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## NEWS RELEASE



FOR IMMEDIATE RELEASE

### **Tricon Announces \$45 Million Bought Deal Financing**

Toronto, Ontario, Canada – Tricon Capital Group Inc. (“**Tricon**”) is pleased to announce that it has entered into an agreement with a syndicate of underwriters co-led by GMP Securities L.P. and RBC Capital Markets and including CIBC World Markets Inc., Canaccord Genuity Corp., and Raymond James Ltd. (collectively, the “**Underwriters**”), which have agreed to purchase, on a bought deal basis, \$45 million aggregate principal amount of convertible unsecured subordinated debentures (“**Convertible Debentures**”) at a price of \$1,000 per Convertible Debenture. The underwriters will also have the option, exercisable in whole or in part and from time to time, to purchase up to an additional \$6.75 million aggregate principal amount of Convertible Debentures, at any time up to the day that is 30 days following the closing to cover over-allotments. In the event that the option is exercised in its entirety, the aggregate gross proceeds of the offering will be \$51,750,000.

The Convertible Debentures will mature on August 31, 2017 and will accrue interest at the rate of 6.375% per annum payable in arrears on a semi-annual basis. At the holder’s option, the Convertible Debentures may be converted into common shares in the capital of Tricon at any time up to the earlier of the business day immediately preceding the maturity date and the business day immediately preceding the date specified by Tricon for redemption. The conversion price will be \$6.00 for each common share, subject to adjustment in certain circumstances.

The Convertible Debentures will not be redeemable before August 31, 2015. On or after August 31, 2015 and prior to August 31, 2016, Tricon may, at its option, redeem the Convertible Debentures, in whole or in part, at par plus accrued and unpaid interest provided that the weighted average trading price of the common shares on the Toronto Stock Exchange during a specified period prior to redemption is not less than 125% of the conversion price. On or after August 31, 2016 and prior to the Maturity Date, the Convertible Debentures may be redeemed in whole or part from time to time at the option of Tricon at a price equal to the principal amount thereof plus accrued and unpaid interest.

Subject to specified conditions, Tricon will have the right to repay the outstanding principal amount of the Convertible Debentures, on maturity or redemption, through the issuance of common shares. Tricon also has the option to satisfy its obligation to pay interest through the issuance and sale of additional common shares. Additionally, Tricon will have the option, subject to prior agreement of the holders, to settle its obligations on conversion by way of a cash payment of equal value in lieu of common shares.

Tricon intends to use the net proceeds from the offering to fund continued expansion of its U.S. single-family home rental strategy, and for general corporate and working capital purposes.

The offering is expected to close on or about July 30, 2012 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

A preliminary short form prospectus will be filed with securities regulatory authorities in all provinces and territories of Canada. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

**This press release is not an offer or a solicitation of an offer of securities for sale in the United States. The Convertible Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration.**

#### **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 assets under management. 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](http://www.triconcapital.com).

#### **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 current 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 final short form prospectus dated April 24, 2012 and the risks described in the Company's continuous disclosure materials from time-to-time, as available on SEDAR at [www.sedar.com](http://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.*

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