

NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon's Growth Plans Begin to Take Hold

Toronto, Ontario – May 11, 2012 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”) today announced its results for the first quarter ended March 31, 2012. Financial Statements and Management’s Discussion and Analysis are available on the Tricon website at www.triconcapital.com and have been filed on SEDAR. Results are prepared in accordance with International Financial Reporting Standards (“IFRS”), except as disclosed in Note 2 below, and are presented in Canadian dollars rounded to the nearest thousand.

Quarterly Highlights:

- Assets Under Management increased by approximately \$85.2 million from March 31, 2011 to \$992,371,000, as at March 31, 2011 and increased by approximately \$28.3 million for the quarter, primarily as a result of the closing of new Canadian fund Tricon XII.
- Net and Comprehensive Income for the quarter ending March 31, 2012 increased by approximately \$438,000 to \$243,000, when compared to the corresponding period in 2011. Similarly basic and diluted Earnings per Share increased at March 31, 2012 to \$0.01 per share compared to (\$0.01) per share at March 31, 2011.
- Adjusted Base Revenues for the quarter ended March 31, 2012 increased by \$728,000 to \$3,299,000 when compared to quarter ended March 31, 2011 primarily as a result of the “catch-up” provision on prior year General Partner Distributions from Tricon XII.
- Adjusted Base EBITDA for Q1 2012 increased by \$610,000 to \$1,709,000, Adjusted EBITDA for Q1 2012 increased by \$517,000 to \$1,709,000, and Adjusted Net Income for Q1 2012 increased by \$451,000 to \$1,109,000 when compared to the corresponding period in 2011.
- Tricon XII, Tricon’s largest Canadian managed fund to date, had a further close on March 22, 2012 thereby increasing total fund commitments to \$185,750,000.
- A large U.S. institutional investor continues to move forward on due diligence for Tricon XI, with an initial close now anticipated in Q2 2012. Fundraising efforts will continue with subsequent closings permitted for a period of one year from the date of initial closing.

Quarterly Dividend Declared:

- On May 8, 2012, the Board of Directors declared a dividend of 6 cents per share to shareholders of record on June 30, 2012 payable on July 13, 2012.

Subsequent Events:

- On April 13, 2012, the Company closed a separate investment account for approximately US\$150 million (the “Transaction”) with a large Canadian institutional investor to support the acquisition and development of the award-winning, 3,200 acre Cross Creek Ranch master-planned community in Houston, Texas. The Company will commit approximately 10% of the required capital to the Transaction, with the balance being committed by Tricon’s institutional partner and the project’s developer. The Transaction will increase the Company’s AUM to greater than \$1.1 billion.
- On April 27, 2012, the Company issued 12,937,500 common shares in a bought deal financing at \$4.00 per share for gross proceeds of \$51,750,000. The Company plans to use the net proceeds from the offering of approximately \$49,304,000 primarily for its new U.S. distressed single-family home rental strategy.

“We had a very successful first quarter, with across-the-board improvements in all of our key financial metrics. Fundraising for our new Canadian fund Tricon XII is now complete with total commitments far exceeding our expectations,” said David Berman, Chairman and Chief Executive Officer. “Subsequent to quarter end, we moved forward with two new strategic initiatives: a large separate account transaction with a major institutional investor and the launch of our new U.S. distressed single-family rental strategy, with the latter being financed by an equity offering from treasury. We expect that these initiatives, which collectively target distressed residential land and single-family rental homes, will prove to be among the best strategies for capitalizing on the nascent U.S. economic recovery.”

Selected Financial Summary

	At Mar. 31 2012	At Mar. 31 2011
Assets Under Management	\$992,371,000	\$907,162,000
	<u>Twelve Months Ended Mar 31</u>	
	2012	2011
Adjusted Base Revenue	\$3,299,000	\$2,571,000
Net Income (Loss) ⁽¹⁾	\$243,000	(\$195,000)
Adjusted Base EBITDA ⁽²⁾	\$1,709,000	\$1,099,000
Adjusted EBITDA ⁽²⁾	\$1,709,000	\$1,192,000
Adjusted Net Income ⁽²⁾	\$1,109,000	\$658,000
Net Income (Loss) – Per Share	\$0.01	(\$0.01)
Adjusted Net Income – Per Share ⁽²⁾	\$0.06	\$0.04
Shares Outstanding	18,230,471	18,240,871

Notes: (1) Net Income includes several Non-Recurring and Non-Cash items, including a significant LTIP accrual as mandated by IFRS. Please see MD&A for additional detail.

(2) Tricon measures the success of its business by employing several key performance indicators which are not recognized under IFRS, including AUM, Adjusted Base EBITDA, Adjusted EBITDA and Adjusted Net Income. These indicators should not be considered an alternative to IFRS financial measures such as Net Income. Non-IFRS financial measures do not have standardized definitions prescribed by IFRS and are therefore unlikely to be comparable with other issuers or companies. Refer to our Management & Discussion Analysis for a reconciliation of the Non-IFRS measures to the closest comparable IFRS measures.

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on May 11, 2012, to discuss the results. Please call 416-800-1066 or 1-866-212-4491. The conference call will also be accessible via webcast at www.triconcapital.com (go to Investor Information – Events). A replay of the conference call will be available until midnight May 18, 2012. To access the replay, call 1-866-583-1035, followed by passcode 2846784#.

Forward-Looking Statements

This press release may contain forward-looking statements relating to expected future events and financial and operating results and projections of the Company, including statements regarding future plans, objectives or economic performance that involve risks and uncertainties. Forward-looking information and statements are based on management's expectations, intentions and assumptions. If unknown risks arise, or if any of the assumptions underlying the forward-looking statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking statements. Examples of such risks include, but are not limited to, the risks disclosed in the Company's final prospectus dated May 14, 2010, as available at www.sedar.com and the risks described in the Company's continuous disclosure materials from time-to-time. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

About Tricon Capital Group Inc.

Founded in 1988, Tricon is one of North America's leading residential real estate investment companies with approximately \$1 billion of assets under management. Tricon provides financing to local operators or developers in select markets in the United States and Canada, with a primary focus on for-sale housing in growing markets. Since inception, Tricon has invested in approximately 150 transactions for development projects valued at roughly \$10 billion. More information about Tricon is available at www.triconcapital.com.

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