



Diversified Royalty Corp. Reports Third Quarter Results and Announces Changes to Board of Directors

Vancouver BC, November 13, 2014. For Immediate Release

Third Quarter Results

Diversified Royalty Corp. (TSX: DIV) (the "Company" or "DIV") today announced its financial results for the quarter ended September 30, 2014. The Company completed a transaction with Franworks Franchise Corp. ("Franworks") during the quarter, whereby it acquired an approximate \$12 million annual top-line royalty for a purchase price of \$108.8 million (comprised of cash of \$88.1 million and 8,992,187 common shares of DIV). Franworks operates 86 restaurants under the Original Joe's, State & Main, and Elephant & Castle brands.

The gross sales of the 78 Franworks restaurants in the Franworks Royalty Pool were \$52.9 million for the quarter, an increase of \$1.9 million or 3.7% from the comparable quarter of the prior year. As the Franworks acquisition was completed on September 26, 2014, the royalty is only payable on the sales for the last 5 days of the quarter, equivalent to 6% of \$2.8 million, or \$0.17 million.

As the Franworks acquisition occurred late in the quarter, revenue was modest. Net income for the quarter was \$8.4 million and earnings per share were \$0.21 on a basic and fully diluted basis. This was primarily due to a \$9.5 million deferred income tax recovery in the period.

A more detailed discussion is available in the Management Discussion and Analysis available on SEDAR at www.sedar.com and Unaudited Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2014 and 2013 also available on SEDAR at www.sedar.com.

Changes to Board of Directors

DIV is pleased to announce the appointment of Mr. Johnny Ciampi to its board of directors. Mr. Ciampi is a director of Maxam Capital Management Ltd. and Managing Partner for the Maxam Opportunities Funds. Maxam Opportunities Funds are private equity funds focused on structured investments in both publicly traded and private companies, predominantly in Canada. Prior to forming Maxam, Mr. Ciampi was the Executive Vice President and Chief Financial Officer of Gibralt Capital and a partner of Second City Capital Partners, Vancouver-based private equity groups. Mr. Ciampi also serves on the Board of Premium Brands Holding Corporation. Mr. Ciampi is a graduate of the University of British Columbia with a degree in Commerce and holds a Chartered Accountant designation.

DIV also announces that Livia Mahler has stepped down from DIV's board of directors effective today.

Lorie Haber, Executive Chairman, said, "On behalf of the board of directors, I am pleased to welcome Johnny to the Corporation's board of directors." Mr. Haber continued, "The Corporation wishes to thank Livia for her diligent service and considerable contributions as a



director throughout her tenure and especially during this transformative period for the Corporation.”

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 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. 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; 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.

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