

NEWS RELEASE



FOR IMMEDIATE RELEASE

Tricon Reports Record Adjusted EBITDA of \$68.8 Million for 2013

Toronto, Ontario – March 5, 2014 – Tricon Capital Group Inc. announced results for the year ended December 31, 2013 (4Q13). Adjusted EBITDA for the year was \$68.8 million, five times the amount earned the previous year. David Berman, Chairman and CEO stated that “this record profitability was driven by further growth in Tricon American Homes (SFR) and our co-investment in Tricon IX, which generated 2013 investment income of \$37.2 million and \$24.3 million, respectively. Both of these segments of our business produced meaningful cash flow and continue to outperform our target business plan. We were also pleased to see our AUM grow by 67% year-over-year to a new record of \$1.9 billion due to a significant increase in our private funds and advisory business. As our balance sheet and liquidity continue to strengthen, we remain well positioned for further growth in 2014.”

Financial Highlights (summarized in table below):

- Adjusted Base Revenue rose 149% YOY to \$46.9 million. 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, as well as continued growth in Rental Revenue earned by Tricon American Homes, Contractual Fees generated from the final close of Tricon XI, and the closing of the new Separate Accounts.
- Adjusted EBITDA increased 500% YOY to \$68.8 million – a result of the increased Adjusted Base Revenues, which in turn were augmented by positive SFR Fair Value Adjustments as well as Deemed Performance Fees earned from the Tricon IX acquisition.
- Adjusted Net Income increased 413% YOY to \$34.7 million, driven by the overall increase in Adjusted EBITDA.
- The 2013 Adjusted Basic EPS and Adjusted Diluted EPS increased by 135% and 84% YOY to \$0.57 and \$0.45, respectively, despite a 118% and 179% YOY increase in weighted average shares outstanding to 60.5 million and 77.4 million, respectively.
- On March 5, 2014, the Board of Directors declared a dividend of \$0.06 per share to shareholders of record on March 31, 2014 payable on April 15, 2014. The total dividend for 2013 was \$0.24 per share.

Operational Highlights:

Single-Family Rental (Tricon American Homes)

- Realized Investment Income – Single-Family Rental: At year-end, the SFR portfolio had grown 106% YOY to 3,256 rental units and produced Realized Investment Income – Single-Family Rental of \$8.9 million for the year. Year-end portfolio occupancy rate of 78% and GROI margin of 60% are consistent with expectations for the segment.
- Unrealized Investment Income – Single-Family Rental Fair Value Adjustment: The Company recorded a net increase of \$14.6 million during the quarter and \$32.1 million in 2013 in the fair value of its single-family home portfolio. Homes owned at September 30, 2013 increased in value by 7.1% over the quarter or \$25.3 million, offset by \$8.4 million of capital expenditures and \$2.3 million of implied operator performance fees, non-controlling interest and other sundry costs incurred during 4Q13.

Land and Homebuilding

- Investment Income – Land and Homebuilding increased for 4Q13 and 2013 by 226% YOY and 331% YOY to \$8.5 million and \$18.5 million, respectively, primarily due to the acquisition of the 68.4% interest in Tricon IX.

Private Funds and Advisory

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

- The final close of Tricon XI with additional commitments of \$228.9 million, resulting in a total fund commitment of US\$333.7 million, our largest fund to date
- The closing of two separate accounts and one pending separate account with commitments of US\$198.3 million:
 - Fulshear Farms – a US\$50.0 million investment located in Houston, Texas, US\$45.0 million of which (90%) has been syndicated;
 - Vistancia West (pending) – a US\$67.5 million investment located in Phoenix, Arizona; Tricon XI committed US\$18.0 million with the Company committing the balance; and
 - Grand Lakes – a US\$80.8 million investment located in Houston, Texas, of which \$72.7 million (90%) has been syndicated.

Assets Under Management

AUM at December 31, 2013 of \$1.9 billion represented a 67% 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 \$315.6 million
- Unrealized foreign exchange gain of \$47.1 million

These increases were offset by:

- A \$37.8 million reduction in Tricon VIII's AUM as a result of distributions made to LPs

Selected Financial Summary

				<u>At Dec. 31 2013</u>	<u>At Dec. 31 2012</u>	<u>% Change</u>
Assets Under Management				\$1,857,804,000	\$1,115,433,000	67%
	<u>Three Months Ended Dec. 31</u>		<u>% Change</u>	<u>Year Ended Dec. 31</u>		<u>% Change</u>
	<u>2013</u>	<u>2012</u>		<u>2013</u>	<u>2012</u>	
Adjusted Base Revenue	\$17,872,000	\$5,778,000	209%	\$46,878,000	\$18,819,000	149%
Net Income (Loss)	\$16,230,000	(\$2,515,000)	745%	\$36,073,000	(\$4,198,000)	959%
Adjusted Base EBITDA	\$15,347,000	\$3,899,000	294%	\$38,262,000	\$12,604,000	204%
Adjusted EBITDA	\$28,193,000	\$3,425,000	723%	\$68,787,000	\$11,462,000	500%
Adjusted Net Income	\$12,121,000	\$1,650,000	635%	\$34,686,000	\$6,758,000	413%
Basic Earnings Per Share	\$0.18	(\$0.08)	325%	\$0.60	(\$0.15)	500%
Diluted Earnings Per Share	\$0.18	(\$0.13)	238%	\$0.59	(\$0.15)	493%
Adjusted Basic Earnings Per Share	\$0.13	\$0.05	181%	\$0.57	\$0.24	135%
Adjusted Diluted Earnings Per Share	\$0.11	\$0.05	134%	\$0.45	\$0.24	84%
Weighted Average Basic Shares O/S	90,664,248	34,696,264	161%	60,534,679	27,731,820	118%
Weighted Average Diluted Shares O/S	109,044,166	34,710,639	214%	77,438,262	27,746,195	179%
Dividends Per Share	\$0.06	\$0.06	0%	\$0.06	\$0.06	0%

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on March 6, 2014, to discuss the results. Please call 647-788-4901 or 1-(877) 201-0168 (Conference ID # 50922683). 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 March 6, 2014 until midnight on March 13, 2014. To access the replay, call 1-(877) 201-0168, followed by pass code 50922683#.

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 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 with approximately \$1.9 billion of assets under management and a portfolio of over 3,300 U.S. single-family rental homes. 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 160 transactions for development projects valued at more than \$11 billion. More information about Tricon is available at www.triconcapital.com.

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