mortgage loans	(127,283)	(83,430)
Sale of mortgage loans	131,412	82,397
Decrease(increase) in receivables, prepaid expenses and other assets	2,694	(3,151)
Decrease in customer deposits	(473)	(882)
Increase in accounts payable and accrued expenses	43,943	1,860
Decrease in current income taxes payable	(9,377)	(8,096)
Net cash used in operating activities	(70,835)	(58,071)
Cash flows from investing activities:		
Purchase of property, construction and office equipment, net	(4,144)	(3,072)
Investments in unconsolidated entities	(3,267)	(2,000)
Distributions from unconsolidated entities	1,050	2,800
Net cash used in investing activities	(6,361)	(2,272)
Cash flows from financing activities:		
Proceeds from loans payable	274,766	96,540
Principal payments of loans payable	(286,573)	(101,645)
Net proceeds from issuance of public debt	297,885	149,748
Redemption of subordinated notes	(100,000)	-
Proceeds from stock-based benefit plans	377	6,437
Purchase of treasury stock	(5,209)	(25)
Net cash provided by financing activities	181,246	151,055
Increase in cash and cash equivalents	104,050	90,712
Cash and cash equivalents, beginning of period	102,337	182,840
Cash and cash equivalents, end of period	$206,387	$273,552

See accompanying notes

TOLL BROTHERS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission for interim financial information. The October 31, 2002 balance sheet amounts and disclosures included herein have been derived from our October 31, 2002 audited financial statements. Since the accompanying condensed consolidated financial statements do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements, we suggest that they be read in conjunction with the financial statements and notes thereto included in our October 31, 2002 Annual Report on Form 10-K. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, which are of a normal recurring nature, necessary to present fairly our financial position as of January 31, 2003, the results of our operations for the three months ended January 31, 2003 and 2002 and our cash flows for the three months ended January 31, 2003 and 2002. The results of operations for such interim periods are not necessarily indicative of the results to be expected for the full year.

Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," provides guidance on financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of" and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The adoption of SFAS No. 144 as of November 1, 2003 did not have a material impact on our financial condition or results of operations.

SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement 13, and Technical Corrections," requires all gains and losses from the extinguishment of debt to be included as an item from continuing operations. The provisions of SFAS No. 145 relating to the rescission of SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt," became effective for our fiscal year ending October 31, 2003. For the three months ended January 31, 2003, we recognized a pretax charge of approximately $3.9 million related to the retirement in December 2002 of our 8 3/4% Senior Subordinated Notes due 2006. Under previous accounting principles generally accepted in the United States, this charge would have been treated as an extraordinary item.

On March 4, 2002, our Board of Directors declared a two-for-one split of our common stock in the form of a stock dividend to stockholders of record on March 14, 2002. The additional shares were distributed on March 28, 2002. All share and per share amounts have been restated to reflect the split.

2. Inventory

Inventory consisted of the following (amounts in thousands):

	January 31, 2003	October 31, 2002
Land and land development costs	$ 815,272	$ 772,796
Construction in progress	1,591,212	1,491,108
Sample homes and sales offices	176,813	163,722
Land deposits and costs of future developments	123,194	114,212
Other	9,704	9,223
	$2,716,195	$2,551,061

Construction in progress includes the cost of homes under construction, land and land development costs and the carrying costs of lots that have been substantially improved.

We capitalize certain interest costs to inventory during the development and construction period. Capitalized interest is charged to interest expense when the related inventory is closed. Interest incurred, capitalized and expensed for the three months ended January 31, 2003 and 2002 is summarized as follows (amounts in thousands):

	2003	2002
Interest capitalized, beginning of period	$123,637	$98,650
Interest incurred	25,782	22,870
Interest expensed	(16,041)	(14,155)
Write-off to cost of sales	(64)	(823)
Interest capitalized, end of period	$133,314	$106,542

3. Earnings per Share Information

Information pertaining to the calculation of earnings per share for the three months ended January 31, 2003 and 2002 is as follows (amounts in thousands):

	2003	2002
Basic weighted average shares	70,407	70,001
Common stock equivalents	3,901	4,243
Diluted weighted average shares	74,308	74,244

4. Senior Notes and Senior Subordinated Notes

On November 22, 2002, we issued $300 million of 6.875% Senior Notes. We redeemed all of the $100 million outstanding 8 3/4% Senior Subordinated Notes due 2006 on December 27, 2002 at a price of 102.917% of the principal amount. We recognized a pretax charge of $3.9 million in the first quarter of fiscal 2003 representing the premium paid on redemption and the write-off of unamortized bond issuance costs. We intend to use the remaining proceeds for general corporate purposes.

5. Stock Repurchase Program

Our Board of Directors has authorized the repurchase of up to 10 million shares of our common stock, par value $.01, from time to time, in open market transactions or otherwise, for the purpose of providing shares for our various employee benefit plans. As of January 31, 2003, we had repurchased approximately 5.6 million shares under the program.

6. Supplemental Disclosure to Statements of Cash Flows

The following are supplemental disclosures to the statements of cash flows for the three months ended January 31, 2003 and 2002 (amounts in thousands):

	2003	2002
Supplemental disclosures of cash flow information:		
Interest paid, net of capitalized amounts	$5,088	$3,574
Income taxes paid	$34,168	$35,000
Supplemental disclosures of non-cash activities:		
Cost of residential inventories acquired through seller financing	$4,038	$510
Income tax benefit relating to exercise of employee stock options	$108	$4,298
Stock bonus award	$9,643	$6,853

7. Supplemental Guarantor Information

Our wholly-owned subsidiary, Toll Brothers Finance Corp.(the "Subsidiary Issuer"), issued senior debt on November 22, 2002. The obligations of the Subsidiary Issuer to pay principal, premiums, if any, and interest was guaranteed jointly and severally on a senior basis by Toll Brothers, Inc. and substantially all of our wholly-owned homebuilding subsidiaries (the "Guarantor Subsidiaries"). The guarantees are full and unconditional. Our non-homebuilding subsidiaries (the "Non-Guarantor Subsidiaries") did not guarantee the debt. Separate financial statements and other disclosures concerning the Guarantor Subsidiaries are not presented because management has determined that such disclosures would not be material to investors. Prior to the senior debt issuance, the Subsidiary Issuer did not have any operations.

Supplemental consolidating financial information of the Company, the Subsidiary Issuer, the Guarantor Subsidiaries, the Non-Guarantor Subsidiaries and the eliminations to arrive at Toll Brothers, Inc. on a consolidated basis are as follows ($ amounts in thousands):

Consolidating Balance Sheet at January 31, 2003

	Toll Brothers, Inc.	Subsid-iary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsid-iaries	Elim-inations	Consol-idated
ASSETS						
Cash & cash equivalents			202,706	3,681		206,387
Inventory			2,715,816	379		2,716,195
Property, construction & office equipment - net			30,710	9,365		40,075
Receivables, prepaid expenses, investments in subsidiaries & other assets	1,273,735	301,983	(269,534)	39,731	(1,250,409)	95,506
Customer deposits held in escrow			21,024			21,024
Mortgage loans receivable				57,738		57,738
Investments in unconsol-idated entities			23,908			23,908
	1,273,735	301,983	2,724,630	110,894	(1,250,409)	3,160,833
LIABILITIES & STOCKHOLDERS' EQUITY						
LIABILITIES						
Loans payable			239,053	5,433		244,486
Senior notes		298,087				298,087
Subordinated notes			719,970			719,970
Mortgage company warehouse loan				49,936		49,936
Customer deposits			134,234			134,234
Accounts payable			170,767	70		170,837
Accrued expenses		3,896	223,390	43,844		271,130
Income taxes payable	93,893			(1,582)		92,311
Total liabilities	93,893	301,983	1,487,414	97,701	-	1,980,991
STOCKHOLDERS' EQUITY						
Common stock	740			3,003	(3,003)	740
Additional paid-in capital	104,214		4,420	1,734	(6,154)	104,214
Retained earnings	1,147,213		1,232,796	8,456	(1,241,252)	1,147,213
Treasury stock	(72,325)					(72,325)
Total equity	1,179,842	-	1,237,216	13,193	(1,250,409)	1,179,842
	1,273,735	301,983	2,724,630	110,894	(1,250,409)	3,160,833

Consolidating Balance Sheet at October 31, 2002

	Toll Brothers, Inc.	Subsid-iary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsid-iaries	Elim-inations	Consol-idated
ASSETS						
Cash & cash equivalents			99,815	2,522		102,337
Inventory			2,550,708	353		2,551,061
Property, construction & office equipment - net			29,036	9,460		38,496
Receivables, prepaid expenses, investments in subsidiaries & other assets	1,231,139		32,462	35,277	(1,203,813)	95,065
Customer deposits held in escrow			23,019			23,019
Mortgage loans receivable			2,193	61,756		63,949
Investments in unconsol-idated entities			21,438			21,438
	1,231,139	-	2,758,671	109,368	(1,203,813)	2,895,365
LIABILITIES & STOCKHOLDERS' EQUITY						
LIABILITIES						
Loans payable			241,151	12,043		253,194
Subordinated notes			819,663			819,663
Mortgage company warehouse loan				48,996		48,996
Customer deposits			134,707			134,707
Accounts payable			126,324	67		126,391
Accrued expenses			244,868	36,407		281,275
Income taxes payable	101,630					101,630
Total liabilities	101,630	-	1,566,713	97,513	-	1,765,856
STOCKHOLDERS' EQUITY						
Common stock	740			3,003	(3,003)	740
Additional paid-in capital	102,600		4,420	1,734	(6,154)	102,600
Retained earnings	1,101,799		1,187,538	7,118	(1,194,656)	1,101,799
Treasury stock	(75,630)					(75,630)
Total equity	1,129,509	-	1,191,958	11,855	(1,203,813)	1,129,509
	1,231,139	-	2,758,671	109,368	(1,203,813)	2,895,365

Consolidating Statement of Income for the Three Months ended January 31, 2003

	Toll Brothers, Inc.	Subsid-iary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsid-iaries	Elim-inations	Consol-idated
Revenues:						
Home sales			557,886			557,886
Land sales			9,434			9,434
Equity earnings			253			253
Earnings from subsidiaries	71,920				(71,920)	-
Other		3,947	2,461	6,866	(10,587)	2,687
	71,920	3,947	570,034	6,866	(82,507)	570,260
Costs and expenses						
Cost of sales			411,973	754	59	412,786
Selling, general and administrative		14	66,236	3,892	(4,519)	65,623
Interest		3,933	16,015	346	(4,253)	16,041
Expenses related to retirement of debt			3,890			3,890
	-	3,947	498,114	4,992	(8,713)	498,340
Income before income taxes	71,920	-	71,920	1,874	(73,794)	71,920
Income taxes	26,506		26,506	692	(27,198)	26,506
Net income	45,414	-	45,414	1,182	(46,596)	45,414

Consolidating Statement of Income for the Three Months ended January 31, 2002

	Toll Brothers, Inc.	Subsid-iary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsid-iaries	Elim-inations	Consol-idated
Revenues:						
Home sales			482,702			482,702
Land sales			6,423			6,423
Earnings from subsidiaries	69,984				(69,984)	-
Other			2,959	4,103	(4,008)	3,054
	69,984	-	492,084	4,103	(73,992)	492,179
Costs and expenses						
Cost of sales			355,178	328	136	355,642
Selling, general and administrative			52,802	2,764	(3,168)	52,398
Interest			14,120	271	(236)	14,155
	-	-	422,100	3,363	(3,268)	422,195
Income before income taxes	69,984	-	69,984	740	(70,724)	69,984
Income taxes	25,490		25,490	273	(25,763)	25,490
Net income	44,494	-	44,494	467	(44,961)	44,494

Consolidating Statement of Cash Flows for the Three Months ended January 31, 2003

	Toll Brothers, Inc.	Subsid-iary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsid-iaries	Elim-inations	Consol-idated
Cash flows from operating activities						
Net income	45,414		45,414	1,182	(46,596)	45,414
Adjustments to reconcile net income to net cash provided by (used in) operating activities						
Depreciation & amortization		37	2,516	492		3,045
Deferred tax provision	1,586			(1,420)		166
Provision for write-offs			280			280
Equity earnings			(253)			(253)
Write-off of unamortized debt issuance costs			973			973
Changes in operating assets and liabilities						
Increase in inventory			(161,350)	(26)		(161,376)
Origination of mortgage loans				(127,283)		(127,283)
Sale of mortgage loans				131,412		131,412
Decrease in receivables, prepaid expense and other	(42,596)	(301,818)	304,922	(4,410)	46,596	2,694
Decrease in customer deposits			(473)			(473)
Increase in accounts payable and accrued expenses	9,643	3,896	22,963	7,441		43,943
Decrease in current taxes payable	(9,215)			(162)		(9,215) (162)
Net cash used in operating activities	4,832	(297,885)	214,992	7,226	-	(70,835)
Cash flows from investing activities						
Purchase of property, construction & office equipment			(3,747)	(397)		(4,144)
Investment in unconsolidated entities			(3,267)			(3,267)
Distributions from unconsolidated entities			1,050			1,050
Net cash used in investing activities	-	-	(5,964)	(397)	-	(6,361)
Cash flows from financing activities						
Proceeds from loans payable			160,174	114,592		274,766
Principal payments on loans payable			(166,311)	(120,262)		(286,573)
Net proceeds from issuance of public debt		297,885				297,885
Redemption of public debt			(100,000)			(100,000)
Proceeds from stock-based benefit plans	377					377
Purchase of treasury shares	(5,209)					(5,209)
Net cash provided by financing activities	(4,832)	297,885	(106,137)	(5,670)	-	181,246
Increase in cash & equivalents	-	-	102,891	1,159	-	104,050
Cash & equivalents, beginning of period	-	-	99,815	2,522	-	102,337
Cash & equivalents, end of period	-	-	202,706	3,681	-	206,387

Consolidating Statement of Cash Flows for the Three Months ended January 31, 2002

	Toll Brothers, Inc.	Subsid-iary Issuer	Guarantor Subsid-iaries	Non-Guarantor Subsid-iaries	Elim-inations	Consol-idated
Cash flows from operating activities						
Net income	44,494	-	44,494	467	(44,961)	44,494
Adjustments to reconcile net income to net cash provided by (used in) operating activities						
Depreciation & amortization			2,727	176		2,903
Deferred tax provision	(1,414)					(1,414)
Provision for write-offs			1,265			1,265
Expenses related to retirement of debt						
Changes in operating assets and liabilities						
Increase in inventory			(93,594)	(423)		(94,017)
Origination of mortgage loans				(83,430)		(83,430)
Sale of mortgage loans				82,397		82,397
Increase in receivables, prepaid expense and other	(48,249)		(764)	901	44,961	(3,151)
Decrease in customer deposits			(882)			(882)
Increase in accounts payable and accrued expenses	6,853		(5,310)	317		1,860
Decrease in current taxes payable	(8,096)					(8,096)
Net cash used in operating activities	(6,412)	-	(52,064)	405	-	(58,071)
Cash flows from investing activities						
Purchase of property, construction & office equipment			(2,481)	(591)		(3,072)
Investment in unconsolidated entities			(2,000)			(2,000)
Distributions from unconsolidated entities			2,800			2,800
Net cash used in investing activities	-	-	(1,681)	(591)	-	(2,272)
Cash flows from financing activities						
Proceeds from loans payable			20,399	76,141		96,540
Principal payments on loans payable			(25,083)	(76,562)		(101,645)
Net proceeds from issuance of public debt			149,748			149,748
Redemption of public debt						
Proceeds from stock-based benefit plans	6,437					6,437
Purchase of treasury shares	(25)					(25)
Net cash provided by financing activities	6,412	-	145,064	(421)	-	151,055
Increase(decrease) in cash & equivalents	-	-	91,319	(607)	-	90,712
Cash & equivalents, beginning of period	-	-	179,434	3,406	-	182,840
Cash & equivalents, end of period	-	-	270,753	2,799	-	273,552

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to the recognition of income and expenses, impairment of assets, estimates of future improvement costs, capitalization of costs, provision for litigation, insurance and warranty claims and income taxes. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions or conditions.

We believe the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

Basis of Presentation
Our financial statements include the accounts of Toll Brothers, Inc. and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated. Investments in 20% to 50% owned partnerships and affiliates are accounted for on the equity method. Investments in less than 20% owned entities are accounted for on the cost method.

Inventory
Inventory is stated at the lower of cost or fair value in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." In addition to direct acquisition, land development and home construction costs, costs include interest, real estate taxes and direct overhead costs related to development and construction, which are capitalized to inventories during the period beginning with the commencement of development and ending with the completion of construction.

It takes approximately four to five years to fully develop, sell and deliver all the homes in one of our typical communities. Longer or shorter time periods are possible depending on the number of home sites in a community. Our master planned communities, consisting of several smaller communities, may take up to 10 years to complete. Since our inventory is considered a long-lived asset under accounting principles generally accepted in the United States, we are required to review the carrying value of each of our communities and write down the value of those communities for which we believe the values are not recoverable. When the profitability of a current community deteriorates or the sales pace declines significantly or some other factor indicates a possible impairment in the recoverability of the asset, we evaluate the property in accordance with the guidelines of SFAS No. 144. If this evaluation indicates that an impairment loss should be recognized, we charge cost of sales for the estimated impairment loss in the period determined.

In addition, we review all the land held for future communities or future sections of current communities, whether owned or under contract, to determine whether or not we expect to proceed with the development of the land. Based upon this review, we decide: (a) as to land that is under a purchase contract but not owned, whether the contract will be terminated or renegotiated; and (b) as to land we own, whether the land can be developed as

contemplated or in an alternative manner, or should be sold. We then further determine which costs that have been capitalized to the property are recoverable and which costs should be written off.

Income Recognition
Revenue and cost of sales are recorded at the time each home, or lot, is closed and title and possession are transferred to the buyer.

Land, land development and related costs (both incurred and estimated to be incurred in the future) are amortized to the cost of homes closed based upon the total number of homes to be constructed in each community. Any changes to the estimated costs subsequent to the commencement of delivery of homes are allocated to the remaining undelivered homes in the community. Home construction and related costs are charged to the cost of homes closed under the specific identification method.

The estimated land, common area development and related costs of master planned communities (including the cost of golf courses, net of their estimated residual value) are allocated to individual communities within a master planned community on a relative sales value basis. Any change in the estimated costs are allocated to the remaining lots in each of the communities of the master planned community.

Joint Venture Accounting
We have investments in three joint ventures with independent third parties to develop and sell land that was owned or is currently owned by our venture partners. We recognize our share of earnings from the sale of lots to other builders. We do not recognize earnings from lots we purchase from the joint ventures, but instead reduce our cost basis in these lots by our share of the earnings on those lot sales. We have agreed to purchase 180 lots from one of the ventures and have the right to purchase up to 385 lots from the second. The third venture has sold all the land that it owned and is currently in the process of completing the final land improvements on the site which could take 12 months or more to finish. Two of the joint ventures also participate in the profits earned on home sales from the lots sold to other builders above certain agreed upon levels. At January 31, 2003, we had an aggregate amount of approximately $15.1 million invested in these joint ventures and were committed to contribute additional capital in an aggregate amount of approximately $27.3 million if the joint ventures require it.

We also own 50% of a joint venture with an unrelated third party that is currently selling and building an active-adult, age-qualified community. At January 31, 2003, our investment was $1.2 million in this joint venture. We do not have any commitment to contribute additional capital to this joint venture.

In addition, Toll Brothers Realty Trust Group (the "Trust") was formed in 1998. The Trust is effectively owned by ourselves, a number of our senior executives and/or directors including Robert I. Toll, Bruce E. Toll (and certain members of his family), Zvi Barzilay (and certain members of his family) and Joel H. Rassman and with the Pennsylvania State Employees Retirement System to take advantage of commercial real estate opportunities that may present themselves from time to time. We provide development, finance and management services to the Trust and receive fees under various agreements. At January 31, 2003, our investment in the Trust was $7.6 million. We also entered into a subscription agreement whereby each group of investors agreed to invest up to an additional $9.3 million if required by the Trust. The subscription agreement expires in August 2003. The Trust currently owns and operates several office buildings and an apartment complex, a portion of which is rented and a small portion of which remains under construction.

In December 2002, our Board of Directors, upon the recommendation of the Real Estate Utilization Committee of the Board of Directors (the "Committee"), approved the sale to the Trust of a 62.2-acre parcel of land which is a portion of our master planned community known as The Estates at Princeton Junction in New Jersey, that is intended for development as multi-family apartment buildings (the "Property"). The Committee's recommendation was based upon the following advantages to us: (a) we will be able to influence the design and construction quality so as to enhance the overall master planned community; (b) there are synergies of development and marketing costs which may be a benefit to us; (c) the Trust will maintain a high quality of operations, ensuring that the existence of the apartments in the master plan will not negatively affect the image of the community as a whole; and (d) as has been our experience with another Trust property, apartment tenants are potential customers for our townhomes and single-family homes. Moreover, the sale will allow us to recover cash, remove the Property from our balance sheet, and free us from the need to provide capital from our credit facility to build the apartment units. The $9.8 million purchase price was approved by the Committee after reviewing an offer from an independent third party and after reviewing an independent professional appraisal.

We do not currently guarantee any indebtedness of the joint ventures or the Trust. Our total commitment to these entities is not material to our financial condition. These investments are accounted for on the equity method.

RESULTS OF OPERATIONS

The following table sets forth, for the three month periods ended January 31, 2003 and 2002 a comparison of certain income statement items related to our operations (amounts in millions):

	2003		2002	
	$	%	$	%
Housing sales				
Revenues	557.9		482.7	
Costs	405.2	72.6	351.4	72.8
Land sales				
Revenues	9.4		6.4	
Costs	7.6	80.7	4.2	65.7
Equity earnings in unconsolidated entities	0.3			
Other	2.7		3.1	
Total revenue	570.3		492.2	
Selling, general and administrative expenses*	65.6	11.5	52.4	10.6
Interest expense*	16.0	2.8	14.2	2.9
Expenses related to early retirement of debt*	3.9	.7	-	
Total costs and expenses*	498.3	87.4	422.2	85.8
Income before income taxes*	71.9	12.6	70.0	14.2

Note: Due to rounding, amounts may not add

* Percentages are based on total revenues.

HOUSING SALES

Housing revenues for the three months ended January 31, 2003 were higher than those for the comparable period of 2002 by approximately $75 million, or 16%. The increase was attributable to a 9% increase in the average price of the homes delivered and a 6% increase in the number of homes delivered. The increase in the average price of the homes delivered in the fiscal 2003 period was the result of increased selling prices and a shift in the location of homes delivered to more expensive areas. The increase in the number of homes delivered in the three month period of fiscal 2003 is primarily due to the higher backlog of homes at October 31, 2002 as compared to October 31, 2001 which was primarily the result of a 17% increase in the number of new contracts signed in fiscal 2002 over fiscal 2001.

The value of new sales contracts signed was $586.2 million (1,066 homes) in the three months ended January 31, 2003, a 21% increase over the value of contracts signed in the comparable period of fiscal 2002 of $485.2 million (928 homes). This increase is attributable to a 15% increase in the number of units sold and a 5% increase in the average selling price of the homes (due primarily to the location and size of homes sold and increases in base selling prices). The increase in the number of units sold is attributable to the continued demand for our product and an increase in the number of communities from which we are selling. At January 31, 2003, we were selling from 172 communities compared to 165 communities at January 31, 2002 and 170 communities at October 31, 2002.

We believe that the demand for our product is attributable to an increase in the number of affluent households, the maturation of the baby boom generation, a constricted supply of available new home sites, attractive mortgage rates and the belief of potential customers that the purchase of a home is a stable investment in the current period of economic uncertainty. At January 31, 2003, we had over 40,000 home sites under our control nationwide in markets we consider to be affluent.

At January 31, 2003, our backlog of homes under contract was $1.89 billion (3,387 homes), 34% higher than the $1.41 billion (2,662 homes) backlog at January 31, 2002. The increase in backlog at January 31, 2003 compared to the backlog at January 31, 2002 is primarily attributable to a higher backlog at October 31, 2002 as compared to the backlog at October 31, 2001 and the increase in the value and number of new contracts signed in the fiscal 2003 period as compared to the fiscal 2002 period, offset, in part, by the higher deliveries in the fiscal 2003 period compared to the fiscal 2002 period. Based on the size of our current backlog, the continued demand for our product and the increased number of selling communities from which we are operating and the additional communities we expect to open in the coming months, we believe that we will deliver approximately 5,000 homes in fiscal 2003 and that the average delivered price of those homes will be between $525,000 and $535,000.

Housing costs as a percentage of housing sales decreased slightly in the three-month period ended January 31, 2003 period as compared to the comparable period of fiscal 2002. The decrease was largely the result of selling prices increasing at a greater rate than costs and lower inventory write-offs, offset, in part, by higher land and improvement costs. We incurred $.3 million in write-offs in the three-month period ended January 31, 2003 as compared to $1.3 million in the comparable period of fiscal 2002. For the full 2003 fiscal year, we expect that home costs will increase slightly as a percentage of home sales revenue due primarily to geographic and product mix changes.

LAND SALES

We are developing several communities in which we sell a portion of the land to other builders. The amount of land sales will vary from quarter to quarter depending upon the scheduled timing of the delivery of the land parcels. Land sales amounted to $9.4 million for the three months ended January 31, 2003 as compared to $6.4 million for the comparable period of fiscal 2002. In fiscal 2003, land sales are expected to be approximately $24 million compared to $36.2 million in fiscal 2002.

EQUITY EARNINGS IN UNCONSOLIDATED JOINT VENTURES

We are a participant in several joint ventures and in Toll Brothers Realty Trust Group. We recognize our proportionate share of the earnings from these entities. (See "Critical Accounting Policies - Joint Venture Accounting" for a narrative of our investments in and commitments to these entities.) Earnings from the joint ventures will vary significantly from quarter to quarter. For fiscal 2003, we expect to realize approximately $2 million of income from our investments in the joint ventures and the Trust compared to $1.9 million in fiscal 2002.

INTEREST AND OTHER INCOME

For the three months ended January 31, 2003, interest and other income decreased $.4 million as compared to the three months ended January 31, 2002. This decrease was primarily the result of a decrease in interest income, a decrease in retained customer deposits and a decrease in management and construction fee income, offset, in part, by higher income realized from our ancillary businesses. For the full 2003 fiscal year, we expect interest and other income to be approximately $12 million compared to $11.7 million in fiscal 2002.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES ("SG&A")

SG&A spending increased by $13.2 million, or 25%, in the three-month period ended January 31, 2003 as compared to the comparable period of fiscal 2002. This increased spending was principally due to the costs incurred by the greater number of selling communities that we had during the three-month period of fiscal 2003 as compared to the comparable period of fiscal 2002 and higher insurance costs. For the full 2003 fiscal year, we expect that SG&A will increase slightly as a percentage of revenues compared to the full 2002 fiscal year.

INTEREST EXPENSE

We determine interest expense on a specific lot-by-lot basis for our homebuilding operations and on a parcel-by-parcel basis for land sales.

As a percentage of total revenues, interest expense varies depending on many factors, including the period of time that we owned the land, the length of time that the homes delivered during the period were under construction, and the interest rates and the amount of debt carried by us in proportion to the amount of our inventory during those periods. Interest expense as a percentage of revenues was approximately the same for the three-month period ended January 31, 2003 as compared to the comparable period of fiscal 2002. For the full 2003 fiscal year, we expect interest expense as a percentage of revenues to be comparable to the fiscal 2002 percentage.

EXPENSES RELATED TO THE EARLY RETIREMENT OF DEBT

We recognized a pretax charge of $3.9 million in the first quarter of fiscal 2003 representing the premium paid on redemption of our 8 3/4% Senior Subordinated Notes due 2006 and the write-off of unamortized bond issuance costs related to these notes. No similar charge was incurred in fiscal 2002.

INCOME BEFORE INCOME TAXES

Income before taxes increased 3% in the three-month period ended January 31, 2003 as compared to the comparable period of fiscal 2002.

INCOME TAXES

Income taxes were provided at an effective rate of 36.9% and 36.4% for the three-month periods ended January 31, 2003 and 2002, respectively. The difference in rates in the three-month period of fiscal 2003 as compared to the comparable period of fiscal 2002 was due primarily to higher tax-free income in fiscal 2002 as compared to fiscal 2003.

CAPITAL RESOURCES AND LIQUIDITY

Funding for our operations has been provided principally by cash flow from operations, unsecured bank borrowings and the public debt markets.

In general, cash flow from operations assumes that as each home is delivered we will purchase a home site to replace it. Because we own several years supply of home sites, we do not have to immediately buy lots to replace the ones delivered. Accordingly, we believe that cash flow from operations before inventory additions is a better gauge of liquidity.

Cash flow from operations, before inventory additions, has improved as operating results have improved. One of the main factors that determines cash flow from operations, before inventory additions, is the level of revenues from the delivery of homes and land sales. We anticipate that cash flow from operations, before inventory additions, will continue to be strong. We have used our cash flow from operations, before inventory additions, bank borrowings and public debt to: acquire additional land for new communities; fund additional expenditures for land development; fund construction costs needed to meet the requirements of our increased backlog and the increasing number of communities in which we are offering homes for sale; repurchase our stock; and repay debt. We expect that our inventory will continue to increase and we are currently negotiating and searching for additional opportunities to obtain control of land for future communities. At January 31, 2003, we had commitments to acquire land of approximately $755 million, of which approximately $66 million had been paid or deposited.

At January 31, 2003, we had a $615 million unsecured revolving credit facility with 19 banks, of which $90 million extended to February 2003 and $525 million extends to March 2006. During February 2003, one bank, whose commitment under the revolving credit facility was expiring, extended $15 million of its commitment to March 2006. On February 24, 2003 the remaining $75 million of bank commitments expired, reducing the facility to $540 million. At January 31, 2003, we had no borrowings and approximately $78.9 million of letters of credit outstanding under the facility.

In November 2002, we issued $300 million of 6.875% Senior Notes due 2012. We used a portion of the proceeds to repay all of the $100 million outstanding of our 8 3/4% Senior Subordinated Notes due 2006, and we have used and will use the remaining proceeds for general corporate purposes.

We believe that we will be able to continue to fund our activities through a combination of existing cash resources, cash flow from operations and existing sources of credit, including the public debt markets.

INFLATION

The long-term impact of inflation on us is manifested in increased costs for land, land development, construction and overhead, as well as in increased sales prices. We generally contract for land significantly before development and sales efforts begin. Accordingly, to the extent land acquisition costs are fixed, increases or decreases in the sales prices of homes may affect our profits. Since the sales prices of homes are fixed at the time a buyer enters into a contract to acquire a home and we generally contract to sell a home before commencement of construction, any inflation of costs in excess of those anticipated may result in lower gross margins. We generally attempt to minimize that effect by entering into fixed-price contracts with our subcontractors and material suppliers for specified periods of time, which generally do not exceed one year.

In general, housing demand is adversely affected by increases in interest costs, as well as in housing costs. Interest rates, the length of time that land remains in inventory and the proportion of inventory that is financed affect our interest costs. If we are unable to raise sales prices enough to compensate for higher costs, or if mortgage interest rates increase significantly, affecting prospective buyers' ability to adequately finance home purchases, our revenues, gross margins and net income would be adversely affected. Increases in sales prices, whether the result of inflation or demand, may affect the ability of prospective buyers to afford new homes.

HOUSING DATA
(For the three months ended January 31, 2003 and 2002)

	Units		$(Millions)	
	2003	2002	2003	2002
CLOSINGS				
Northeast				
(MA, RI, NH, CT, NY, NJ)	168	223	99.2	115.6
Mid-Atlantic (PA, DE, MD, VA)	379	328	182.4	153.5
Midwest (OH, IL, MI)	87	112	43.5	55.0
Southeast (FL, NC, TN)	163	131	73.4	52.6
Southwest (AZ, NV, TX)	130	109	67.4	57.4
West Coast (CA)	109	76	92.0	48.6
Total	1,036	979	557.9	482.7
CONTRACTS(1)				
Northeast				
(MA, RI, NH, CT, NY, NJ)	141	190	88.9	108.1
Mid-Atlantic (PA, DE, MD, VA)	435	319	219.4	145.8
Midwest (OH, IL, MI)	94	78	49.8	37.7
Southeast (FL, NC, TN)	115	115	55.8	55.2
Southwest (AZ, NV, TX, CO)	178	116	96.6	53.6
West Coast (CA)	103	110	75.7	84.8
Total	1,066	928	586.2	485.2
BACKLOG(1)				
Northeast				
(MA, RI, NH, CT, NY, NJ)	633	618	374.4	323.1
Mid-Atlantic (PA, DE, MD, VA)	1,190	824	584.3	384.5
Midwest (OH, IL, MI)	288	282	156.2	129.5
Southeast (FL, NC, TN)	336	312	186.9	154.0
Southwest (AZ, NV, TX, CO)	584	349	297.8	183.8
West Coast (CA)	356	277	292.2	234.7
Total	3,387	2,662	1,891.8	1,409.6

(1) Contracts for the three months ended January 31, 2003 and 2002 include $3.1 million (10 homes) and $1.8 million (6 homes), respectively, from an unconsolidated 50% owned joint venture. Backlog at January 31, 2003 and 2002 includes $7.8 million (25 homes) and $5.4 million (17 homes), respectively, from this joint venture.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk primarily due to fluctuations in interest rates. We utilize both fixed rate and variable rate debt. For fixed rate debt, changes in interest rates generally affect the fair market value of the debt instrument, but not our earnings or cash flow. Conversely, for variable rate debt, changes in interest rates generally do not impact the fair market value of the debt instrument, but will affect our earnings and cash flow. We do not have the obligation to prepay fixed rate debt prior to maturity, and, as a result, interest rate risk and changes in fair market value should not have a significant impact on such debt until we are required to refinance such debt.

The table below sets forth, at January 31, 2003, our debt obligations, principal cash flows by scheduled maturity, weighted-average interest rates and estimated fair value (amounts in thousands):

	Fixed Rate Debt		Variable Rate Debt(1)(2)	
Fiscal Year of Expected Maturity	Amount	Weighted Average Interest Rate (%)	Amount	Weighted Average Interest Rate (%)
2003	$ 23,139	6.73	$50,086	2.91
2004	2,519	7.40	150	1.25
2005	208,393	7.76	150	1.25
2006	3,937	6.89	150	1.25
2007	101,888	7.70	150	1.25
Thereafter	920,000	7.75	3,860	1.25
Discount	(1,943)			
Total	$1,257,933	7.73	$54,546	2.77
Fair value at January 31, 2003	$1,303,687		$54,546	

(1) At January 31, 2003, we had a $615 million unsecured revolving credit facility with 19 banks, of which $90 million extended to February 2003 and $525 million extends to March 2006. During February 2003, one bank, whose commitment under the revolving credit facility was expiring, extended $15 million of its commitment to March 2006. On February 24, 2003 the remaining $75 million of bank commitments expired, reducing the facility to $540 million. At January 31, 2003, we had no borrowings and approximately $78.9 million of letters of credit outstanding under the facility. Interest is payable on borrowings under this facility at .90% (this rate will vary based upon our corporate debt rating and leverage ratios) above the Eurodollar rate or at other specified variable rates as selected by us from time to time.

(2) One of our subsidiaries has a $50 million line of credit with a bank to fund mortgage originations. In February 2003, the subsidiary increased its line of credit to $70 million. The line is due within 90 days of demand by the bank and bears interest at the bank's overnight rate plus an agreed upon margin. At January 31, 2003, the subsidiary had $49.9 million outstanding under the line at an average interest rate of 2.91%. Borrowing under this line is included in the 2003 fiscal year maturities.

Based upon the amount of variable rate debt outstanding at January 31, 2003 and holding the variable rate debt balance constant, each one percentage point increase in interest rates would increase the interest incurred by us by approximately $546 thousand per year.

ITEM 4. CONTROLS AND PROCEDURES

Our chief executive officer and chief financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934, as amended) within 90 days of the filing date of this report (the "Evaluation Date") and, based on that evaluation, concluded that, as of the Evaluation Date, we had sufficient controls and procedures for recording, processing, summarizing and reporting information that is required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, within the time periods specified in the SEC's rules and forms.

There have not been any significant changes in our internal controls or in other factors that could significantly affect these controls since the Evaluation Date, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

We are involved in various claims and litigation arising principally in the ordinary course of business. We believe that the disposition of these matters will not have a material adverse effect on our business or our financial condition. There are no proceedings required to be disclosed pursuant to Item 103 of Regulation S-K.

ITEM 2. Changes in Securities and Use of Proceeds

None

ITEM 3. Defaults upon Senior Securities

None

ITEM 4. Submission of Matters to a Vote of Security Holders

None

ITEM 5. Other Information

None

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 4.1 Indenture dated as of November 22, 2002 between Toll Brothers Finance Corp., as issuer, Toll Brothers, Inc., and the other Guarantors (as defined in Section 1.01 thereof) and Bank One Trust Company, N.A., as Trustee, is hereby incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on November 27, 2002.

Exhibit 4.2 Authorizing Resolutions relating to the $300,000,000 principal amount of 6.875% Senior Notes due 2012 of Toll Brothers Finance Corp. guaranteed on a Senior Basis by Toll Brothers, Inc. and certain of its subsidiaries, is hereby incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed with the Securities and Exchange Commission on November 27, 2002.

Exhibit 4.3* Registration Rights Agreement dated as of November 22, 2002 by and among Toll Brothers Finance Corp., Toll Brothers, Inc., Salomon Smith Barney, Inc., Banc of America Securities LLC and Banc One Capital Markets, Inc. and each of the initial purchasers named on Schedule A attached thereto.

Exhibit 10.1* Purchase Agreement dated November 15, 2002 between Toll Brothers Finance Corp., Toll Brothers, Inc., Salomon Smith Barney Inc., Banc of America Securities LLC and Banc One Capital Markets, Inc. and each of the initial purchasers named therein.

Exhibit 99.1* Certification of Robert I. Toll pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99.2* Certification of Joel H. Rassman pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*Filed electronically herewith.

(b) Reports on Form 8-K

During the quarter ended January 31, 2003, we filed the following Current Reports on Form 8-K:

(1) On November 15, 2002, we filed a Current Report on Form 8-K for the purpose of filing consolidating financial statements of Toll Brothers, Inc.

(2) On November 18, 2002, we filed a Current Report on Form 8-K for the purpose of filing a press release related to the announcement of Toll Brothers Finance Corp.'s agreement to sell $300 million of 6.875% Senior Notes due 2012.

(3) On November 22, 2002, we filed a Current Report on Form 8-K for the purpose of filing a press release related to the announcement of Toll Corp.'s redemption of all $100 million outstanding of its 8 3/4% Senior Subordinated Notes due 2006.

(4) On November 27, 2002, we filed a Current Report on Form 8-K for the purpose of filing documents related to Toll Brothers Finance Corp.'s issuance of $300 million of 6.875% Senior Notes due 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TOLL BROTHERS, INC.
(Registrant)

Date: March 14, 2003 By: /S/ Joel H. Rassman
Joel H. Rassman
Executive Vice President,
Treasurer and Chief
Financial Officer

Date: March 14, 2003 By: /s/ Joseph R. Sicree
Joseph R. Sicree
Vice President -
Chief Accounting Officer
(Principal Accounting Officer)

CERTIFICATION

I, Robert I. Toll, Chief Executive Officer of Toll Brothers, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Toll Brothers, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and
(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 14, 2003

By: _/s/ Robert I. Toll_____
Robert I. Toll
Chief Executive Officer

CERTIFICATION

I, Joel H. Rassman, Chief Financial Officer of Toll Brothers, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Toll Brothers, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weakness in internal controls; and
(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 14, 2003

By: /s/ Joel H. Rassman
Joel H. Rassman
Chief Financial Officer