

**Dalata Enters into Agreement to Acquire the Freehold Interest
of Certain Elements of
the Clayton Hotel Cardiff Lane, Dublin 2 and the
Clarion Hotel Liffey Valley, Dublin 22**

ISE: DHG

LSE: DAL

Dublin, 18th May 2017 | Dalata Hotel Group plc (“Dalata” or “the Company”) is pleased to announce that it has entered into an agreement with Kieran Wallace as Receiver to acquire the freehold interest of certain elements of the Clayton Hotel Cardiff Lane, Dublin 2 and the Clarion Hotel Liffey Valley, Dublin 22, for a consideration of €62.5 million (“the Transaction”). It is expected that the Transaction will complete in June 2017. The Transaction is subject to approval of the Competition and Consumer Protection Commission (CCPC).

Clayton Hotel Cardiff Lane is a 4 star 304-bedroom hotel located in the South Docks area of Dublin. Dalata has agreed to acquire the freehold of the ground and lower ground floors (which contain the reception area, bar, restaurant, leisure centre and back of house facilities), 170 bedrooms and vacant ground floor area. The Company holds a lease on these elements until 2040, at an annual rent of €2.524m per annum, subject to upward only rent reviews at five year intervals. This Transaction will bring the total number of bedrooms owned by Dalata in this hotel to 193, out of a total of 304 bedrooms.

Clarion Hotel Liffey Valley is a 4 star 353-bedroom hotel located to the west of Dublin adjacent to the orbital M50 motorway and Liffey Valley shopping centre. Dalata has agreed to acquire the freehold of the core hotel (incorporating 159 bedrooms, the leisure centre, meeting rooms, reception, bar & restaurant, car-park and 2 vacant retail units). The Company currently manages this hotel under a short-term management agreement for the Receiver, which generated €500k in fee income in 2016. The remaining 194 rooms are owned by individual investors and are not included in this sale. It is estimated that the portion of the hotel included in the Transaction generated €2.5m of EBITDAR in 2016. On completion, the hotel will be rebranded as Clayton Hotel Liffey Valley.

The consideration is payable in cash.

Dalata is also pleased to announce that it is in exclusive negotiations to sell and lease back one of its Clayton hotels in the UK. It is expected that contracts will be exchanged on this transaction within the coming weeks and close in the second half of June.

Dermot Crowley, Deputy CEO Business Development and Finance, said: *“We have been seeking to purchase as much of the freehold of Clayton Hotel Cardiff Lane as possible since we floated the Company in March 2014. I am delighted that we will now own the majority of the hotel and that as a result of this transaction, we will be able to add much needed conference facilities to the hotel in an area of the property that is currently in a shell and core condition. This transaction is also consistent with our stated strategy of buying out the freehold interests of those leased properties with future unpredictable rent reviews.*

We have managed the Clarion Hotel Liffey Valley since March 2016 and are very excited about the potential of this hotel under the Clayton brand. We believe the proposed sale and leaseback of one of our UK properties represents a very good opportunity to utilise the strength of our balance sheet.”

This announcement contains inside information regarding Dalata Hotel Group plc pursuant to the Market Abuse Regulations.

ENDs

Contacts

Dalata Hotel Group PLC

Dermot Crowley, Deputy CEO

Business Development and Finance

T: +353 1 206 9400

E: dcrowley@dalatahotelgroup.com

**Investor Relations & Public
Relations**

FTI Consulting

Melanie Farrell

T: +353 86 401 5250

E: melanie.farrell@fticonsulting.com

Joint Company Brokers

Davy (Sponsor)

Anthony Farrell

T: +353 679 7788

E: anthony.farrell@davy.ie

Berenberg

Ben Wright

T: +44 20 3753 3069

E: ben.wright@berenberg.com

About Dalata

Dalata Hotel Group plc is Ireland's largest hotel operator, with a current portfolio of 41 three and four star hotels with over 8,000 rooms. Dalata successfully operate Ireland's two largest hotel brands, the Clayton and the Maldron Hotels across Ireland and the UK, as well as managing a portfolio of partner hotels. 21 of the hotels are owned by Dalata, 13 hotels are operated under lease agreements and 7 are operated under management agreements.

For the full year 2016 Dalata reported revenue of €290.5 million. Dalata is listed on the Main Market of the Irish Stock Exchange (DHG) and the London Stock Exchange (DAL).

For further information visit: www.dalatahotelgroup.com