

DIVERSIFIED

DIV

ROYALTY CORP.

Diversified Royalty Corp. Announces Fourth Quarter and 2014 Year End Results

For Immediate Release – not for distribution to US news wire services or for US dissemination

Vancouver BC, March 20, 2015 – Diversified Royalty Corp. (TSX: DIV) (the “Company” or “DIV”) is pleased to announce its financial results for the three-month period ended December 31, 2014 (“Fourth Quarter”) and the year ended December 31, 2014. A copy of this news release, the annual consolidated financial statements and related Management’s Discussion and Analysis of DIV are available on SEDAR at www.sedar.com and on DIV’s website at www.diversifiedroyaltycorp.com.

Fourth Quarter Results

The gross sales of the 78 Franworks Franchise Corp (“Franworks”) restaurants in the Royalty Pool were \$51.3 million for the Fourth Quarter. Same stores sales growth (sales of restaurants that operated during the entire period of both the current and prior years, “SSSG”), a key driver of dividend growth for DIV shareholders, for stores in the Royalty Pool increased by 3.1% in Canada and 7.6% in the US for the Fourth Quarter. After translating the sales of the US restaurants into their Canadian dollar equivalent, consolidated same stores sales increased by 4.6% for the Fourth Quarter. The average exchange rate used during the Fourth Quarter was 1.1431. SSSG for the Fourth Quarter was principally due to menu re-pricing phased in Fall of 2014 and higher customer traffic.

“DIV is pleased with the same store sales performance of the Franworks restaurants in the Royalty Pool during the first full quarter of owning the royalty” said Sean Morrison, President and CEO of DIV. “With completion of the royalty deal with DIV, Franworks senior management has time to re-focus their efforts on growing the business.”

DIV’s royalty income (6% of gross sales for the 78 Franworks restaurants in the Royalty Pool) was \$3.1 million for the Fourth Quarter. DIV incurred recurring operating expenses of \$0.4 million and cash interest expense of \$0.2 million for Distributable Cash of \$2.5 million. DIV had \$1.4 million of expenses related to John Bennett litigation and other non-recurring costs and non-cash expenses, net of income tax recovery for net income of \$1.4 million (\$0.02 per share).

Sean Morrison stated “DIV incurred substantial litigation expenses in the Fourth Quarter related to Court ordered indemnifications of John Bennett’s reasonable legal fees in relation to his U.S. criminal proceedings. John Bennett is scheduled to go to trial in November 2015 and DIV expects to have this non-recurring matter behind it by the conclusion of 2015.”

Year End Results

The gross sales of the 78 Franworks restaurants in the Royalty Pool were \$54.1 million from September 26, 2014 to December 31, 2014. Royalty income was \$3.2 million for the year ended December 31, 2014. DIV incurred \$6.0 million of expenses related to due diligence, legal and closing costs for the Franworks royalty acquisition, closing costs related to closing the Oakville head office, TSX listing and filing fees, proxy contest costs and John Bennett litigation.

Net income for year ended December 31, 2014 was \$7.4 million and earnings per share were \$0.17 on a basic and fully diluted basis. A significant portion of DIV's 2014 net income was related to a \$9.5 million deferred income tax recovery recorded related to the Franworks royalty acquisition.

"2014 was a transformative year for DIV" said Sean Morrison, President and CEO of DIV. "In June 2014 we fought a proxy battle with Difference Capital Financial Inc. On September 18, 2014, the shareholders of DIV voted overwhelmingly (99.8%) in favour of the Franworks royalty acquisition. On September 26, 2014, DIV completed its first royalty acquisition, acquiring an approximate \$12 million annual top-line royalty from Franworks for a purchase price of \$108.8 million. DIV's shares were re-listed on the TSX on October 9, 2014 and on October 14, 2014, DIV announced a \$30 million bought deal offering which was subsequently upsized to \$34.5 million and closed on November 12, 2014."

Furthermore, Sean stated "we are pleased with the traction DIV is getting in the marketplace with respect to its unique royalty financing and is actively pursuing several opportunities. With over \$34 million of cash on hand and a solid royalty with Franworks, DIV is well positioned to execute its business strategy of acquiring royalties from high quality multi-location and Franchisor businesses."

A more detailed discussion is available in the Management Discussion and Analysis available on SEDAR at www.sedar.com and Consolidated Financial Statements for the three and 12 months ended December 31, 2014 and 2013 are also available on SEDAR at www.sedar.com.

About Diversified Royalty Corp.

DIV is a multi-royalty corporation, engaged in the business of acquiring top-line royalties from well-managed multi-location businesses and franchisors in North America. DIV's objective is to acquire predictable, growing royalty streams from a diverse group of multi-location businesses and franchisors.

DIV's first royalty is with Franworks which operates [86] mid-tier casual neighborhood pub restaurants under the Original Joe's, State & Main, and Elephant & Castle brands across Canada and in select US market and generates over \$200 million of gross sales.

DIV is currently paying an annual dividend of \$0.1884 (\$0.0157 per month) and expects to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. DIV expects to pay a predictable and stable dividend to shareholders and increase the dividend as cash flow per share increases allow.

Forward Looking Statements

Certain statements contained in this news release and in certain documents referred to herein may constitute forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "intend", "may", "will", "project", "should", "believe", "confident", "plan" and "intends" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Specifically, forward-looking statements in this news release include, but are not limited to, statements made in relation to DIV's corporate objectives and strategies; and ongoing litigation with John Bennett. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results

or events, performance, or achievements of DIV to differ materially from those anticipated or implied in such forward-looking statements. DIV believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct. In particular there can be no assurance that DIV will be able to: make monthly dividend payments to the holders of its common shares; complete additional royalty purchases; conclude litigation related to John Bennett by the end of 2016; or achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking statements included in this news release are not guarantees of future performance, and such forward-looking statements should not be unduly relied upon. These statements speak only as of the date of this news release. DIV undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

In formulating the forward-looking statements contained herein, management has assumed that business and economic conditions affecting DIV will continue substantially in the ordinary course, including without limitation with respect to general industry conditions, general levels of economic activity and regulations. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.

All of the forward-looking statements made in this news release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, DIV.

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.

Additional Information

Additional information relating to the Corporation and other public filings are available on SEDAR at www.sedar.com.

Contact:

Sean Morrison, President and Chief Executive Officer
Diversified Royalty Corp.
(604) 235-3146

Jason Granger, Chief Financial Officer
Diversified Royalty Corp
(604) 235-3146