

NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Reports Strong Q1 2013 Results Driven By U.S. Distressed Single-Family Rental Strategy

Toronto, Ontario – May 9, 2013 – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”) today announced its results for the three months ended March 31, 2013 (“Q1 2013”). The Company’s Financial Statements and Management’s Discussion and Analysis are available on the Tricon website at www.triconcapital.com and have been filed on SEDAR. The following information is presented in Canadian dollars rounded to the nearest thousand, please also see Note 2 below.

Highlights:

- Adjusted Base Revenues for the quarter increased by 374% from \$3,299,000 to \$15,642,000 when compared to the quarter ended March 31, 2012 (“Q1 2012”) primarily as a result of contributions from Tricon’s U.S. single-family home strategy, which was launched in Q2 2012.
- Adjusted EBITDA for Q1 2013 increased from \$1,709,000 to \$15,007,000, a 778% increase over Q1 2012, largely from positive fair value adjustments to Tricon’s portfolio of U.S single-family rental homes.
- Similarly, Adjusted Net Income for Q1 2013 was \$8,363,000, approximately 654% or \$7,254,000 higher than the \$1,109,000 earned in Q1 2012. As a result, Adjusted Basic Earnings per Share for Q1 2013 increased by 233% to \$0.20 compared to \$0.06 earned for the corresponding period in 2012.
- AUM at March 31, 2013 was nearly \$1.2 billion - approximately \$44.5 million higher than December 31, 2012 and approximately \$167.5 million higher than Q1 2012.
- The Company’s U.S. single-family home rental platform generated Single-Family Gross Operating Income (“SFGOI”) of \$2,760,000 for Q1 2013, more than double the previous quarter’s results. In addition to the SFGOI earned, the Company reported a fair market value adjustment in respect of its Investment Properties of \$11,740,000 (net of operator performance fees potentially payable), with the majority of this increase coming from Tricon’s Charlotte assets.
- As expected, Single-Family Gross Operating Income margin improved to 61% in Q1 2013 compared to 53% for full-year 2012. This improvement is a result of the portfolio’s increasing occupancy rate which was 76% at quarter end. The occupancy rate for homes owned six months or more was 91%, a nominal decline from the previous quarter as a result of a typically slow winter leasing period. This rate has increased to approximately 95% after accounting for leases signed in April, a historically strong leasing month). The portfolio’s gross yield of 14% at quarter-end continues to exceed expectations.

- During the quarter Tricon acquired 318 homes, increasing the current housing portfolio to 1,866 homes, of which 1,794 homes are rental stock and 72 homes were inventoried for sale. Q1 is typically a “slow season” for the housing market and acquisition volumes have already begun to increase meaningfully in Q2 2013. Tricon sold 34 Inventory Homes in Q1 2013 with a gross profit margin of approximately 8%, which equates to a 25% annualized non-compounded return.

“Following our successful 2012, Tricon got off to a very strong start in 2013 with record Q1 earnings and a particularly positive performance from our U.S. single-family rental platform, which is beginning to generate meaningful cash flow and continues to exceed our peer group on key metrics such as occupancy rate. The sizable increase in the fair value adjustment of our rental portfolio further validates our decision to enter the business and clearly demonstrates the upside that is achievable through home price appreciation,” said David Berman, Chairman and Chief Executive Officer. “The investments within our various funds continue to perform either in-line or ahead of expectations and we are actively pursuing a growing pipeline of ‘value add’ residential land investments in the United States. We are pleased with our results to date and expect to build on this success throughout the remainder of the year and beyond”.

Selected Financial Summary

	<u>At Mar. 31 2013</u>	<u>At Mar. 31 2012</u>
Assets Under Management	\$1,159,917,000	\$992,371,000
	<u>Three Months Ended March 31</u>	
	<u>2013</u>	<u>2012</u>
Adjusted Base Revenue	\$15,642,000	\$3,299,000
Net Income ⁽¹⁾	\$6,386,000	\$243,000
Adjusted Base EBITDA ⁽²⁾	\$15,003,000	\$1,709,000
Adjusted EBITDA ⁽²⁾	\$15,007,000	\$1,709,000
Adjusted Net Income ⁽²⁾	\$8,363,000	\$1,109,000
Net Income – Per Share	\$0.15	\$0.01
Adjusted Net Income – Per Share ⁽²⁾	\$0.20	\$0.06
Shares Outstanding ⁽³⁾	41,754,012	18,230,471

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, Adjusted Net Income and Adjusted Funds From Operations. 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 MD&A for a reconciliation of the Non-IFRS measures to the closest comparable IFRS measures.

(3) Weighted average common shares outstanding are shown for all periods.

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on May 9, 2013, to discuss the results. Please call 647-788-4901 or 1-877-201-0168. 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 from noon on May 9, 2013 until midnight on May 16, 2013. To access the replay, call 1-800-585-8367, followed by pass code 32348141#.

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 short form prospectus dated April 24, 2012, the risks described in the Company's continuous disclosure materials from time-to-time, as available on SEDAR at www.sedar.com. 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 \$1.2 billion of third-party assets under management and a portfolio of nearly 2,000 U.S. single-family rental homes. 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 more than \$10 billion. More information about Tricon is available at www.triconcapital.com.

For further information, please contact:

June Alikhan
Chief Financial Officer
Tel: 416-928-4116
Email: jalikhan@triconcapital.com

Gary Berman
President
Tel: 416-928-4122
Email: gberman@triconcapital.com