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

Tricon Capital Group Announces Strong Q1 2016 Results

Acquisitions Across All Verticals Lead to 26% Growth in AUM

Toronto, Ontario – May 11, 2016 – Tricon Capital Group Inc. ("Tricon" or the "Company", TSX: TCN), a principal investor and asset manager focused on the residential real estate industry, today announced its consolidated financial results for the three months ended March 31, 2016. All of the financial information presented in this news release is in U.S. dollars unless otherwise indicated.

Key first-quarter highlights include:

- Assets Under Management ("AUM") increased by 26% year-over-year to $2.8 billion (C$3.6 billion);
- Tricon Housing Partners generated $54 million of cash distributions to Tricon, largely from the sale of Faria Preserve, a THP1 US investment;
- Tricon American Homes expanded its rental portfolio by 47% year-over-year to 7,603 homes, and maintained an operating margin of 60%;
- Tricon Lifestyle Communities closed on five age-restricted parks, and placed a sixth park under contract subsequent to quarter-end; and
- Tricon Luxury Residences closed a second investment in downtown Toronto in partnership with a major Canadian pension plan and also started construction at The McKenzie, its first project in Dallas.

"Tricon continues to achieve strong AUM growth while at the same time successfully executing on the business plans in each of our housing verticals," said Gary Berman, Tricon's President and Chief Executive Officer. "The sale of Faria Preserve was a major milestone in the quarter, helping to generate $54 million of cash flow to Tricon out of a total of $250 million we expect to receive from THP1 US through 2018. Our income-producing verticals, Tricon American Homes and Tricon Lifestyle Communities, continued to grow and generate consistent margins, while Tricon Luxury Residences added a fourth project and progressed on its development milestones. With our four investment verticals growing as planned, we are making strides towards establishing Tricon as a "housing brand" or a one-stop shop for both private and public investors seeking diversified exposure to housing."

Financial Highlights

For the Three Months Ended March 31, *(In thousands of dollars, except for per share amounts)*		2016		2015		Variance
Selected Financial Statement Information						
Net Income (Loss)	US$	13,234	US$	(10,916)	US$	24,150
Basic Earnings (Loss) Per Share		0.12		(0.12)		0.24
Diluted Earnings (Loss) Per Share		0.11		(0.12)		0.23
Selected MD&A Financial Information in U.S. Dollars						
Adjusted EBITDA	US$	26,800	US$	35,941	US$	(9,141)
Adjusted Net Income		15,813		23,048		(7,235)
Adjusted Basic Earnings Per Share		0.14		0.25		(0.11)
Adjusted Diluted Earnings Per Share		0.13		0.21		(0.08)
Assets Under Management	US$	2,781,746	US$	2,206,005	US$	575,741
Weighted Average Basic Shares Outstanding		112,379,331		90,646,960		21,732,371
Weighted Average Diluted Shares Outstanding		122,715,437		109,448,652		13,266,785
Selected MD&A Financial Information in Canadian Dollars						
Adjusted EBITDA	C$	36,780	C$	44,610	C$	(7,830)
Adjusted Net Income		21,702		28,607		(6,905)
Adjusted Basic Earnings Per Share		0.19		0.31		(0.12)
Adjusted Diluted Earnings Per Share		0.18		0.26		(0.08)
Assets Under Management		3,612,654		2,484,604		1,128,050
Dividends Per Share	C$	0.065	C$	0.060	C$	0.005

For the three months ended March 31, 2016, Net Income as recorded in the financial statements was $13.2 million, compared to a Net Loss of $10.9 million for Q1 2015. This quarter's results include a fair value gain on derivative financial instruments of $0.9 million related to the Company's convertible debentures ($37.9 million loss in Q1 2015), as well as a foreign exchange loss of $1.5 million ($10.7 million gain in Q1 2015).

Assets Under Management increased by $576 million, or 26%, to $2.8 billion (C$3.6 billion) as at March 31, 2016, compared to $2.2 billion (C$2.5 billion) as at March 31, 2015. The primary drivers of the increase were Separate Account and principal investments formed in the past year (Viridian, The Selby, 57 Spadina and Queen Creek), along with acquisitions and fair value adjustments of the Tricon American Homes single-family rental home portfolio.

Adjusted EBITDA decreased by $9.1 million or 25% to $26.8 million for Q1 2016, compared to $35.9 million for Q1 2015, largely due to higher fair value increases in the prior year. For the same reason, Adjusted Net Income, which excludes non-recurring items, decreased by $7.2 million or 31% to $15.8 million for Q1 2016, compared to $23.0 million for Q1 2015. However, realized Investment Income (before fair value gains) increased year-over-year at Tricon American Homes, Tricon Lifestyle Communities and Tricon Luxury Residences.

Adjusted Basic Earnings Per Share and Adjusted Diluted Earnings Per Share for Q1 2016 decreased by 44% and 38% to $0.14 and $0.13, respectively, compared to $0.25 and $0.21 in Q1 2015. The decrease was a result of lower Adjusted Net Income as well as a higher number of common shares outstanding. In Q3 2015, the Company completed a bought deal public offering of approximately 13.2 million common shares for gross proceeds of C$150 million, and deployed the net proceeds into new investment opportunities that are expected to be accretive to earnings per share over time.

Operational Highlights

Principal Investments

Tricon Housing Partners ("THP")

THP generated $53.8 million of cash distributions to Tricon in Q1 2016, largely as a result of the completed sale of Faria Preserve, a land investment within the Greater Bay Area Portfolio under THP1 US. These cash distributions contributed to a lower investment balance and lower Investment Income of $7.9 million in Q1 2016, compared to $12.4 million in Q1 2015. The decrease in Investment Income was also driven by lower valuation gains on investments compared to Q1 2015 when various projects attained significant development milestones that positively affected their valuations.

During the quarter, THP closed on a $15.0 million land development investment in Phoenix Arizona, with Tricon committing $12.8 million. The project is underwritten to generate a strong return to the Company over its short investment horizon of approximately three years. This project entails the acquisition of a 120-acre parcel of land in the relatively affluent and growing suburban town of Queen Creek and the ultimate sale of roughly 350 lots, likely to a public or large private homebuilder, as well as the sale of a 15-acre commercial parcel.

Tricon American Homes ("TAH")

TAH Net Income before Fair Value Gain increased by $2.8 million or 42% to $9.3 million in Q1 2016, compared to $6.5 million in Q1 2015. The fair value gain at TAH was $9.4 million in Q1 2016, compared to $19.5 million in Q1 2015, resulting in overall Investment Income of $18.0 million in Q1 2016, compared to $24.0 million in Q1 2015. TAH obtained Broker Price Opinion valuations for 2,257 homes in Q1 2015, which contributed to a larger fair value gain. In Q1 2016, the value of the portfolio increased by 1% compared to its value at the end of 2015.

TAH expanded its rental home portfolio by 47% to 7,603 homes as at March 31, 2016, compared to 5,163 homes a year ago. In-place occupancy decreased by 1% to 88% as at March 31, 2016, compared to 89% as at March 31, 2015. The Operating Margin remained consistent at 60% for Q1 2016 compared to the Operating Margin in 2015.

Subsequent to quarter-end, TAH increased the size of its dedicated warehouse credit facility from $300 million to $400 million under the existing terms.

Tricon Lifestyle Communities ("TLC")

TLC Investment Income was $1.3 million for the three months ended March 31, 2016, compared to $0.2 million for Q1 2015. The increase was largely a result of growth in the size of the portfolio. As at March 31, 2016, TLC owned ten parks with a total of 2,468 pads, including the recent acquisition of a portfolio of five age-restricted manufactured housing communities located in Mesa and Apache Junction, Arizona in January 2016.

In-place occupancy decreased by 13% to 76% as at March 31, 2016, compared to 89% as at December 31, 2015. The decrease is a result of lower occupancy (average of 65%) in the newly acquired communities, where management sees significant opportunity to increase occupancy and rent over time as the properties are enhanced and repositioned for a higher star rating. TLC's year-to-date Operating Margin for 2016 was 60.1%, which is largely consistent with the 59.8% Operating Margin for the full year of 2015.

On April 11, 2016, TLC entered into a binding contract to purchase an age-restricted community in Mesa, Arizona, which is comprised of 177 residential spaces. The transaction is expected to close in Q2 2016. The acquisition price of $8.8 million was financed with $2.8 million of equity and the assumption of $6.0 million of debt.

Tricon Luxury Residences ("TLR")

TLR Investment Income for the three months ended March 31, 2016 was $1.3 million, primarily as a result of a fair value gain recognized on The McKenzie, a TLR U.S. project located in Dallas, Texas, as construction commenced on the project in Q1 2016.

On February 18, 2016, TLR Canada closed its second investment in downtown Toronto, a 36-storey development located one-half block south of King Street on Spadina Avenue. Tricon has partnered with a major Canadian pension plan to form a C$42.7 million separate account on an 80/20 basis (Investor/Tricon). Pre-development at 57 Spadina has commenced, with construction expected to commence in Q1 2018 once the existing leased premises are vacated.

Private Funds and Advisory

Private Funds and Advisory AUM increased by 8% or $86 million to $1,180 million, compared to $1,094 million as at March 31, 2015. The increase was attributed to the closing of three separate account investments (Viridian in THP; and The Selby and 57 Spadina in TLR), offset by distributions from maturing funds and separate account investments.

Contractual Fees increased by $0.1 million or 1% to $5.5 million for Q1 2016, compared to $5.4 million for Q1 2015. The increase was primarily due to fees received from the Viridian separate account investment, projects under development by TLR and a one-time commitment fee related to Queen Creek, offset by a decrease in fee revenue from Johnson and legacy private investment vehicles.

Quarterly Dividend

The Company announced a dividend of six and one half cents per share in Canadian dollars payable on July 15, 2016, to shareholders of record on June 30, 2016.

Tricon's dividends are designated as eligible dividends for Canadian tax purposes in accordance with subsection 89(14) of the Income Tax Act (Canada), and any applicable corresponding provincial and territorial legislation. Tricon has a Dividend Reinvestment Plan ("DRIP") which allows eligible shareholders of the Company to reinvest their cash dividends in additional common shares of the Company. 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, as defined in the DRIP. The Company amended the DRIP on May 10, 2016 to provide that, going forward, the discount from the market price applicable to share issuances under the DRIP may be 0% to 5%, as determined by the Company in advance of any dividend to which the discount applies. This amendment remains subject to TSX approval. Participation in the DRIP is optional and shareholders who do not 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 at www.triconcapital.com.

Conference Call and Webcast

Management will host a conference call at 10 a.m. ET on May 12, 2016 to discuss the Company's results. Please call 1-647-788-4901 or 1-877-201-0168 (conference ID 79038395). The conference call will also be accessible via webcast and supplementary conference call presentation will be provided at www.triconcapital.com (Investor Information – Events). A replay of the conference call will be available from 1 p.m. ET on May 12, 2016 until midnight ET on May 19, 2016. To access the replay, call 1-855-859-2056 or 404-537-3406 and use pass code 79038395.

The Company's Financial Statements and Management's Discussion and Analysis for the three months ended March 31, 2016 are available on Tricon's website at www.triconcapital.com and have been filed on SEDAR (www.sedar.com). The financial information therein 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 $2.8 billion (C$3.6 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 $17 billion. More information about Tricon is available at www.triconcapital.com.

For further information, please contact:

Wissam Francis
Chief Financial Officer
Tel: 416-323-2484
Email: wfrancis@triconcapital.com

Wojtek Nowak
Director, Corporate Finance
and Investor Relations
Tel: 416-925-2409
Email: wnowak@triconcapital.com

* * * *

This news release may contain forward-looking statements relating to expected future events and financial and operating results and projections of the Company. Such statements may include statements regarding the Company's growth and investment opportunities, investment performance and ongoing cash distributions from investments, project timelines, and the pace of TAH's acquisition of single-family rental homes. Such forward-looking information and statements involve risks and uncertainties and are based on management's current expectations, intentions and assumptions in light of its understanding of relevant current market conditions, investee business plans, and the Company's prospects. 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.*

In this and other earnings releases and investor conference calls, as a complement to results provided in according with IFRS, the Company also discloses and discusses certain non-IFRS financial measures, including but not limited to AUM, Adjusted Revenue, Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings Per Share and Net Operating Income. These non-IFRS measures are further defined and discussed in Tricon's Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2016, which should be read in conjunction with this news release. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. Management believes these non-IFRS measures are meaningful financial measures of the Company's performance. A reconciliation of such measures to comparable measures under IFRS is included in the Company's MD&A. These non-IFRS measures should not be construed as alternatives to net income or other financial information determined in accordance with IFRS as measures of Tricon's performance.