

Not for distribution to U.S. Newswire services or for distribution in the United States.

## NEWS RELEASE



FOR IMMEDIATE RELEASE

### **Tricon Announces Third Quarter 2010 Results**

**Toronto, Ontario – November 10, 2010** – Tricon Capital Group Inc. (TSX: TCN) (“Tricon” or the “Company”) today announced its results for the third quarter ended September 30, 2010. Financial Statements and Management’s Discussion and Analysis are available on the Tricon website at [www.triconcapital.com](http://www.triconcapital.com) and have been filed on SEDAR. Results are prepared in accordance with International Financial Reporting Standards (“IFRS”) and presented in Canadian dollars rounded to the nearest thousand, unless otherwise noted.

#### **Highlights:**

- Fundraising efforts were formally initiated for successor Canadian fund Tricon XII.
- Adjusted EBITDA of \$1,331,000 for the quarter and \$4,523,000 year-to-date; in line with the prior year’s results.
- Canadian fund Tricon X and U.S. distressed fund Tricon IX expected to be substantially committed by the end of 2010 and Q1 2011, respectively.

“It’s business as usual for Tricon. We are very pleased with the progress we achieved in the quarter,” said David Berman, Chairman and Chief Executive Officer. “While Tricon IX and Tricon X are still in their respective investment periods, fundraising efforts have begun for Tricon XII, our Canadian successor fund. With fundraising for our successor U.S. fund Tricon XI expected to launch in early 2011, Tricon is well-positioned for future growth and success.”

#### **Financial and Fund Updates**

Adjusted EBITDA was \$1,331,000 for the third quarter of 2010 and \$4,523,000 for the nine months ending September 30, 2009, \$228,000 and \$196,000 lower than the third quarter of 2009 and nine months ending September 30, 2009, respectively. The slight reduction in EBITDA is a result of: i) lower Contractual Management Fees caused by foreign exchange fluctuations and, to a lesser extent, lower Assets Under Management; and ii) an increase in Salaries and Benefits and General and Administration Expenses associated with going public; these items have been largely offset by higher Performance Fees and Other Revenue, namely interest earned on the Initial Public Offering proceeds.

Revenue of \$2,949,000 for the quarter and \$9,264,000 for nine months ending September 30, 2010 was \$24,000 lower and \$551,000 higher respectively than the same periods last year. On a year-to-date basis, higher Performance Fees and Other Revenue have more than compensated for

lower Contractual Management Fees caused largely by the strengthening of the Canadian dollar against the US dollar.

The Company has provided Adjusted EBITDA and Adjusted Net Income figures as a result of several non-recurring and non-cash items including a significant LTIP-related expense. As previously mentioned, under IFRS the Company is required to estimate amounts payable pursuant to the Company's Long-Term Incentive Plan based on the estimated fair value of assets within each fund managed by the Company at each reporting period. This has resulted in an LTIP expense during the period of \$373,000. This requirement to accrue potential LTIP payments to employees without recognizing the related income that would be earned by the Company to make those payments, combined with Non-Capitalized IPO Expenses and Stock Option Expenses, were the primary contributors to the reduced net income for the quarter of \$115,000 when compared to the Adjusted Net Income of \$633,000. It needs to be emphasized that LTIP payments are only made if and when the corresponding performance fees are earned in the future.

AUM as at September 30, 2010, amounted to \$876,984,000, an anticipated decrease of approximately \$102,000,000 from the prior quarter. The majority of this decrease was the result of: (i) the successful realization of several projects in the TCC VI fund and related syndicated investments and the subsequent distribution of proceeds to investors; (ii) the removal of TCC V's outstanding capital from AUM given that management fees are not currently being earned and the recent decision of the provider of the fund's working capital line to no longer support the remaining projects in the fund (it should be noted that the Company stopped recognizing Management Fee income from this fund in Q4 of 2008); and (iii) a change in the foreign exchange conversion rates, from CA\$1.10 to CA\$1.029 for each US\$1.00, on U.S. AUM. To be clear, the removal of TCC V from the AUM calculation has no impact on Company Revenues but does result in a higher ratio of weighted management fees to AUM, which in turn is more reflective of the Contractual Management Fees stipulated in the Limited Partnership Agreements of the Company's active funds.

During the quarter, a new investment was made in Canadian fund Tricon X and a previously approved investment was reassessed and cancelled, thereby changing capital available for investment to \$21,000,000 after taking into account fund reserves and contingencies. Capital available in U.S. distressed fund Tricon IX remains unchanged at approximately \$77,000,000 after taking into account fund reserves and contingencies. It is expected that the remaining capital available in Tricon X and Tricon IX will be substantially committed by the end of 2010 and first quarter of 2011, respectively.

Fundraising efforts formally commenced for Tricon XII, a successor Canadian fund. Tricon XI, a successor distressed U.S. fund, is expected to launch by the first quarter of 2011.

## Selected Financial Summary

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2010	2009	2010	2009
Assets Under Management			876,984,000	1,002,820,000
Revenue	2,949,000	2,973,000	9,264,000	8,713,000
Adjusted EBITDA	1,331,000	1,559,000	4,523,000	4,719,000
Net Income (Loss) (1)	115,000	(411,000)	(8,975,000)	(320,000)
Adjusted Net Income	633,000	750,000	1,995,000	2,434,000
Net Income (Loss) – Per Share	0.01	(0.05)	(0.72)	(0.04)
Adjusted Net Income – Per Share	0.03	0.10	0.16	0.31

(1) Net Income includes several Non-Recurring items, including a significant LTIP accrual as mandated by IFRS. Please see MD&A for additional detail.

## Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on November 10, 2010, to discuss the results. Please call 416-644-3415 or 1-877-974-0445. The conference call will also be accessible via webcast at [www.triconcapital.com](http://www.triconcapital.com) (go to Investor Information – Events). A replay of the conference call will be available until midnight November 18, 2010. To access the replay, call 416-640-1917 or 1-877-289-8525, followed by passcode 4371197#.

## 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 prospectus dated May 14, 2010, as available at [www.sedar.com](http://www.sedar.com) and the risks described in the Company's continuous disclosure materials from time-to-time. 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.

## Non-IFRS Measures

Tricon measures the success of its business by employing several key performance indicators which are not recognized under IFRS, including AUM, EBITDA, Adjusted Base EBITDA, Adjusted EBITDA and Adjusted Net Income. These indicators should not be considered an alternative to IFRS financial measures such as net income. Non-IFRS financial measures do not

have standardized definitions prescribed by IFRS and are therefore unlikely to be comparable with other issuers or companies. Refer to our Management & Discussion Analysis for a reconciliation of the Non-IFRS measures to the closest comparable IFRS measures.

**About Tricon Capital Group Inc.**

Founded in 1988, Tricon is one of North America's pre-eminent asset managers focused on the residential real estate development industry with approximately \$1 billion of assets under management. Tricon participates in the development of residential properties in Canada and the United States by acting as the manager of limited partnerships that provide financing, typically in the form of participating loans, to developers, with a specific focus on residential land development, single-family homebuilding, multi-family construction and retail developed in conjunction with residential projects. Since inception, Tricon has invested in approximately 141 transactions for development projects valued at \$8.5 billion. More information about Tricon is available at [www.triconcapital.com](http://www.triconcapital.com).

**For further information, please contact:**

June Alikhan  
Chief Financial Officer  
Tel: 416-928-4116  
Email: [jalikhan@triconcapital.com](mailto:jalikhan@triconcapital.com)

Gary Berman  
President  
Tel: 416-928-4122  
Email: [gberman@triconcapital.com](mailto:gberman@triconcapital.com)