

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA), AUSTRALIA, CANADA, JAPAN, SWITZERLAND OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT

FURTHER, THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE, OR FORM THE BASIS OF AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY NEW OR EXISTING ORDINARY SHARES OF DALATA HOTEL GROUP PLC IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

Dalata Hotel Group plc (“Dalata” or “the Company”)

Acquisition of the Moran Bewley’s Hotel Group

Proposed Placing of 18,300,000 Placing Shares at €2.75 per Placing Share

The Acquisition

Dalata Hotel Group plc, Ireland’s largest hotel operator, today announces that it has conditionally agreed, subject, inter alia, to Shareholder approval at the EGM and approval of the CCPC, to acquire the Moran Bewley’s Hotel Group for an enterprise value of €455,000,000.

The Moran Bewley’s Hotels are a portfolio of nine hotels comprising 2,506 rooms across Ireland and the UK. The portfolio includes four hotels in Dublin, two hotels in London and one hotel in each of Cork, Manchester and Leeds. The Red Cow Moran Hotel and the Red Cow Inn Complex, each in Dublin, do not form part of the Acquisition.

The Acquisition offers the Group a rare opportunity to acquire a large, well invested portfolio of three and four star hotels with 2,506 rooms. The Acquisition allows the Group to scale up its operations significantly and in particular expands the Group’s position in the key Dublin market. The four Dublin-located Moran Bewley’s Hotels contain a total of 1,423 rooms. The Acquisition also expands the Group’s presence in Cork with the addition of the Silver Springs Moran Hotel. The Acquisition gives Dalata exposure to three attractive UK hotel markets, London, Manchester and Leeds and provides a platform from which the Company can further grow in the UK in the coming years.

The Company has agreed conditionally to purchase the Moran Bewley’s Hotel Group from the Vendors for an enterprise value of €455,000,000 (subject to adjustments as provided for in the Acquisition Agreement). The sums payable pursuant to the Acquisition consist of the repayment of intercompany and third party debt, the issue of 12,200,000 shares in Dalata Hotel Group p.l.c. (representing 10 per cent. of the Existing Issued Share Capital) and the remainder being satisfied in cash. The Dalata shares will be placed by Davy on behalf of Borua Holdings Limited in a Vendor Placing.

In addition, the Company intends to raise €16.775 million (before expenses) via the issue of 6,100,000 Cash Placing Shares at the Placing Price to the Cash Placees pursuant to the Cash Placing (representing 5 per cent. of the Existing Issued Share Capital).

Details of the Placing

The Vendor Placing and the Cash Placing (together “the Placing”) is being conducted through an accelerated bookbuild process to be carried out by J&E Davy (“Davy”). The book will open with immediate effect. The book is expected to close at 4.30 pm today, but may be closed earlier or later at the sole discretion of the Company and Davy. Final details in relation to the Placing will be announced as soon as practicable after the close of the bookbuilding process. Members of the public are not eligible to take part in the Placing.

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* with the existing ordinary shares. Application will be made to AIM and ESM for Admission of the Placing Shares to

trading on AIM and ESM respectively. It is expected that Admission will take place, and that dealings in the Placing Shares on AIM and ESM will commence at 8.00 a.m. on 30 January 2015 but that dealings in the Existing Ordinary Shares on AIM and ESM will recommence on 18 December 2014. The Acquisition is dependent on *inter alia*, the approval of Shareholders and CCPC approval. The Placing is dependent on the Acquisition.

Current trading

In the interims the Directors forecast EBITDA in the full year to be in the range €7.5 million to €8.0 million excluding the effect of acquisition activity (2013: €5.3m). Performance since then continues to show strong growth on 2013 supported by strong incoming visitor numbers and improving domestic consumer confidence. The Directors now expect Dalata Group EBITDA for 2014 to be in the range of €8.1 million to €8.3 million excluding the effect of the Acquisition and other acquisitions completed during 2014. EBITDA for the Moran Bewley's Hotel Group for the six months ended 30 June 2014 was €14.3 million which was 17 per cent. up on the equivalent period in 2013, driven by strong market conditions in Ireland and the UK. Performance continues to show strong growth on 2013. The Directors expect EBITDA for the Moran Bewley's Hotel Group for 2014 to be in the range of €32.5 million.

The Acquisition, in view of its size, constitutes a reverse takeover under the AIM Rules and the ESM Rules and thus completion of the Acquisition is conditional on, *inter alia*, the approval of Shareholders and CCPC approval. Shareholder approval will be sought at the EGM to be held at the Clyde Court Hotel, Lansdowne Road, Dublin 4, at 10 am on the 5 January 2015. An Admission Document containing details of the Enlarged Group and containing a notice of General Meeting will be posted to Shareholders today and is available to view on the Company's website at www.dalatahotelgroup.com.

Irrevocable undertakings to vote in favour of the Resolution have been received from the Directors and Shareholders in respect of 960,118 Ordinary Shares, representing approximately 0.8 per cent. of the Company's Existing Issued Share Capital.

Pat McCann, Chief Executive of Dalata, commented:

"The acquisition of the Moran Bewley's Hotel Group is a transformational development for Dalata, it is a business we have admired for a long time and the acquisition is a rare opportunity to acquire a large well invested portfolio of hotels "

"We have now fully invested the proceeds from our IPO in line with our investment strategy well ahead of schedule. I look forward to driving value from the acquisitions we have completed in 2014 for the benefit of our shareholders."

This summary should be read in conjunction with the full text of this announcement and the Admission Document, which is being posted to Shareholders tomorrow. Defined terms within this announcement have the same meanings as those within the Admission Document.

For further information:

Dalata Hotel Group plc

Dermot Crowley (Deputy Chief Executive)

www.dalatahotelgroup.com

Tel +353 (0)1 206 9400

Davy

Ronan Godfrey / Brian Ross / Anthony Farrell

Tel +353 (0)1 679 6363

PR

Padraig McKeon

Tel: +353 (0)87 231 2632

Proposed acquisition of the Moran Bewley's Hotel Group
Proposed Placing of 18,300,000 Placing Shares at €2.75 per Placing Share
Application of the Enlarged Issued Share Capital to Trading on AIM and ESM

Introduction

Dalata announced today that it has conditionally agreed, subject, inter alia, to Shareholder approval at the EGM and approval of the CCPC, to acquire the Moran Bewley's Hotel Group. The Moran Bewley's Hotels are a portfolio of nine hotels comprising 2,506 rooms across Ireland and the UK. The portfolio includes four hotels in Dublin, two hotels in London and one hotel in each of Cork, Manchester and Leeds. The remaining operations of the MB Group, namely the Red Cow Moran Hotel and the Red Cow Inn Complex, each in Dublin, do not form part of the Acquisition.

The Company has agreed conditionally to purchase the Moran Bewley's Hotel Group from the Vendors for an enterprise value of €455,000,000 (subject to a completion adjustment), to be satisfied by the repayment of certain intercompany and third party debt, the issue of 12,200,000 shares in Dalata Hotel Group p.l.c. (representing 10 per cent. of the Existing Issued Share Capital) and the remainder to be paid in cash. These Dalata shares will be placed by Davy on behalf of Borua Holdings Limited in a Vendor Placing.

In addition, the Company is proposing to raise €16.775 million (before expenses) via the issue of 6,100,000 Cash Placing Shares at the Placing Price to the Cash Placees pursuant to the Cash Placing (representing 5 per cent. of the Existing Issued Share Capital).

The Acquisition, in view of its size, constitutes a reverse takeover under the AIM Rules and the ESM Rules and thus completion of the Acquisition is conditional on, inter alia, the approval of Shareholders and CCPC approval.

Background to and reasons for the Acquisition

In March 2014 Dalata raised €265 million (before expenses) through the issue of Existing Ordinary Shares and listed on AIM and ESM. Dalata's strategy at the Initial Admission was to leverage the Group's core asset management, hotel operation and development capabilities to grow its business through a mixture of owned, leased and managed hotel assets. The Group planned to acquire a portfolio of hotel assets comprising both assets currently leased by the Group as well as bolt on opportunities. Since the Initial Admission, Dalata has acquired a number of Irish hotels and the Directors believe that the Acquisition is in keeping with the stated strategy.

The Acquisition offers the Group a rare opportunity to acquire a large, well invested portfolio of three and four star hotels with 2,506 rooms. The Acquisition allows the Group to scale up its operations significantly and in particular expands the Group's position in the key Dublin market. The four Dublin-located Moran Bewley's Hotels contain a total of 1,423 rooms. The Acquisition also expands the Group's presence in Cork with the addition of the Silver Springs Moran Hotel. The Acquisition gives Dalata exposure to three attractive UK hotel markets, London, Manchester and Leeds and provides a platform from which the Company can further grow in the UK in the coming years.

In addition to the extension currently under construction at the Chiswick Moran Hotel, there are some further development opportunities at Bewley's Hotel Dublin Airport and Bewley's Hotel Leopardstown.

The Directors believe there are opportunities for significant improvements in profitability in the acquired hotels in a number of areas, in particular:

- synergies from the combination of Dalata's and Moran Bewley's central offices;
- cost reductions at the Enlarged Group's hotels through the economies of scale generated by the combination of the two groups;
- RevPAR improvements through the application of the Dalata revenue management approach to the Moran Bewley's Hotels; and
- Rebranding a number of the Moran Bewley's Hotels from three star to four star hotels, with corresponding value enhancing possibilities.

The Directors believe that annual pre-tax cost synergies of €2.5 million – €3.0 million should be achievable by the second full year following Completion.

Information on the Company

Dalata is the largest hotel operator in Ireland, operating 36 hotels with over 5,500 rooms. Three of the hotels are owned by Dalata and the Group has entered into agreements to acquire three further hotels, which are subject to CCPC approval. 12 hotels are operated under lease agreements and 18 are operated under management agreements.

Dalata operates 14 hotels under the Maldron brand, 10 of which are three star hotels with the remainder being four star. The Company was admitted to trading on the AIM market of the London Stock Exchange and the ESM market of the Irish Stock Exchange on 19 March 2014 when it raised €265 million of equity in order to fund its strategy of acquiring a portfolio of hotel assets. Since the Initial Admission the Group has acquired the Maldron Hotel Pearse Street (€14.4 million), the Maldron Hotel Parnell Square (€15.3 million) and the Maldron Hotel Derry (£4.4 million). Contracts for the acquisition of the Clayton Hotel Galway (€16.5 million), Whites of Wexford (€15.1 million) and the Pillo Hotel Galway (€10.5 million) have been entered into by the Group and are subject to CCPC approval. The Directors believe the expected EBITDA in 2014 of these six acquisitions on a full year basis would be approximately €5 million. The Group has also acquired the freehold equivalent interest in 17 rooms and has entered into an agreement to acquire 3 rooms in the Maldron Hotel Cardiff Lane at a total cost of €1.9 million.

Owned Hotels	
Hotel	No. of Rooms
Maldron Hotel Parnell Square, Dublin	126
Maldron Hotel Pearse Street, Dublin	101
Maldron Hotel Derry, Co. Derry	93
Clayton Hotel Galway, Co. Galway*	195
Whites of Wexford, Co. Wexford*	157
Pillo Hotel Galway, Co. Galway*	104
Maldron Hotel Cardiff Lane, Dublin (7 suites)**	20
Total	796
*Note: Acquisitions of Clayton Hotel Galway, Whites of Wexford and the Pillo Hotel Galway are subject to CCPC approval. These hotels are currently operated by the Group under management agreements which will terminate on completion of the acquisitions.	
**Note: A contract has been entered into for the acquisition of 1 suite/3 rooms, which has yet to complete.	

The Group operates 11 hotels under lease agreements and one hotel under a long term operating agreement. Nine of the leased hotels are under long term leases (weighted average lease duration of greater than 20 years) and operate under the Maldron brand. Two of the hotels, the Ballsbridge Hotel, Dublin and Clyde Court Hotel, Dublin are operated under their own brands on short term leases. The Maldron Hotel Dublin Airport is operated under a 10 year operating agreement with the landlord.

While the lease structure may vary from hotel to hotel, a typical lease is based on a five year rent review. The rent on review generally adjusts to the higher of open market value or the existing rent.

Leased Hotels		
Lease Agreements		
Hotel	Term expiry date	No. of Rooms
Maldron Hotel Cardiff Lane, Dublin		284
Main Hotel	December 2039	
Extension	August 2040	
Maldron Hotel Smithfield, Dublin	May 2031	92
Maldron Hotel Tallaght, Dublin	December 2029	119
Maldron Hotel Galway	December 2033	113
Maldron Hotel Cork	October 2030	101

Maldron Hotel Portlaoise	July 2036	90
Maldron Hotel Wexford	December 2035	108
Maldron Hotel Limerick	July 2031	143
Maldron Hotel Cardiff, Wales	May 2046	216
Maldron Dublin Airport Hotel*	January 2024	247
Ballsbridge Hotel, Dublin	March 2018	392
Clyde Court Hotel, Dublin	March 2018	185
Total		2090
*Note: Maldron Hotel Dublin Airport is not a leasehold interest. The hotel is operated under an operating agreement with the landlord.		

In March 2009 the Group began to provide hotel operation and management expertise to receivers and banks. Dalata provides a complete hotel management solution focusing on the implementation of the operational and physical asset changes and the introduction of appropriate systems and controls to maximise the return on the hotel. Hotels operated under management agreements will typically continue to trade under their own brand names as partner hotels within the Enlarged Group.

The Group currently operates 18 hotels under management agreements, nine are currently in receivership and are operated under agreements which cease upon the sale of the hotel. The remaining nine hotels are operated under short term agreements (less than five years) directly for hotel owners. As hotels in receivership are generally sold by receivers to third party investors, the Directors believe that the Enlarged Group's position as Ireland's largest hotel operator will place it in a strong position to secure further management agreements.

Management Agreements	
Management Agreements – With Receivers	
Hotel	No. of Rooms
Diamond Coast Hotel, Co. Sligo	92
Portlaoise Heritage Hotel, Co. Laois	110
Westlodge Hotel, Co. Cork	90
Clarion Hotel Sligo, Co. Sligo	162
Clonmel Park Hotel, Co. Tipperary	99
Fels Point Hotel Tralee, Co. Kerry	165
Pillo Hotel Ashbourne, Co. Meath	148
Hotel Ballina, Co. Mayo	87
Dundrum House Hotel, Co. Tipperary	68
Total	1021

Management Agreements – Directly with Owners	
Hotel	No. of Rooms
Citywest Hotel, Conference, Leisure and Golf Resort, Dublin*	770
Cavan Crystal Hotel, Co. Cavan **	85
Maldron Hotel, Belfast	104
Best Western Plus Academy Plaza Hotel, Dublin	304
Shamrock Lodge Hotel, Co. Westmeath	51
The Belvedere Hotel, Dublin	92
Nuremore Hotel & Country Club, Co. Monaghan	72
Fitzwilton Hotel, Co. Waterford	89
Aghadoe Heights Hotel & Spa, Co. Kerry	74
Total	1641
*Note: The management agreement with the Citywest Hotel will expire on 31 January 2015.	
**Note: The Cavan Crystal Hotel was previously operated under a management agreement with a receiver	

Since the Initial Admission the Group has secured three new management agreements (Dundrum House Hotel, Tipperary; Aghadoe Heights Hotel and Spa, Kerry; and Fitzwilton Hotel, Waterford). In

addition management agreements have ceased for nine hotels (Breaffy House Resort, Mayo; The Heritage Golf & Spa Resort, Laois; The Millrace Hotel, Wexford; Arklow Bay Hotel, Wicklow; Radisson Blu Hotel, Limerick; Anner Hotel, Tipperary; Maldron Hotel Citywest, Dublin; Creggan Court Hotel, Westmeath; and Springhill Court Hotel, Kilkenny). The management agreement for the Citywest Hotel will expire on 31 January 2015.

The fees payable to the Group under these management agreements are typically structured as either fixed fees or variable fees based on revenues and/or EBITDAR.

Information on the Moran Bewley's Hotel Group

The Moran Bewley's Hotels are a portfolio of nine hotels comprising 2,506 rooms located across Ireland and the UK. The portfolio includes four hotels in Dublin, two hotels in London and one hotel in each of Cork, Manchester and Leeds. The Irish and UK Hotels were recently subject to an intra-group reorganisation. The Irish aspects of the reorganisation completed on 8 December 2014 and the UK aspects completed on 15 December 2014. At Completion, eight of the hotels will be owned by the Moran Bewley's Hotel Group and one hotel will be operated under a long term lease agreement (Bewley's Hotel Manchester). In addition, the MB Group also owns and operates the Red Cow Moran Hotel and the Red Cow Inn Complex, both in Dublin, which do not form part of the Acquisition.

The MB Group opened its first hotel, the Red Cow Moran Hotel in Dublin in 1996 and purchased the Silver Springs Hotel in Cork in 2000. In 2004, the MB Group opened its first UK hotel, the Crown Moran Hotel in London. The Chiswick Moran Hotel, also in London, was opened in 2006. In 2008, the MB Group acquired the Bewley's Hotel Group, which comprised six three star hotels in Ireland and the UK, for a purchase price of €569 million.

The Moran Bewley's Hotels	
Hotel	No. of Rooms
Silver Springs Moran Hotel, Co. Cork	109
Crown Moran Hotel, London	152
Chiswick Moran Hotel, London	123
Bewley's Hotel Ballsbridge, Dublin	304
Bewley's Hotel Dublin Airport	466
Bewley's Hotel Leopardstown, Dublin	354
Bewley's Hotel Newlands Cross, Dublin	299
Bewley's Hotel Manchester Airport	365
Bewley's Hotel Leeds	334
Total	2506

A brief description of each of the Moran Bewley's Hotels is set out below:

Silver Springs Moran Hotel, Cork

The Silver Springs Moran hotel was acquired by the MB Group in 1999 and a number of refurbishments have been completed since then. The four star hotel contains 109 rooms, a bar/restaurant, leisure centre and 12 conference suites including one of the largest event centres in the south of Ireland. The hotel is located three kilometres from Cork city centre and 11km from Cork International Airport.

Crown Moran Hotel, London

The Crown Pub, Cricklewood, was acquired in 1998 and, following substantial investment, was converted into the four star Crown Moran Hotel. The hotel contains 152 rooms, the Crown pub, a restaurant, a leisure centre and swimming pool and conference facilities which cater for up to 300 people. The Crown Moran Hotel is located in Cricklewood, a large suburb of London eight kilometres from the city centre.

Chiswick Moran Hotel, London

The Chiswick Moran Hotel was originally an office block which was purchased in 2004 and was converted into a four star hotel which opened in 2006. The hotel contains 123 rooms, a bar, a restaurant, a fitness centre and 5 meeting rooms. An extension comprising an additional 98 bedrooms and conference and banqueting facilities to accommodate 400 delegates is currently under construction on the hotel site. This extension is expected to be completed by December 2015 and the expected cost to

Dalata of completing the extension is £7 million. The hotel is located in Chiswick, a suburb to the west of London halfway between central London and Heathrow airport

Bewley's Hotel Ballsbridge, Dublin

Bewley's Hotel Ballsbridge was acquired by the MB Group in 2008. This three star hotel is located two kilometres from Dublin city centre, adjacent to the RDS Arena and within walking distance of the Aviva Stadium. The hotel contains 304 rooms, a bar and restaurant and eight conference suites. All 304 rooms have been refurbished to four star standard within the last 18 months. There is currently some vacant space in the basement of the hotel which could potentially be converted into additional conference facilities.

Bewley's Hotel Dublin Airport

Bewley's Hotel Dublin Airport is a three star hotel acquired by the MB Group in 2008. The hotel is located four kilometres from Dublin Airport and contains 466 rooms, a restaurant, two bars, a coffee dock, a function room, 16 meeting rooms, double basement and ground level car parking and a fitness suite. The ground floor of the hotel was extensively refurbished in 2014. Dalata is examining the possibility of constructing an extension to the hotel which would include 360 additional bedrooms and 1,200 square metres of conference facilities

Bewley's Hotel Leopardstown, Dublin

Bewley's Hotel Leopardstown is a three star hotel which was acquired by the MB Group in 2008. The hotel is located within walking distance of Leopardstown Racecourse and adjacent to the M50 motorway, Central Park office complex and a tram stop serving the city centre. The hotel contains 354 rooms, a fitness room, a bar and coffee dock and 13 conference suites. Dalata are examining the possibility of constructing an extension to the hotel which would include up to 46 additional suites.

Bewley's Hotel Newlands Cross, Dublin

Bewley's Hotel Newlands Cross was acquired by the MB Group in 2008. This three star hotel is located in the Southwest of Dublin city, close to the M50 and N7 motorways, and consists of 299 rooms, a fitness room, a restaurant and 10 conference suites.

Bewley's Hotel Manchester Airport

Bewley's Hotel Manchester Airport is a three star hotel acquired by the MB Group in 2008. The hotel is located on site at Manchester Airport and consists of 365 rooms, a fitness room, a restaurant and 25 meeting rooms. It is operated under a 99 year lease (which commenced in 1986) with Manchester Airport.

Bewley's Hotel Leeds

Bewley's Hotel Leeds was acquired by the MB Group in 2008. This three star hotel is located within walking distance of Leeds city centre and consists of 334 rooms, a fitness room, a bar and restaurant and nine meeting rooms including the Holbeck suite which has a 350 person capacity.

The following is a summary of the financial information for the Moran Bewley's Hotel Group for the 11 months ended 31 December 2013 and the years ended 31 January 2013, 31 January 2012 and 31 January 2011

Summary Financial Information on the Moran Bewley's Hotel Group				
	11 months ended 31 December 2013 €'000	Year ended 31 January 2013 €'000	Year ended 31 December 2012 €'000	Year ended 31 December 2011 €'000
Revenue	77,816	79,145	71,053	69,484
EBITDA	25,934	26,207	22,675	23,133
Operating profit/(loss)	19,061	17,992	(128,061)	13,120

The Enlarged Group's Strategy

Dalata's strategy is to focus on increasing the profitability of its owned and leased assets via a combination of:

- Re-branding and repositioning the Enlarged Group's existing hotel portfolio;

- Increasing RevPAR at the hotels via improved revenue management techniques;
- Driving economies of scale in the Enlarged Group through a range of areas including sales and marketing, group purchasing and central office costs; and
- Clustering of certain back of house functions (such as accounting, finance, sales and marketing and human resources) in cities where the Enlarged Group have a number of hotels.

The Enlarged Group will continue to look at opportunities to acquire further hotels in Ireland as well as review new build opportunities. Dalata is currently in advanced discussions in relation to the acquisition of another hotel. The Directors believe that there will be opportunities to purchase the freehold interests of some of the properties that it currently leases. Dalata will also look at opportunities to lease additional hotels in Ireland.

The Enlarged Group will also continue to seek out opportunities to operate hotels under management agreements in those locations in Ireland that it does not already own or lease hotels.

The Acquisition gives Dalata exposure to three of the UK's most attractive hotel markets, London, Manchester and Leeds and provides a platform from which Dalata can further grow in the coming years. The Group's strategy in relation to its UK hotels is to focus on increasing the profitability of the individual hotels via a combination of cost savings and improvements in revenue management. The Enlarged Group will seek to grow its position in the UK market in the future via a combination of acquisitions and new build hotels.

Current Trading and Prospects

The Group

Since the Initial Admission, Dalata has acquired the freehold interest in three hotels (one of which was previously leased). Contracts for the acquisition of a further three hotels have been entered into and are subject to CCPC approval (all of which were previously operated under management agreements). The Group has secured an additional three management agreements and has ceased operating nine of its managed hotels. The Directors believe that the expected EBITDA in 2014 of the six acquired hotels on a full year basis would be approximately €5.0 million. Dalata is in advanced discussions in relation to the acquisition of another hotel in Ireland although a binding contract has not been entered into. This hotel is considered by the Directors to fit in with the Group's investment strategy.

The results of the Group for the 6 months ended June 2014 were published on 9 September 2014 and are published on the Group's website. As set out in these results EBITDA at the leased and owned hotels increased from €0.4 million in H1 2013 to €1.1 million in H1 2014 (excluding the impact of acquisitions). Like for like revenue in the owned and leased portfolio increased by 7.6 per cent. relative to H1 2013. Management fee revenue increased 75 per cent. over H1 2013 from €1.7 million to €2.9 million.

In the interims the Directors forecast EBITDA in the full year to be in the range €7.5 million to €8.0 million excluding the effect of acquisition activity (2013: €5.3m). Performance since then continues to show strong growth on 2013 supported by strong incoming visitor numbers and improving domestic consumer confidence. The Directors now expect Group EBITDA for 2014 to be in the range of €8.1 million to €8.3 million excluding the effect of the Acquisition and other acquisitions completed during 2014.

The Moran Bewley's Hotel Group

EBITDA for the Moran Bewley's Hotel Group for the six months ended 30 June 2014 was €14.3 million which was 17 per cent. up on the equivalent period in 2013, driven by strong market conditions in Ireland and the UK. Performance continues to show strong growth on 2013. The Directors expect EBITDA for the Moran Bewley's Hotel Group for 2014 to be in the range of €32.5 million.

Principal terms of the Acquisition

Summary of the terms and conditions of the Acquisition

On 17 December 2014, the Company, the Vendors, GNL and the MB Group Shareholders entered into the Acquisition Agreement. Under the terms of the Acquisition Agreement, the Company has

conditionally agreed to acquire the Moran Bewley's Hotel Group, which own the MB Hotels (which represent all of the hotels assets of the MB Group, other than the Red Cow Moran Hotel complex and the Red Cow Inn complex). The purchase price is €453,750,000 (reflecting an enterprise value of €455,000,000 following an initial working capital adjustment and subject to a further working capital adjustment based on completion accounts) to be satisfied by the issue of 12,200,000 Ordinary Shares, the repayment of bank and intercompany debt and the remainder to be satisfied in cash. The purchase price is subject to adjustment for working capital and other matters, in accordance with the Acquisition Agreement.

The sums payable under the Acquisition Agreement will be funded through the New Debt Facilities and existing cash resources.

The Acquisition, due to its relative size, represents a reverse takeover for the Company under the AIM Rules and the ESM Rules and as such, it requires the approval of the Existing Shareholders by the passing of the Resolution at the EGM. The Resolution must be approved by a simple majority of the votes cast by those present, in person or by proxy, at the EGM. Accordingly, the Acquisition will be conditional on the passing of the Resolution and CCPC approval.

The Acquisition Agreement includes a post-completion price adjustment in relation to working capital of the Moran Bewley's Hotel Group as at Completion and a price adjustment mechanism linked to the cost of completing the extension to the Chiswick Moran Hotel. The Vendors and the MB Group Shareholders have undertaken in the Acquisition Agreement that there will not be any dividends paid from the Moran Bewley's Hotel Group between the date of the Acquisition Agreement and the date of Completion. Pending Completion, the Acquisition Agreement imposes certain restrictions on the Moran Bewley's Hotel Group carrying on its business other than in the ordinary course and imposes additional restrictions on the Moran Bewley's Hotel Group carrying on material transactions without the prior approval of the Company in each case between the date of the Acquisition Agreement and the date of Completion.

The Vendor Placing

Under the Vendor Placing, Davy has agreed as agent of Borua Holdings Limited to use reasonable endeavours to procure purchasers of the Vendor Placed Shares (being the Ordinary Shares to be issued to Borua Holdings Limited pursuant to the terms of the Acquisition Agreement) at the Placing Price. The Company shall not receive any proceeds from the Vendor Placing. The Vendor Placing is conditional upon the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms.

The New Debt Facilities

On 17 December 2014 the Company (as borrower and guarantor) entered into a multicurrency term and revolving credit facilities agreement of up to €318 million with each of the Group (as guarantors), The Governor and Company of the Bank of Ireland, Allied Irish Banks, p.l.c. and Ulster Bank Ireland Limited (as mandated lead arrangers), The Governor and Company of the Bank of Ireland (as agent and security agent) and each of The Governor and Company of the Bank of Ireland, Allied Irish Banks, p.l.c. and Ulster Bank Ireland Limited (as lenders).

The Cash Placing

The Company intends to issue the 6,100,000 Cash Placing Shares at the Placing Price to the Cash Placees pursuant to the Cash Placing (representing 5 per cent. of the Existing Issued Share Capital).

The Directors intend to subscribe for 294,179 Placing Shares at the Placing Price. The Cash Placing Shares will be issued to the Cash Placees credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares in issue at the time the Cash Placing Shares are issued, including with respect to the right to receive and retain dividends and other distributions declared, made or paid after Admission/by reference to a record date falling on or after the date of Admission.

The Cash Placing is conditional upon the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms. Accordingly, if all conditions are not satisfied or waived (where capable of waiver) or the Placing Agreement is terminated, the Cash

Placing will not proceed. It is the intention of the Directors that the net proceeds of the Cash Placing would be used to finance a potential hotel acquisition in Ireland and increase the Enlarged Group's financial flexibility going forward.

Dividend policy

The Enlarged Group intends to pursue a progressive but prudent dividend policy. However, the declaration and payment by the Company of any dividends on the Ordinary Shares and the amount will depend on the results of the Enlarged Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time. Dalata intends to commence payments of dividends as soon as it is financially prudent to do so.

Irrevocable Undertakings

The Company and Davy have received irrevocable undertakings to vote in favour of the Resolution to approve the Acquisition from the Directors, who together are interested in an aggregate of 960,118 Existing Ordinary Shares representing 0.8 percent of the Existing Issued Share Capital.

Recommendation

For the reasons set out in the preceding sections, the Directors believe that the Acquisition is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the Resolution as they intend to do in respect of their own beneficial holdings which amount, in aggregate, to 960,118 Ordinary Shares representing approximately 0.8 per cent of the Existing Ordinary Shares.

Settlement and dealings

Application will be made to the London Stock Exchange and the Irish Stock Exchange for the Ordinary Shares to be admitted to trading on AIM and ESM respectively. It is expected that Admission will take place, and that dealings in the Placing Shares on AIM and ESM will commence at 8.00 a.m. on 30 January 2015 but that dealings in the Existing Ordinary Shares on AIM and ESM will recommence on 18 December 2014.

If the Acquisition does not complete, the Existing Ordinary Shares will continue to be traded on AIM and ESM, however, the Placing will not take place and the Placing Shares will not be issued or admitted to trading on AIM and ESM.

EGM

The EGM to be held at the Clyde Court Hotel, Lansdowne Road, Dublin 4 Ireland on 5 January 2015 at 10.00 a.m. for the purposes of considering and, if thought fit, passing the Resolution. The full text of the Resolution is set out in the Notice of EGM.

The completion of the Acquisition is conditional upon, among other things, the passing of the Resolution. The Resolution will be proposed as an ordinary resolution. This means that, for the Resolution to be passed, more than half of the votes cast (in person or by proxy) at the EGM must be in favour of the Resolution.

ADMISSION AND PLACING STATISTICS	
Number of Existing Ordinary Shares	122,000,000
Placing Price	€2.75
Number of shares being issued pursuant to the Cash Placing	6,100,000
Gross Proceeds of the Cash Placing	€16,775,000
Number of shares being sold pursuant to the Vendor Placing	12,200,000
Gross Proceeds of the Vendor Placing	€33,550,000
Percentage of Existing Issued Share Capital being placed pursuant to the Cash Placing	5%
Percentage of Existing Issued Share Capital being placed pursuant to the Vendor Placing	10%
Number of Ordinary Shares in issue immediately following Admission	140,300,000
Market capitalisation immediately following Admission	€385,825,000
AIM/ESM Symbol	DAL/DHG

ISIN code	IE00BJMZDW83
Note: For reference purposes only, the following exchange rates were prevailing on 17 December 2014: €1:£0.79	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS	
Publication of the Admission Document	18 December 2014
Recommencement of Trading in the Existing Ordinary Shares	18 December 2014
Latest date and time for receipt of completed Forms of Proxy	3 January 2015
General Meeting	5 January 2015
Expected Date of Completion of the Acquisition	29 January 2015
Admission and Dealings in the Enlarged Share Capital commence on AIM and ESM	30 January 2015
CREST accounts credited for Placing Shares in uncertificated form	30 January 2015
Dispatch of definitive share certificates, where applicable	12 February 2015
Note: The Acquisition is subject to, inter alia, CCPC approval. The Directors current expectation is that Admission will occur on or around 30 January 2015. Each of the dates in the above timetable (other than the date of publication of this Document and the date of recommencement of trading in the Existing Ordinary Shares) may be adjusted by Dalata in consultation with Davy. Any such change will be notified by an announcement on a Regulatory Information Service.	

IMPORTANT NOTICES

The contents of this announcement, which have been prepared by and are the sole responsibility of the Company, have been approved by Davy solely for the purposes of section 21(2) (b) of the Financial Services and Markets Act 2000, as amended ("FSMA").

This announcement is an advertisement and not an admission document or a prospectus and investors and any persons who are invited to participate in the Placing should not subscribe for or purchase any shares referred to in this announcement (including, without limitation, the Placing Shares) except solely on the basis of information in the Admission Document to be published by the Company in due course in connection with the Placing and the Admission of Shares to trading on ESM and AIM ("the Admission").

The distribution or publication of this announcement, any related documents, and other information in connection with the Admission and Placing may be restricted by law in certain jurisdictions and persons into whose possession this announcement or any document or other information referred to herein are required to inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

Neither this announcement nor any copy of it and the other documents or other information relating to the Admission and Placing may be taken or transmitted into the United States, Australia, Canada or Japan or the Republic of South Africa or to a resident, national or citizen of the United States, Canada, Australia, Japan or the Republic of South Africa. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

This announcement does not constitute, or form part of, and should not be construed as, an offer for sale or subscription or solicitation of or invitation to make any offer to buy or subscribe for any securities. Neither this announcement nor any part of it shall from the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change.

Members of the public are not eligible to take part in the Placing. This Announcement is for information purposes only and is directed only at persons in member states of the European Economic Area ("Member States") who are a "Professional Client/Eligible Counterpart" within the meaning of Annex

II/Articles 24(2) of MiFID (Directive 2004/39/EC as amended). In addition, this Announcement is only directed at: (A) in the United Kingdom, to persons (i) who have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or who fall within Article 49 of the Order; (B) in Ireland to qualified investors who are a "Professional Client/Eligible Counterpart" as defined in the European Communities (Markets in Financial Instruments) Regulations 2007; and (C) to any other persons to whom it may otherwise be lawfully communicated (together all such persons being referred to as "relevant persons"). The investment or investment activity to which this Announcement relates is available only to such persons. Any person who is not a relevant person should not act or rely on this Announcement or any of its contents.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the 'Securities Act') or under any securities laws of any state or other jurisdiction of the United States or under the applicable securities law of Australia, Canada, Japan or the Republic of South Africa. The Shares may be offered or sold in the United States or to, or for the account or benefit, of, US persons (as defined in Regulation S under the Securities Act) only in a transaction registered under the Securities Act or in a transaction exempt from or not subject to the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Shares, subject to certain exceptions, may not be offered or sold, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit, of, any national resident or citizen of such countries. There will be no public offering of the Shares.

This announcement may include statements that are, or may be deemed to be "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", "could", or "should" or, in each case, their negative or other variations or comparable terminology, including references to assumptions, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statement reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made. Subject to any legal or regulatory requirements, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in Company's expectations with regard thereto or any change in events, conditions or circumstance on which any such statement is based. Information in this announcement, past performance or any of the documents relation to the Placing, Admission and/or the Shares cannot be relied upon as a guide to future performance.

Davy, which is regulated in Ireland by the Central Bank of Ireland, is acting exclusively for the Company in relation to the Placing and Admission and will not regard any other person as its client in relation to the Placing or Admission and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for advising any other person in relation to the Placing or Admission or any transaction or arrangement referred to or information contained in this announcement.

None of the Company, Davy or any of their respective affiliates, their respective directors, officers, partners, employees, advisers or agents or advisers of any other person acting on their behalf, accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions contained in, in this announcement (or whether any information has been omitted from this announcement) or of any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available. Accordingly the Company and Davy and any of their respective affiliates, their respective directors, officers, partners, employees, advisers or agents or advisers of any other person acting on their behalf expressly disclaims any and all liability whatsoever for any loss arising from or in reliance upon the whole or part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement its contents or otherwise.

