



NOT FOR DISTRIBUTION TO
U.S. NEWSWIRE SERVICES OR
FOR DISTRIBUTION IN THE
UNITED STATES.

Tricon Capital Group Inc.

News Release

for Immediate Release

May 12, 2015

Tricon Capital Group Announces Solid Q1 2015 Results

TORONTO, ONTARIO – MAY 12, 2015

Tricon Capital Group Inc. (“Tricon” or the “Company”) (TSX: TCN), an asset manager and principal investor focused on the residential real estate industry in North America, announced its consolidated financial results for the first quarter ended March 31, 2015. Key highlights of the quarter include:

- Tricon adopted the US dollar as its functional and presentation currency; all figures in this news release are in US dollars unless otherwise stated
- Assets Under Management (“AUM”) increased by 18% to \$2.2 billion (C\$2.8 billion)
- Adjusted EBITDA increased by 15% to \$35.9 million
- Adjusted Basic Earnings per Share increased by 14% to \$0.25 per share
- Subsequent to quarter-end, Tricon American Homes completed a portfolio acquisition of 1,385 single-family rental homes and pricing of a \$361 million securitization transaction

“I am pleased to report that Tricon had another strong quarter, including record Adjusted EBITDA of \$35.9 million (C\$44.6 million). All of our business verticals continue to perform in line with or ahead of management’s expectations and reflect the ongoing recovery of the US housing market,” said Gary Berman, President and Chief Executive Officer of Tricon. “Subsequent to quarter-end, our single-family rental business, Tricon American Homes, closed a major portfolio acquisition, bringing the total homes owned to more than 6,500 and increasing our AUM to \$2.4 billion (C\$3.0 billion). This, coupled with the closing of our first single-family rental securitization transaction, solidifies our position as one of the leaders in the industry and enables us to continue our growth.”

Financial Highlights

(in thousands of US dollars, except for per share amounts)

For the Three Months Ended	March 31, 2015	March 31, 2014	Variance
Selected Financial Statement Information			
Net Income (Loss) ⁽¹⁾	\$ (10,916)	\$ 28,621	\$ (39,537)
Basic Earnings (Loss) Per Share	(0.12)	0.32	(0.44)
Diluted Earnings (Loss) Per Share	(0.12)	0.29	(0.41)
Dividends Per Share	C\$0.06	C\$0.06	–
Selected MD&A Financial Information			
Adjusted Base Revenue	\$ 24,114	\$ 27,628	\$ (3,514)
Adjusted EBITDA	35,941	31,308	4,633
Adjusted Net Income	23,048	20,061	2,987
Adjusted Basic Earnings Per Share	0.25	0.22	0.03
Adjusted Diluted Earnings Per Share	0.21	0.18	0.03
Weighted Average Basic Shares Outstanding	90,646,960	90,843,782	(196,822)
Weighted Average Diluted Shares Outstanding	109,448,652	109,344,002	104,650
Assets Under Management (“AUM”)	\$ 2,206,005	\$ 1,861,722	\$ 344,283
Private Funds and Advisory AUM	1,094,041	1,005,186	88,855

(1) Q1 2015 Net Income includes a \$37.9 million fair value loss on derivative financial instruments (Q1 2014 included a gain of \$1.8 million) and a \$10.7 million foreign exchange gain (Q1 2014 included a gain of \$21.1 million).

Financial Highlights

For the three months ended March 31, 2015, Net Loss was \$10.9 million, which included a fair value loss on derivative financial instruments of \$37.9 million related to the Company’s convertible debentures caused by the increase in the Company’s stock price, as well as an unrealized foreign exchange gain of \$10.7 million.

Adjusted Net Income, which excludes non-recurring and non-cash items, was \$23.0 million for the three months ended March 31, 2015 (“Q1 2015”), representing a 15% or \$3.0 million increase compared to \$20.1 million in the same period in 2014 (“Q1 2014”).

Adjusted EBITDA increased by \$4.6 million, or 15%, to \$35.9 million for Q1 2015 compared to \$31.3 million for Q1 2014. The increase was primarily driven by a fair value increase of Tricon American Homes’ single-family rental portfolio, offset by a decrease in Adjusted Base Revenue.

Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 14% and 17%, respectively, to \$0.25 and \$0.21 for Q1 2015, compared to \$0.22 and \$0.18 for Q1 2014.

AUM increased by \$344 million, or 18%, to \$2.206 billion as at March 31, 2015 compared to \$1.862 billion as at March 31, 2014. The separate accounts and side-car investments formed in 2014 and the expansion of Tricon American Homes’ single-family rental home portfolio were the primary drivers of the increase.

Operational Highlights

Private Funds and Advisory

Private Funds and Advisory AUM increased by \$89 million, or 9%, to \$1.094 billion as at March 31, 2015 compared to \$1.005 billion as at March 31, 2014. The increase was primarily the result of new separate account and side-car investments entered into after Q1 2014.

Contractual Fees increased by \$2.6 million, or 92%, to \$5.4 million for Q1 2015 compared to \$2.8 million for Q1 2014, primarily as a result of \$2.3 million of Contractual Fees earned from the acquisition of The Johnson Companies LP in April 2014. Excluding Johnson, Contractual Fees increased by 11% or \$0.3 million, primarily due to the Contractual Fees received from the separate account and side-car investments added during 2014.

Principal Investments

Tricon Housing Partners (“THP”)

Investment Income from THP decreased by \$8.4 million, or 40%, to \$12.4 million for Q1 2015 compared to \$20.8 million for the same period in 2014. The decrease was largely attributable to lower Investment Income from THP1 US, an expected result as distributions are received and the investment is realized.

Tricon American Homes (“TAH”)

Investment Income from TAH increased by \$2.4 million, or 74%, to \$5.7 million for Q1 2015 from \$3.3 million for the same period in 2014. The total home portfolio has grown 32% to 5,163 homes as at March 31, 2015 compared to 3,905 homes as at March 31, 2014. The in-place occupancy rate increased by 9% to 89% as at March 31, 2015 compared to 80% as at March 31, 2014, as a result of improved in-place occupancy in Atlanta, Tampa and San Antonio. Gross Margin remained unchanged at 63% compared to the annual Gross Margin of 2014.

The fair value of the TAH portfolio increased by \$18.3 million in Q1 2015 compared to an increase of \$7.8 million in Q1 2014. In Q1 2015, Tricon obtained Broker Price Opinions for 2,257 homes located in Charlotte, North Carolina; Southeast Florida; Atlanta, Georgia; and Northern California. The remaining homes were valued using the Home Price Indexes Methodology.

On April 15, 2015, TAH purchased a portfolio of 1,385 single-family rental homes situated in Texas, North Carolina and South Carolina for \$149.8 million.

Single-Family Rental Securitization Transaction

On May 12, 2015, TAH completed its previously announced single-family rental securitization transaction. TAH received gross proceeds of approximately \$361 million from the sale of six classes of pass-through certificates that represent beneficial ownership interests in a loan secured by 3,505 of TAH's single-family rental properties. The proceeds represent approximately 70% of the value of the securitized portfolio and 81% of its all-in cost, and will be used to repay the existing debt on the underlying properties, with the balance being utilized to finance the continued growth of the TAH portfolio and for other corporate purposes. The transaction was priced at a weighted average interest rate of LIBOR plus 196 basis points (compared to LIBOR plus 360 basis points on the original borrowing) and has a two-year term to maturity with three one-year extensions available at the Company's option.

Tricon Lifestyle Communities (“TLC”)

On May 11, 2015, Tricon Lifestyle Communities entered into closing escrow in respect of the acquisition of a manufactured housing community, Apache Junction Estate, in Phoenix, Arizona, for \$9.25 million.

Quarterly Dividend

The Company announced a dividend of six cents per share in Canadian dollars payable on July 15, 2015 to shareholders of record on June 30, 2015.

Tricon has a Dividend Reinvestment Plan (“DRIP”) which allows eligible shareholders of the Company to reinvest their cash dividends in additional common shares (“Common Shares”). Common Shares issued pursuant to the DRIP in connection with the announced dividend will be issued from treasury at a 5% discount from the market price. Participation in the DRIP is optional and shareholders who do not wish to participate in the plan will continue to receive cash dividends. A complete copy of the DRIP is available in the Investor Information section of Tricon's website.

Conference Call and Webcast

Management will host a conference call at 10 am ET on May 13, 2015 to discuss the Company's results. Please call 1-647-788-4901 or 1-877-201-0168 (Conference ID #20007036). 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 1 pm ET on May 13, 2015 until midnight ET on May 20, 2015. To access the replay, call 1-855-859-2056 or 404-537-3406 and use the pass code 20007036#.

The Company's Financial Statements and Management's Discussion and Analysis are available on Tricon's website at www.triconcapital.com and have been filed on SEDAR (www.sedar.com). The financial information is presented in US dollars.

About Tricon Capital Group Inc. (TSX: TCN)

Tricon is an asset manager and principal investor focused on the residential real estate industry in North America with approximately \$2.4 billion (C\$3.0 billion) of assets under management. Tricon owns, or manages on behalf of third-party investors, a portfolio of investments in land and homebuilding assets, single-family rental homes and manufactured housing communities. Our business objective is to earn fee income through our Private Funds and Advisory business and to invest for Investment Income and capital appreciation through our Principal Investment business. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately \$15 billion. More information about Tricon is available at www.triconcapital.com.

Forward-looking Statements

The financial results presented above include non-IFRS financial measures such as AUM, Adjusted Base Revenue, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings per Share. These non-IFRS measures are defined and discussed in Tricon's Management's Discussion and Analysis for the three months ended March 31, 2015. This news release may contain forward-looking statements relating to expected future events and financial and operating results and projections of the Company, including statements regarding the Company's growth and investment opportunities 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 are described in the Company's continuous disclosure materials from time to time, available on SEDAR at www.sedar.com. Accordingly, although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. 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.

For further information, please contact:

Gary Berman

President and Chief Executive Officer

Tel: 416-928-4122

Email: gberman@triconcapital.com

Wissam Francis

Executive Vice President – Corporate Finance

Tel: 416-323-2484

Email: wfrancis@triconcapital.com