

18 March 2014

DALATA HOTEL GROUP PLC ANNOUNCES RESULT OF PLACING

Dalata Hotel Group p.l.c. ("Dalata" or the "Company"), the largest hotel operator in Ireland, today announces that it has placed 106 million new ordinary shares in the Company at a price of €2.50 per share (£2.09) (the "Placing"), raising gross proceeds of approximately €265 million (£222 million) and valuing the issued and to be issued share capital of the Company ("the Shares") at €305 million (£255 million).

Highlights

- Total gross proceeds of approximately €265 million raised.
- Aggregate of 106 million new ordinary shares will be issued at a price of €2.50 per share, representing 87% of the issued share capital of the Company at admission.
- Strong international institutional investor interest with the funding over-subscribed.
- 9% of ordinary shares will be subject to a 12 month lock in followed by 12 month orderly market arrangements.
- Admission and commencement of dealings are expected to take place on the ESM market of the Irish Stock Exchange (Ticker: DHG) and on the AIM market of the London Stock Exchange (Ticker: DAL) at 8.00am on 19 March 2014.
- Davy is acting as the Nominated Adviser, ESM Adviser and Broker.
- The net proceeds of the Placing will be used to acquire a portfolio of approximately 16-25 hotels throughout Ireland and to pay down existing debt. Net debt as of 31 December 2013 was €4.1 million.

Pat McCann, chief executive officer of Dalata, said:

"We are delighted with the reaction to our fundraising in recent weeks and in particular that we have successfully raised €265 million. We are pleased to welcome quality international institutions as shareholders on admission and believe that this reflects the strength of our investment case and prospects. The capital raised through this placing will allow Dalata to pursue its strategy of acquiring a portfolio of Irish hotel assets."

COMPANY OVERVIEW

Dalata is the largest hotel operator in Ireland, operating 40 hotels with over 6,100 rooms. All of the hotels in the Group's portfolio are located in Ireland, other than the Maldron Hotel Cardiff. Dalata operates 12 hotels under lease agreements, 1 hotel under a long term operating agreement and 27 hotels under short term management agreements.

The Board of Dalata is made up 3 executive directors and 4 non-executive directors namely John Hennessy (Non-executive chairman), Pat McCann (Chief Executive), Dermot Crowley (Deputy Chief Executive, Finance & Development), Stephen McNally (Deputy Chief Executive) and non-executive directors Alf Smiddy, Margaret Sweeney, and Robert Dix.

Dalata's strategy is to acquire 3 and 4 star hotels and leverage its core hotel operational competencies and significant economies of scale to maximise the financial performance of its growing portfolio. Dalata will also utilise its hotel development expertise to seek out opportunities to build new hotels in the undersupplied Dublin market.

In addition, the Group plans to continue to provide hotel management solutions to third party hotels under both lease and management agreements. The Group has taken over the operation of 8 additional hotels since the start of 2014.

For the year ended 31 December 2013 the Dalata Group had revenue of €60.6 million (2012: €54.1 million) and EBITDA of €5.3 million (2012: €3.5 million).

PLACING STATISTICS

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| Number of Existing Ordinary Shares* | 16,000,000 |
| Total number of Placing Shares | 106,000,000 |
| Total number of Ordinary Shares in issue on Admission | 122,000,000 |
| Placing Price per Ordinary Share | €2.50 |
| Gross proceeds of the Placing | €265 million |
| Market capitalisation of the Company at the Placing Price on Admission | €305 million |
| AIM / ESM symbol | DAL/DHG |
| ISIN Code | IE00BJMZDW83 |

**Post conversion of Loan notes*

ENDS:

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