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Tricon Capital Group Inc.

News Release
for Immediate Release
August 13, 2014

Tricon Reports Robust 2Q14 Results

TORONTO, ONTARIO – August 13, 2014

Tricon Capital Group Inc. announced results for the quarter ended June 30, 2014 (2Q14) including growth in quarterly Adjusted Base Revenue of 185% YOY to \$17.1 million which drove a 215% YOY increase in Adjusted Base EBITDA.

David Berman, Chairman and CEO stated that “Following a strong and exciting first quarter, we continue to deliver meaningful growth across all our major businesses. This quarter, we were very pleased to assimilate The Johnson Companies LP which was immediately accretive to our earnings. At Tricon American Homes, we delivered a record quarterly occupancy rate of 85%, resulting in a record quarterly NOI margin and income and increased the number of owned homes to 4,274 by the end of June. Subsequent to quarter end, we announced two strategic land deals in Charlotte, North Carolina and Corona, California which increased our assets under management by \$150.8 million. Our cash flow generation remains in line with our expectations and provides us with ample liquidity to continue to prudently grow our business.”

FINANCIAL HIGHLIGHTS (summarized in table below):

- Adjusted Base Revenue was \$17.1 million, a 185% YOY increase, which translated into a 215% YOY increase in Adjusted Base EBITDA. This significant growth was primarily driven by the increase in the Company’s share of Investment Income post the acquisition of 68.4% of Tricon IX in 3Q13, along with continued momentum in Rental Revenue from Tricon American Homes. In addition, the final close of Tricon XI, the closings of new separate accounts and co-investments (also known as side-cars) and the Company’s 50.1% interest in The Johnson Companies LP led to a meaningful 149% YOY growth in Contractual Fees.

- Adjusted EBITDA increased 84% YOY to \$14.5 million. The substantial improvement was driven by 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, Investment Income – SFR and Investment Income – Land and Homebuilding increased YOY by 149%, 115% and 766%, respectively. The Company's EBITDA growth was further augmented by positive SFR Fair Value Adjustments.
- Adjusted Net Income increased 243% YOY to \$9.9 million, driven by the overall increase in Adjusted EBITDA.
- The 2Q14 Adjusted Basic EPS and Adjusted Diluted EPS increased by 57% and 88% YOY to \$0.11 and \$0.09, respectively, despite a 118% and 82% YOY increase in the weighted average share count to 91.0 million and 109.5 million, respectively.

SELECTED FINANCIAL SUMMARY

	At June 30, 2014	At June 30, 2013	% Change
Assets Under Management	\$ 1,972,558,000	\$ 1,294,911,000	52%
Three Months Ended June 30			
	2014	2013	% Change
Adjusted Base Revenue	\$ 17,124,000	\$ 5,998,000	
185%			
Net Income (Loss)	\$ (13,511,000)	\$ 12,382,000	
(209%)			
Adjusted Base EBITDA	\$ 12,664,000	\$ 4,014,000	215%
Adjusted EBITDA	\$ 14,513,000	\$ 7,900,000	84%
Adjusted Net Income	\$ 9,872,000	\$ 2,879,000	243%
Basic Earnings Per Share	\$ (0.15)	\$ 0.30	
(149%)			
Diluted Earnings Per Share	\$ (0.15)	\$ 0.14	
(206%)			
Adjusted Basic Earnings Per Share	\$ 0.11	\$ 0.07	57%
Adjusted Diluted Earnings Per Share	\$ 0.09	\$ 0.05	88%
Weighted Average Basic Shares O/S	91,016,558	41,764,212	118%
Weighted Average Diluted Shares O/S	109,477,606	60,114,888	82%
Dividends Per Share	\$ 0.06	\$ 0.06	0%

OPERATIONAL HIGHLIGHTS:

Single-Family Rental (Tricon American Homes)

- Realized Investment Income – Single-Family Rental: As of June 30, 2014, the SFR portfolio had grown 68% YOY to 4,274 homes and produced Investment Income of \$4.7 million for the period, representing a 115% YOY and 31% sequential increase. The portfolio occupancy rate of 85% and NOI margin of 66% are slightly above management's expectations for the segment.

- Unrealized Investment Income – Single-Family Rental Fair Value Adjustment: The Company recorded a fair value increase of \$3.4 million for the quarter. The increase is net of unrealized performance fees paid to the operating partners and after absorbing approximately \$20.0 million of capital expenditures incurred during the quarter. However, homes owned as of March 31, 2014 increased in value by 4.6% over the previous quarter sequentially. Since inception, the FVA has totaled US\$45.5 million or 8.6% of total cost basis.
- On August 7, 2014, the Company increased the size of the credit facility for its U.S. single-family rental platform, Tricon American Homes, by US\$150 million to US\$400 million.

Land and Homebuilding

- Investment Income – Land and Homebuilding increased in 2Q14 by 766% YOY to \$6.9 million, primarily due to the acquisition of the 68.4% interest in Tricon IX in 3Q13.
- During the quarter, the Company received a US\$18.9 million distribution from its Tricon IX investment, resulting in a total of US\$42.4 million of cash received since making the initial investment in 3Q13.
- On July 23, 2014, the Company closed a US\$59.0 million investment to support the acquisition, development and sale of almost 1,200 homes on a 606 acre site in northwest Charlotte, North Carolina. One of Tricon's institutional partners has committed US\$39.0 million as a side-car investment with an additional US\$15.7 million and US\$4.3 million committed by U.S. fund Tricon XI and Tricon, respectively.
- On August 5, 2014, the Company closed a US\$142.5 million investment to support the acquisition of Arantine Hills, a fully entitled, large scale, infill residential master planned community located in Corona, California and the subsequent development and sale of partially finished lots thereon to public homebuilders. One of Tricon's institutional partners has committed US\$96.75 million as a side-car investment with an additional US\$35.0 million and US\$10.75 million committed by U.S. fund Tricon XI and Tricon, respectively.

Private Funds and Advisory

Over the course of the past 12 months, the Company's third party AUM reached \$1.0 billion as a result of the following:

- Increased commitment in Tricon XI by US\$208.7 million to US\$333.7 million
- The addition of two new separate accounts and one side-car investment in the second half of 2013 with aggregate commitments totaling US\$185.8 million
- The close of one syndicated investment account in the first quarter with a commitment of C\$20.0 million

Assets Under Management

AUM at June 30, 2014 increased to \$2.0 billion, representing a 52% 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 by \$285.3 million to \$597.9 million.
- Unrealized foreign exchange gain of \$60.2 million

These increases were offset by:

- A \$8.8 million reduction in Tricon VIII's AUM as a result of distributions made to LPs

Subsequent Events

- On July 15, 2014, recipients of dividends elected to receive 83,069 shares under the DRIP for a total amount of \$600,000.
- On August 13, 2014, the Board of Directors declared a dividend of six cents per share to shareholders of record on September 30, 2014 payable on October 15, 2014.

CONFERENCE CALL AND WEBCAST

Management will host a conference call at 10 a.m. ET on August 14, 2014, to discuss the results. Please call 647-788-4901 or 1-(877) 201-0168 (Conference ID # 59548689). 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 August 14, 2014 until midnight on August 21, 2014. To access the replay, call 1-(855) 859-2056 or 404-537-3406, followed by pass code 59548689#.

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 \$2.2 billion of assets under management, including approximately 22,500 single-family lots, 5,600 homes and multi-family units and a portfolio of over 4,200 U.S. single-family rental homes. Since inception, Tricon has invested in over 160 transactions for development projects valued at more than \$14 billion. More information about Tricon is available at www.triconcapital.com.

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