

NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Reports Robust 1Q14 Results

Toronto, Ontario – May 12, 2014 – Tricon Capital Group Inc. announced results for the quarter ended March 31, 2014 (1Q14). Continuing the momentum of 2013, quarterly Adjusted Base Revenue rose 320% YOY to \$22.3 million which drove a 469% YOY increase in Adjusted Base EBITDA. David Berman, Chairman and CEO stated that “The year 2014 is off to a strong start as we delivered meaningful revenue growth in each of our business segments. Furthermore, we were very pleased to announce several exciting new initiatives including an investment in The Johnson Companies LP, the development management division of one of the most active development managers in the country¹, and our entry into the U.S. manufactured housing industry which we have been exploring for quite some time. Our cash flow generation remains in line with our expectations while we recently boosted our liquidity with an increase in our corporate credit facility from \$45 million to \$105 million.”

Financial Highlights (summarized in table below):

- Adjusted Base Revenue rose 320% year over year (YOY) to \$22.3 million which resulted in a 469% YOY increase in Adjusted Base EBITDA. This significant growth was driven by the increase in the Company’s share of Investment Income post the acquisition of 68.4% of Tricon IX in 3Q13, as well as continued momentum in Rental Revenue in Tricon American Homes and Contractual Fees generated post the final close of Tricon XI and new separate accounts and side-car investments in 2H13.
- Adjusted EBITDA increased 75% YOY to \$26.3 million. The improvement benefited from robust revenue growth in all of the Company’s major business segments including Private Funds and Advisory, Single-Family Rental, and Land and Homebuilding. In particular, Contractual Fees income and Investment Income – Land and Homebuilding increased YOY by 45% and 1,945%, respectively. The Company’s revenue growth was further augmented by positive SFR Fair Value Adjustments.
- Adjusted Net Income increased 50% YOY to \$12.4 million, driven by the overall increase in Adjusted EBITDA.
- The 1Q14 Adjusted Basic EPS and Adjusted Diluted EPS decreased by 30% and 45% YOY to \$0.14 and \$0.11, respectively, primarily as a result of a 118% and 158% YOY increase in the weighted average share count to 90.8 million and 109.3 million, respectively.

¹ Source: John Burns Real Estate Consulting, Top 20 Master-Planned Communities Ranking in 2013

Operational Highlights:

Single-Family Rental (Tricon American Homes)

- Realized Investment Income – Single-Family Rental: As of March 31, 2014, the SFR portfolio had grown 107% YOY to 3,858 homes and produced Investment Income of \$3.6 million for the period, representing a 126% YOY and 46% sequential increase. The portfolio occupancy rate of 77% and NOI margin of 64% are consistent with management’s expectations for the segment.
- Unrealized Investment Income – Single-Family Rental Fair Value Adjustment: The Company recorded a fair value increase of \$8.6 million and spent \$13.2 million in capital expenditures during the quarter which was absorbed in the fair value of its single-family home portfolio. Since inception, the FVA has totaled US\$42.9 million or 9.1% of total cost basis.
- We surpassed 4,000 homes in April 2014 and we are on track to meet or exceed our goal of acquiring 5,000 homes by early 2015.

Land and Homebuilding

- Investment Income – Land and Homebuilding increased in 1Q14 by 1,945% YOY to \$14.8 million, primarily due to the acquisition of the 68.4% interest in Tricon IX in 3Q13.
- In March 2014, the Company completed the Tricon XII investment program with the closing of a C\$60.0 million commitment to the Mahogany master-planned community in Calgary, Alberta, with C\$40.0 million allocated to Tricon XII and C\$20.0 million syndicated to existing limited partners.

Private Funds and Advisory

Over the course of the past 12 months, the Company’s third party AUM reached \$1.1 billion as a result of the following:

- Increased commitment in Tricon XI to US\$333.7 million
- The addition of two new separate accounts and one side-car investment in 2H13 with commitments totaling US\$185.8 million
- The close of one syndicated investment account with a commitment of C\$20.0 million

Assets Under Management

AUM at March 31, 2014 increased to over \$2.0 billion, representing a 75% YOY increase as a result of the aforementioned new investments in our Private Funds and Advisory business, as well as:

- Increased investment in U.S. single-family rental properties of \$356.9 million
- Unrealized foreign exchange gain of \$83.6 million

These increases were offset by:

- A \$14.4 million reduction in Tricon VIII’s AUM as a result of distributions made to LPs

Subsequent Events

- On April 15, 2014, the Company closed on a US\$18.5 million strategic investment to acquire a 50.1% ownership interest in The Johnson Companies LP (“Johnson”), a leading Houston-based land development manager. Tricon will earn recurring cash flow from existing and future management contracts related to the development and sale of master planned communities in the United States that are managed by Johnson.
- On April 24, 2014, the Company entered into a partnership agreement with Cobblestone Real Estate LLC to pursue an acquisition strategy that targets both age-restricted and all-age manufactured housing communities in the U.S. “sun belt” markets.
- On April 30, 2014, the Company announced it had increased its Corporate credit facility to \$105 million from \$45 million. The new credit facility, financed jointly by The Royal Bank of Canada, J.P. Morgan Chase, TD Securities Inc., and Raymond James, is scheduled to mature in April 2018 and the terms are in line with the prior revolver.
- On May 12, 2014, the Board of Directors declared a dividend of 6 cents per share to shareholders of record on June 30, 2014 payable on July 15, 2014.

Selected Financial Summary

	<u>At Mar. 31, 2014</u>	<u>At Mar. 31 2013</u>	<u>% Change</u>
Assets Under Management	\$2,034,505,000	\$1,159,917,000	75%
	<u>Three Months Ended Mar. 31</u>	<u>2013</u>	<u>% Change</u>
	<u>2014</u>	<u>2013</u>	
Adjusted Base Revenue	\$22,270,000	\$5,307,000	320%
Net Income (Loss)	\$32,211,000	\$9,679,000	233%
Adjusted Base EBITDA	\$19,204,000	\$3,375,000	469%
Adjusted EBITDA	\$26,311,000	\$15,022,000	75%
Adjusted Net Income	\$12,423,000	\$8,275,000	50%
Basic Earnings Per Share	\$0.35	\$0.23	52%
Diluted Earnings Per Share	\$0.30	\$0.23	30%
Adjusted Basic Earnings Per Share	\$0.14	\$0.20	(30%)
Adjusted Diluted Earnings Per Share	\$0.11	\$0.20	(45%)
Weighted Average Basic Shares O/S	90,843,782	41,754,012	118%
Weighted Average Diluted Shares O/S	109,344,002	42,422,929	158%
Dividends Per Share	\$0.06	\$0.06	0%

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on May 13, 2014, to discuss the results. Please call 647-788-4901 or 1-(877) 201-0168 (Conference ID # 19621088). 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 13, 2014 until midnight on May 20, 2014. To access the replay, call 1-(855) 859-2056, followed by pass code 19621088#.

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 financial information is presented in Canadian dollars.

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 long form prospectus dated May 14, 2010, the risks disclosed in the Company's subsequent final short form prospectuses issued through July 26, 2013 and 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. Tricon provides financing to local operators or developers in select markets in the United States and Canada, with a primary focus on housing in growing markets. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business segments and to earn fee income through our Private Funds and Advisory business. We currently have \$2.0 billion of assets under management, including 22,200 single-family lots, 6,100 multi-family units and a portfolio of over 3,800 U.S. single-family rental homes. Since inception, Tricon has invested in approximately 160 transactions for development projects valued at more than \$12 billion. More information about Tricon is available at www.triconcapital.com.

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