

Dalata Hotel Group plc
("Dalata" or the "Company" or the "Group")

RNS Number: 2610N

**Dalata Acquires Leasehold Interests of Four Hotels and Secures Management Contract for
Clarion Liffey Valley**

Dalata adds 1,171 rooms to its hotel portfolio in Dublin, London, Cork & Limerick

Ticker: DHG

Dublin, 28th January 2016 | Dalata Hotel Group plc, Ireland's largest hotel operator, today announces it has conditionally agreed, to acquire the leasehold interest of four hotels for an enterprise value of €40,000,000 ("the Acquisition"). The hotels are the Gibson Hotel Dublin, the Croydon Park Hotel in Croydon, the Clarion Hotel Cork and the Clarion Hotel Limerick. The leasehold interest comprises of operating leases with an average term of 18 years outstanding. As part of the transaction, the Group will also take over the management of the Clarion Liffey Valley Hotel, Dublin under a short term management contract. The Hotels in question are currently operated as part of the Choice Hotel Group. The consideration is payable in cash. The Acquisition is subject, *inter alia*, to approval of the (i) Competition and Consumer Protection Commission (CCPC) and (ii) Grant Thornton acting as Receiver of the freehold interest in the Gibson Hotel.

Underlying EBITDA for the 4 hotels in 2015, after adjusting for costs and revenues that will not transfer as part of the transaction, is expected to be €4.1m. Including revenues from the short term management contract, underlying EBITDA is expected to be €4.7m.

The Group plans to invest €14m over the next two years in refurbishing the hotels in Cork, Limerick and Croydon.

The 4 leasehold properties will be rebranded to Clayton Hotels, increasing the Clayton portfolio to 18 hotels.

Dermot Crowley, Deputy Chief Executive, Business Development and Finance commented:

'We are very excited about the opportunity to secure the leasehold interests of these four hotels and the contract to manage Clarion Liffey Valley Hotel. This transaction gives Dalata a further 960 rooms in the cities of Dublin, Cork and Limerick. All three cities are experiencing strong RevPar growth in the recovering Irish economy. The transaction also allows us to further grow our portfolio in the UK with the addition of 211 rooms in Croydon.'

'We will rebrand the four leasehold properties as Clayton hotels over the next year. The addition of these hotels continues the rapid growth of the Clayton brand in Ireland and the UK where on rebranding; we will have 18 Clayton hotels.'

Gibson Hotel | Dublin

The Gibson Hotel is a 4 star hotel centrally located in Dublin and is part of the Point Village. It is adjacent to the 3 Arena and is on the Luas line which connects it directly to all parts of the city centre. The hotel is within walking distance of the International Financial Services Centre and the Dublin Convention Centre. It has 252 rooms, restaurant, bar and extensive conference facilities. The hotel opened in 2010.

Clarion Hotel | Cork

Clarion Hotel Cork is a 4 star hotel located on Lapp's Quay in Cork City centre. The hotel contains 198 bedrooms, a bar and restaurant, leisure centre and extensive conference and meeting facilities. The Group previously purchased the freehold of the Clarion Hotel Cork in November 2015.

Clarion Hotel | Limerick

The 4 star Clarion Hotel Limerick is Ireland's tallest hotel and is located in the centre of Limerick city overlooking the River Shannon. The hotel has 158 rooms, bar, restaurant, leisure centre and meeting facilities.

Croydon Park Hotel | London

The 4 star Croydon Park Hotel is centrally located in Croydon and is a 3 minute walk to East Croydon rail station. The station has direct services to Gatwick Airport and the centre of London as well as being part of a very large mixed use development of office, residential and retail space currently under construction. The hotel contains 211 rooms, bar, restaurant, leisure centre and meeting facilities.

Clarion Liffey Valley Hotel | Dublin

The 4 star Clarion Liffey Valley Hotel is located to the west of the city on the mixed use Liffey Valley campus. The hotel contains 352 rooms, bar, restaurant, extensive meeting facilities and a leisure centre.

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