



Tricon Capital Group Announces Q2 2015 Results and Changes to Senior Management Team

Toronto, Ontario – August 13, 2015 – Tricon Capital Group Inc. (“Tricon” or the “Company”) (TSX: TCN) today announced its consolidated financial results for the three and six months ended June 30, 2015. Key highlights for the first six months include:

- Adjusted EBITDA increased by 32% year-over-year to \$59.3 million (for Q2, increased by 70% to \$23.4 million compared to same quarter in 2014);
- Adjusted Basic Earnings per Share increased by 35% year-over-year to \$0.42 per share (for Q2, increased by 89% to \$0.17 per share compared to same quarter in 2014);
- Year-to-date Realized Investment Income from Tricon American Homes (“TAH”) hit a record \$14.7 million, a 93% year-over-year increase (for Q2, increased by 108% to \$8.9 million compared to same quarter in 2014), primarily driven by the completion of a portfolio acquisition of 1,385 single-family rental homes;
- Assets Under Management (“AUM”) increased by 25% year-over-year to \$2.3 billion (C\$2.9 billion);
- Subsequent to the quarter, Tricon closed the Viridian separate account of \$141.4 million and announced the launch of a new business vertical, Tricon Luxury Residences, with three initial purpose-built multi-family rental projects secured.

“Through the first half of 2015, Tricon continued to deliver strong EBITDA and earnings growth, reflecting solid performance across all business verticals,” said Gary Berman, Tricon’s President and Chief Executive Officer. “Tricon’s strength lies in its diversification across several strategic housing verticals, all with exciting growth opportunities. To that effect, we are thrilled to have recently announced Tricon’s entry into the purpose-built rental apartment sector under the banner of Tricon Luxury Residences. This fourth major business line further diversifies Tricon’s platform and provides another opportunity to leverage our expertise in a complementary segment of the housing market to create value for shareholders.”

<i>For the Periods Ended June 30</i> <i>(In thousands of US dollars, except for per share amounts)</i>	<i>Three Months</i>			<i>Six Months</i>		
	2015	2014	Variance	2015	2014	Variance
Selected Financial Statement Information						
Net Income (Loss)	\$ 7,234	\$ (11,848)	\$ 19,082	\$ (3,682)	\$ 16,773	\$ (20,455)
Basic Earnings (Loss) Per Share	0.08	(0.13)	0.21	(0.04)	0.18	(0.22)
Diluted Earnings (Loss) Per Share	0.04	(0.13)	0.17	(0.04)	0.18	(0.22)
Dividends Per Share	C\$0.06	C\$0.06	-	C\$0.12	C\$0.12	-
Selected MD&A Financial Information						
Adjusted EBITDA	23,357	13,735	9,622	59,298	45,043	14,255
Adjusted Net Income	15,082	8,202	6,880	38,130	28,263	9,867
Adjusted Basic Earnings Per Share	0.17	0.09	0.08	0.42	0.31	0.11
Adjusted Diluted Earnings Per Share	0.14	0.07	0.07	0.35	0.26	0.09
Weighted Average Basic Shares Outstanding	90,789,370	91,016,558	(227,188)	90,708,723	90,931,830	(223,107)
Weighted Average Diluted Shares Outstanding	109,644,821	109,477,606	167,215	109,470,297	109,397,008	73,289
Assets Under Management (“AUM”)				\$ 2,342,593	\$ 1,875,694	\$ 466,899

Changes to Senior Management Team

Tricon also announced changes to its senior management team:

Wissam Francis has been appointed Chief Financial Officer of the Company, effective immediately. Mr. Francis most recently was Tricon's Executive Vice President, Corporate Finance. Prior to joining Tricon, he was a senior member of the Ernst & Young Transaction Real Estate practice and has extensive experience in mergers and acquisitions, corporate finance, and strategy formulation. Prior to joining Ernst & Young, Mr. Francis was the Director of Finance and Acquisitions at First Capital Realty. Mr. Francis has over 15 years of experience in related fields and has been actively involved in various projects and sectors, including retail, industrial, office, residential, mixed-use and development projects. Mr. Francis has a CPA, CMA designation and holds a Master of Business Administration from Wilfrid Laurier University, a Master of Arts in Economics from the University of Waterloo, and a Bachelor of Arts in Finance and Economics and an Honours Degree in Economics and Mathematics from the University of Western Ontario.

June Alikhan has stepped down as interim Chief Financial Officer but will stay with the Company through the end of the year to help ensure an orderly transition before officially retiring. Ms. Alikhan will also provide consulting services to Tricon in 2016 and help the Company with special projects.

Tricon also announced that **Douglas P. Quesnel** has been appointed Chief Accounting Officer of the Company, effective immediately. Mr. Quesnel joined Tricon in 2014 as Vice President – Finance, prior to which he was with Dream Unlimited Corp. where over the previous ten years he served in senior financial executive roles, including Chief Accounting Officer and Chief Financial Officer of Dream Global REIT, and Chief Financial Officer of Dream Unlimited Corp. In these roles, Mr. Quesnel was responsible for business planning and analysis, investor relations, financial reporting and tax planning. Mr. Quesnel has a CPA, CA designation and holds a Graduate Diploma in Accounting from McGill University and a Bachelor of Commerce from Concordia University.

On May 27, 2015, **Kevin Baldrige** joined Tricon as President of TAH, with responsibility for day-to-day management of all aspects of Tricon's single-family rental home business. Mr. Baldrige has a demonstrated track record of success in property management and operations, acquisitions, strategic planning and marketing. Prior to joining TAH, Mr. Baldrige served as President of Irvine Company Apartment Communities, where his responsibilities included overseeing an apartment portfolio of more than 44,000 Class-A rental units and close to 125 communities in California.

“As we continue to establish Tricon as a diversified housing brand, we are also making some important investments in our senior management team to prepare for the next wave of growth,” said Gary Berman. “Wissam Francis and Doug Quesnel each bring tremendous experience to our finance and accounting team and, after their intense period of on-the-job training, we are confident they will be instrumental in helping to lead Tricon forward. Kevin Baldrige, a seasoned leader in the multi-family rental industry, has been hired to run Tricon American Homes day-to-day and to help further professionalize our newly internalized property management operation.”

Mr. Berman also commented on Ms. Alikhan's retirement: “June has been a committed member of Tricon's core team for roughly 15 years and has been a steadying force throughout Tricon's transitions, first from a manager of high net worth capital to an institutional asset manager, and then from a private to a public company. We will miss June and are deeply appreciative of her meaningful contribution to Tricon's long-term success. We wish her well in her retirement.”

Financial Highlights

For the six months ended June 30, 2015, Net Loss, as recorded in the financial statements, was \$3.7 million, after providing for a fair value loss on derivative financial instruments of \$32.0 million related to the Company's convertible debentures (\$1.9 million gain in the prior year), as well as an unrealized foreign exchange gain of \$9.5 million (\$1.6 million gain in the prior year). For Q2 2015, Net Income was \$7.2 million after providing for a fair value gain on derivative financial instruments of \$5.9 million (\$0.1 million gain in the prior year) and an unrealized foreign exchange loss of \$1.2 million (\$19.5 million loss in the prior year).

Adjusted Net Income, which excludes non-recurring and non-cash items and better reflects the Company's results, increased by \$9.9 million or 35% to \$38.1 million for the six months ended June 30, 2015, compared to \$28.3 million for the same period in 2014. For Q2 2015, Adjusted Net Income increased by \$6.9 million or 84% to \$15.1 million compared to \$8.2 million for Q2 2014.

Adjusted EBITDA increased by \$14.3 million or 32% to \$59.3 million for the six months ended June 30, 2015, compared to \$45.0 million for the same period in 2014. Adjusted EBITDA for Q2 2015 increased \$9.6 million or 70% to \$23.4 million compared to \$13.7 million for Q2 2014. The increase was primarily driven by higher realized investment income and fair value increases in Tricon American Homes' single-family rental platform, offset by a decrease in investment income in the Company's Tricon Housing Partners business line.

Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 35% to \$0.42 and \$0.35 respectively for the six months ended June 30, 2015, compared to \$0.31 and \$0.26 in the corresponding period in 2014. In Q2 2015, Adjusted Basic Earnings per Share and Adjusted Diluted Earnings per Share increased by 89% and 100% to \$0.17 and \$0.14 respectively, compared to \$0.09 and \$0.07 in Q2 2014.

Assets Under Management ("AUM") increased by \$467 million, or 25%, to \$2.343 billion as at June 30, 2015, compared to \$1.876 billion as at June 30, 2014. The separate accounts and side-car investments formed in 2014 and 2015, along with the aforementioned portfolio acquisition and fair value adjustment of the TAH single-family rental home portfolio, were the primary drivers of the increase.

Operational Highlights

Principal Investments

Tricon Housing Partners ("THP")

Investment Income from THP decreased by \$14.5 million or 53% to \$13.1 million for the first six months of 2015 compared to \$27.6 million for the same period in 2014. In Q2 2015, Investment Income from THP decreased by 90% or \$6.1 million to \$0.6 million compared to \$6.8 million for Q2 2014.

The decrease was largely driven by a delay in the timing of projected cash flows to be received from Faria Preserve, now expected in the first half of 2016 (with additional payments also expected after 2016) as per an executed agreement of purchase and sale with a large public homebuilder. This timing is later than previously projected, resulting in a decrease in fair market value of approximately \$6.6 million associated with the delay in realized cash flows. The overall proceeds from the sale, notwithstanding the decrease in fair value, are in line with management's expectation.

In addition, the decrease of THP Investment Income resulted from a natural reduction in the outstanding capital balance of THP Co-investments, as investments were realized and distributions were received.

Subsequent to the quarter-end, on July 16, 2015, the Company closed a \$141.4 million investment in an existing active 2,083-acre master planned community in Dallas-Fort Worth, Texas known as Viridian. The investment is being made in a new separate account under the terms of which Tricon has committed to invest \$25.4 million and an institutional investor has committed \$116.0 million.

Tricon American Homes (“TAH”)

Realized Investment Income from TAH increased by \$7.1 million or 93% to \$14.7 million for the six months ended June 30, 2015, from \$7.6 million for the same period in 2014. For Q2 2015, Investment Income from TAH increased by \$4.6 million or 108% to \$8.9 million from \$4.3 million for Q2 2014. The portfolio of rental homes owned has grown by 52% to 6,513 homes as at June 30, 2015, compared to 4,274 homes as at June 30, 2014. The in-place occupancy increased by 9% to 94% as at June 30, 2015, compared to 85% as at June 30, 2014. Year-to-date NOI Gross Margin decreased to 62% as at June 30, 2015, when compared to full-year NOI margin of 63% in 2014 largely as a result of the change in geographical mix resulting from the recent portfolio acquisition.

The fair value of the TAH portfolio increased by \$33.1 million in the six months ended June 30, 2015, compared to an increase of \$11.0 million in the same period in 2014. In Q2 2015, TAH recognized a fair value gain of \$14.8 million compared to \$3.1 million in Q2 2014. The majority of homes were valued using the Home Price Indexes (“HPI”) Methodology during the quarter.

In Q2 2015, TAH completed a \$361.3 million securitization transaction, which involved the issuance and sale of six classes of single-family rental pass-through certificates that represent beneficial ownership interests in a loan secured by 3,505 single-family properties. The securitized loan has a 70% loan-to-value ratio with a blended effective interest rate of the London Interbank Offered Rate (“LIBOR”) plus 196 basis points. The net proceeds of the loan were 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.

TAH also amended its dedicated warehouse credit facility, including an increase in leverage, a reduction in interest rate and a decrease of the total availability.

Tricon Lifestyle Communities (“TLC”)

On May 28, 2015, Tricon, through its partnership with Cobblestone, purchased a 100% freehold interest in an MHC located in Apache Junction, Arizona (“Apache MHP”). The property comprises 17.5 acres of land and 192 residential spaces, of which 86% were occupied as at June 30, 2015. Similar to Longhaven Estates, Apache MHP is classified as a 55+ age-restricted community that has the potential to be improved over time through a capital expenditure program. Tricon and Cobblestone assumed the existing mortgage debt provided by Fannie Mae at 57% loan-to-value with a remaining term of 7.5 years and fixed rate of 4.36%.

Subsequent to quarter-end, we contracted to purchase another five age-restricted communities in Phoenix, Arizona with approximately 1,360 residential spaces and expect closing to occur in Q4, provided our due diligence is satisfied.

Tricon Luxury Residences (“TLR”)

On July 28, 2015, the Company announced a new strategic initiative focused on the development and management of a portfolio of Class-A purpose-built rental apartments across the United States and Canada. This new business vertical is being branded as Tricon Luxury Residences (“TLR”) and will form the Company’s fourth major business line. TLR has secured two U.S. development opportunities in Dallas and Frisco, Texas, and one Canadian development opportunity in Toronto, Ontario.

Private Funds and Advisory

Private Funds and Advisory AUM increased by 10% or \$0.1 billion to \$1.07 billion compared to \$0.97 billion as at June 30, 2014. The increase was largely due to the closing of separate account and side-car investments in 2014 and 2015, and offset by distributions made by THP1 US, Canadian funds and separate accounts.

Contractual Fees for the six months ended June 30, 2015, increased by \$3.1 million or 41% to \$10.6 million compared to \$7.6 million for the same period in 2014, primarily due to the acquisition of a majority interest in The Johnson Companies LP (“Johnson”) on April 15, 2014. Excluding Johnson, Contractual Fees increased by 9% or \$0.5 million as a result of Contractual Fees received from the new separate account and side-car investments added in 2014 and 2015. Contractual Fees for Q2 2015 increased by \$0.5 million or 10% to \$5.2 million compared to \$4.7 million for Q2 2014.

Subsequent Events

On July 28, 2015, the Company entered into an agreement with a syndicate of underwriters co-led by RBC Capital Markets and GMP Securities L.P., and including TD Securities Inc., BMO Capital Markets, National Bank Financial Inc., Raymond James Ltd., Canaccord Genuity Corp., CIBC World Markets Inc., Paradigm Capital Inc. and Scotiabank, which have agreed to purchase, on a “bought deal” basis, 13,158,000 common shares of the Company at a price of C\$11.40 per common share for gross proceeds of approximately C\$150 million (the “Offering”). The Company has also granted the Underwriters an option, which may be exercised by the Underwriters at any time up to 30 days following the closing of the Offering, to purchase up to an additional 1,973,700 common shares to cover over-allotments, if any, and for market stabilization purposes. The net proceeds of the Offering, including any proceeds from the over-allotment option, will be used to partially fund the future equity requirements in each of the Company's business verticals, including the new TLR vertical, and for general corporate purposes, including repayment of the outstanding balance under the Company's corporate revolving credit facility. The Offering is expected to close on or about August 18, 2015.

Quarterly Dividend

The Company announced a dividend of six cents per share in Canadian dollars payable on October 15, 2015, to shareholders of record on September 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 a.m. ET on August 14, 2015, to discuss the Company's results. Please call 1-647-788-4901 or 1-877-201-0168 (Conference ID # 75508231). 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 p.m. ET on August 14, 2015 until midnight ET on August 21, 2015. To access the replay, call 1-855-859-2056 or 404-537-3406 and use the pass code 75508231#.

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 U.S. dollars.

About Tricon Capital Group Inc.

Tricon is a principal investor and asset manager focused on the residential real estate industry in North America with approximately \$2.5 billion (C\$3.2 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, manufactured housing communities, and multi-family development projects. Our business objective is to invest for investment income and capital appreciation through our Principal Investment business and to earn fee income through our Private Funds and Advisory business. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately \$16 billion. More information about Tricon is available at www.triconcapital.com.

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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 six months ended June 30, 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.