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Dalata Hotel Group p.l.c.

(Dalata or the Company)

Firm Placing and Placing and Open Offer

Earlier today, Dalata announced the details of a proposed Firm Placing and Placing and Open Offer (the **Capital Raise**). The Company is now pleased to announce today that in aggregate 42,666,666 New Ordinary Shares, representing 23.3% of the Enlarged Issued Share Capital, are to be issued pursuant to the Firm Placing and Placing and Open Offer, at an issue price of €3.75 per New Ordinary Share (the **Issue Price**), raising gross proceeds of €160 million.

Firm Placing

The Company has successfully placed 14,606,666 New Ordinary Shares pursuant to the Firm Placing at the Issue Price, to raise approximately €54.77 million (prior to deductions for expenses). The Firm Placing is subject to the same conditions and termination rights which apply to the Placing and Open Offer. The Firm Placed Shares will not be entitled to participate in the Open Offer.

Placing and Open Offer

The Company is to issue 28,060,000 New Ordinary Shares pursuant to the Placing and Open Offer, to raise approximately €105.23 million (prior to deductions for expenses). Qualifying Shareholders are being given the opportunity to apply for the Open Offer Shares at the Issue Price, on and subject to the terms and conditions of the Open Offer, up to a maximum of their pro rata entitlement (on the Record Date) which shall be calculated on the basis of:

1 New Ordinary Share for every 5 Existing Ordinary Shares.

Pursuant to the Placing, J&E Davy (**Davy**) have placed all the Open Offer Shares at the Issue Price with institutional and other investors. The commitments of these placees under the Placing are subject to clawback in respect of valid applications for Open Offer Shares by Qualifying Shareholders pursuant to the Open Offer. Subject to waiver or satisfaction of the conditions to which the Placing and Open Offer is subject and the Placing and Open Offer Agreement not being terminated, any Open Offer Shares which are not applied for in respect of the Open Offer will be issued to the placees and/or other subscribers procured by Davy, with the net proceeds of the Placing retained for the benefit of the Company.

The Firm Placing and the Placing and Open Offer remain conditional as set out in the announcement earlier today.

Capitalised terms used in this announcement and not otherwise defined shall the meaning given to such terms in the Prospectus.

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This announcement is an advertisement and not a prospectus and investors should not purchase any Shares referred to in this announcement except solely on the basis of information in the prospectus published by Dalata Hotel Group p.l.c. on 10 September 2015 in connection with the admission of the Shares to trading on the ESM market of the Irish Stock Exchange and the AIM market of the London Stock Exchange.

The distribution or publication of this announcement, any related documents, and the offer, sale and/or issue of the Shares in certain jurisdictions may be restricted by law. No action has been taken to permit possession or distribution or publication of this announcement, other than in Ireland and the United Kingdom. Persons into whose possession this announcement (or any other offer or publicity material relating to the Shares) comes are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

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mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States.

The New Ordinary Shares and Open Offer Entitlements have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan, New Zealand, Switzerland or South Africa.

Any subscription for New Ordinary Shares in the proposed Issue should be made solely on the basis of the information contained in the Prospectus to be issued by the Company in connection with Admission. 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 contained in this announcement is given at the date of its publication (unless otherwise marked) and is subject to updating, revision and amendment when the Prospectus is published. In particular, the proposals referred to herein are tentative and are subject to verification, material updating, revision and amendment.

Certain statements contained in this announcement constitute "forward-looking statements" regarding the belief or current expectation of the Company and the Directors about the Company's financial condition, results of operations and business. Generally, but not always, words such as "may", "could", "should", "will", "expect", "intend", "estimate", "anticipate", "assume", "believe", "plan", "seek", "continue", "target", "goal", "would" or their negative variations or similar expressions identify forward-looking statements. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, which may cause the actual results, performance, achievements or developments of the Company or the industries in which it operates to differ materially from any future results, performance, achievement or developments expressed or implied from these forward-looking statements. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. A number of material factors could cause actual results to differ materially from those contemplated by the forward-looking statements. None of the Company or Davy undertakes any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, unanticipated events, new information or otherwise occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

The New Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company and in the Shares, for whom an investment in the New Ordinary Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme. There is no guarantee that the Issue will proceed and that Admission will occur and you should not base your financial decisions on the Company's intention in relation to the Admission and Issue at this stage. Acquiring Shares to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. When considering what further action you should take you are recommended to immediately consult, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) or the Investment Intermediaries Act 1995 (as amended) and, if you are resident in the United Kingdom, a person authorised under the Financial Services and Markets Act 2000, as amended by the United Kingdom, or another appropriately authorised professional adviser if you are in a territory outside Ireland or the United Kingdom. This announcement does not constitute a recommendation concerning the Issue. The price and value of the Shares may decrease as well as increase. Information in this announcement, past performance and any documents relating to the Issue or Admission cannot be relied upon as a guide to future performance.

J&E Davy, which is authorised and regulated in Ireland by the Central Bank of Ireland, is acting exclusively for the Company and no one else in connection with Admission and the Capital Raise and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to Admission, the Capital Raise or any matter referred to herein.

In connection with the Issue and Admission, J&E Davy or any of its affiliates, acting as investors for its own account, in accordance with applicable legal and regulatory provisions, and subject to the provisions of the Placing and Open Offer Agreement, may retain, purchase, sell, offer to sell or otherwise deal for its own account(s) in relation to the Shares and/or related instruments in connection with the Capital Raise otherwise. Accordingly, references in the Prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, or any of its affiliates acting as investors for their own accounts. Except as required by applicable law or regulation, J&E Davy does not propose to make any public disclosure in relation to such transactions.

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