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NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Capital Group Announces Tricon XII Limited Partnership Investment in Landmark Downtown Toronto Condominium Development

Toronto, Ontario – January 24, 2012 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon”) today announced that the Tricon XII Limited Partnership (“Tricon XII” or the “Fund”) has successfully closed a \$25.5 million loan to help finance the acquisition of 197-201 Yonge Street (the “Property”) and the subsequent development of a high-rise mixed-use tower thereon.

The Property is a 20,300 square foot infill parcel located in the celebrated “Theatre Block” in the heart of downtown Toronto. It is currently improved with the historically designated Canadian Bank of Commerce Building (built in 1905), which will be fully restored and integrated into the development. Furthermore, a portion of the Property fronting Victoria Street will be donated to the adjacent Massey Hall, one of Toronto’s most acclaimed live music venues. The project will be known as Massey Tower, in honour of the Massey family and the music hall that bears its name.

Massey Tower will be developed by a joint venture between MOD Developments Inc. and Intracorp Developments Ltd., both prior clients of Tricon with strong track records of developing high-rise condominiums. The project is being designed by Hariri Pontarini Architects, winners of the coveted Governor General’s Medal for architectural excellence and the architects for several previous Tricon investments including 100 Yorkville and FIVE Condos at 5 St. Joseph.

“The Massey Tower development represents an extraordinary step in the revitalization of Yonge Street. The property’s location, adjacent to the Queen Street subway station and the Eaton Centre as well as its close proximity to Toronto’s Financial District and Ryerson University, is ideal for residential development,” said David Berman, Tricon’s Chairman and Chief Executive Officer. “We are also pleased to be working with two of our previous development partners on this transaction and are confident in their ability to replicate past successes. This is a great first investment for Tricon XII and Tricon looks forward to announcing additional Fund investments in the months to come.”

Tricon XII is a \$140 million Canadian-dedicated residential development fund which is targeting a gross IRR of 18% per annum. Tricon is still actively raising capital for the Fund and a final close is expected prior to March 23, 2012.

About Tricon Capital Group Inc.

Founded in 1988, Tricon (Toronto Stock Exchange: TCN) is one of North America's pre-eminent asset managers focused on the residential real estate development industry with approximately \$1 billion of assets under management. Tricon participates in the development of residential properties in Canada and the United States by acting as the manager of limited partnerships that provide financing to developers, typically in the form of participating loans, with a specific focus on residential land development, single-family homebuilding, multi-family construction and retail developed in conjunction with residential projects. Since inception, Tricon has invested in over 140 transactions for development projects valued at approximately \$9 billion. More information about Tricon is available at www.triconcapital.com.

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