

THIS PROSPECTUS AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to consult immediately your stockbroker, bank manager, solicitor, fund manager or other independent financial adviser (being in the case of Shareholders resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 (as amended) or the Investment Intermediaries Act 1995 (as amended) and, in the case of Shareholders resident in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000 (“FSMA”) or otherwise from an appropriately authorised independent financial adviser if you are in a territory outside Ireland or the United Kingdom.

This document constitutes a prospectus for the purposes of Article 3 of the European Parliament and Council Directive 2003/71/EC of 4 November 2003 (as amended) (the “Prospectus Directive”) relating to the Company (the “Prospectus”) and has been drawn up in accordance with Chapter 1 of Part 23 of the Companies Act 2014, Part 5 of the Prospectus (Directive 2003/71/EC) Regulations 2005 in Ireland (the “Irish Prospectus Regulations”) and the Commission Regulation (EC) No. 809/2004 (as amended) (the “EU Prospectus Regulation”). This Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Ordinary Shares which are to be admitted to trading on the regulated market of the Irish Stock Exchange, the regulated market of the London Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 or which are to be offered to the public in any Member State of the European Economic Area. This Prospectus has been made available to the public in Ireland in accordance with Part 8 of the Irish Prospectus Regulations by the same being made available, free of charge, in electronic form on the Company’s website (www.dalatahotelgroup.com/investors/prospectus-june2016) and in printed format for the life of the Prospectus, at the Company’s registered office and at the registered offices of Davy, details of which are set out in Part 3 of this Prospectus. The Company has requested that the Central Bank of Ireland provide a certificate of approval and a copy of this Prospectus to the Financial Conduct Authority as the competent authority in the United Kingdom for the purposes of the Prospectus Directive.



(Incorporated and registered in Ireland under the Companies Acts 1963-2013 with registered number 534888)

PROSPECTUS

Introduction of 182,966,666 Ordinary Shares to the primary listing segment of the Official List of the Irish Stock Exchange and the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the Listing Rules of the UKLA) and to trading on the Main Markets of the Irish Stock Exchange and the London Stock Exchange

Sponsor and Broker

Davy

The Company’s Ordinary Shares are currently admitted to trading on the ESM market of the Irish Stock Exchange and the AIM market of the London Stock Exchange. Applications have been made to the FCA in its capacity as competent authority under the FSMA (the “UKLA”) and the Irish Stock Exchange for all of the Ordinary Shares to be admitted to the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the Listing Rules of the UKLA) and the primary listing segment of the Official List of the Irish Stock Exchange (the “Official Lists”) and to the London Stock Exchange and Irish Stock Exchange for all of the Ordinary Shares to be admitted to trading on the London Stock Exchange’s and Irish Stock Exchange’s respective main markets for listed securities (“Main Markets”) (together “Admission”). It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. on 30 June 2016. Shortly before Admission, the trading of the Ordinary Shares on the AIM and ESM markets will be cancelled. No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other exchange.

The Ordinary Shares are issued credited as fully paid and rank *pari passu* in all respects with each other and rank in full for all dividends and other distributions thereafter declared, made or paid in respect of the Ordinary Shares.

Davy, which is regulated in Ireland by the Central Bank of Ireland, is acting exclusively for Dalata Hotel Group p.l.c., and no one else in connection with Admission and the arrangements described in this Prospectus and will not be responsible to anyone other than Dalata Hotel Group p.l.c. for providing the protections afforded to its customers or for advising any other person in connection with the matters referred to in this Prospectus. Apart from the responsibilities and liabilities, if any, which may be imposed on Davy by the Central Bank or by the UK Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Davy makes no representation or warranty, express or implied, with respect to the accuracy, verification or completeness of any information contained in this Prospectus and accepts no responsibility for, nor does it authorise, the contents of this Prospectus or its publication, including without limitation under Section 1349 of the Companies Act 2014, or Regulation 31 of the Irish Prospectus Regulations or any other statement made or purported to be made by the Company, or on its behalf, in connection with Admission, the Ordinary Shares or any of the other arrangements described in this Prospectus, and nothing in this Prospectus is or shall be read as a promise or representation in this respect, whether as to the past or future. Davy accordingly disclaims all and any liability whatsoever whether arising out of tort, contract or otherwise which it might otherwise have to any person in respect of this Prospectus or any other statement.

You should read this Prospectus, including the documents incorporated by reference herein, in its entirety and, in particular, your attention is drawn to the risk factors set out in the section of the Prospectus headed “Risk Factors”.

The Company and the Directors, whose names and functions are set out in Part 3 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

The Ordinary Shares have neither been marketed to, nor are available for purchase by, the public in Ireland or the United Kingdom or elsewhere in connection with Admission. This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares. The Ordinary Shares have not been, and will not be, registered under the US Securities Act or qualified for sale under the laws of any state of the United States or under the applicable laws of any other prohibited territory and, subject to certain exceptions, may not be offered for sale as subscription or sold or subscribed directly or indirectly within any Excluded Territory for the account or benefit of any national, resident or citizen of any Excluded Territory. The distribution of this document and/or the transfer of the Ordinary Shares into jurisdictions other than Ireland and the United Kingdom may be restricted by law. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions.

The distribution of this Prospectus and any documents in connection with this Prospectus into any jurisdictions outside Ireland and the United Kingdom may be restricted by law. No action has been or will be taken by the Company to permit a public offering of Ordinary Shares. Other than in the United Kingdom and Ireland, no action has been taken or will be taken to permit the possession or distribution of this Prospectus (or any offering or publicity materials relating to Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation. Investors should only rely on the information contained in this Prospectus and on the documents incorporated by reference into this Prospectus.

The contents of the website of the Group (other than the documents specifically incorporated by reference) do not form part of this Prospectus. Capitalised terms used in this Prospectus have the meanings ascribed to them in the section entitled “Definitions” on pages 152 to 160 of this Prospectus.

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “may”, “will”, “would” or “should” or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the Group’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth strategies and the markets in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, but without limitation: conditions in the markets, the market position of the Group, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the events described herein on the Company and the Group. Forward looking statements contained in this Prospectus based on these trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Except as may be required by the Irish Prospectus Regulations, the EU Prospectus Regulation, the Prospectus Directive, the Prospectus Rules of the Central Bank, the AIM Rules, the ESM Rules, the Listing Rules, or by any other rules of any applicable regulatory body or by law, the Company disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any changes in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Past Performance is not a Reliable Indication for Future Performance

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to future performance. Aims, targets, plans and intentions referred to herein are no more than that and do not imply forecasts.

This Prospectus is dated 27 June 2016.

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PART 1

SUMMARY

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
A.1	<i>Introduction:</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	<i>Subsequent resale of securities or final placement of securities through financial intermediaries:</i>	Not applicable. Dalata is not engaging any financial intermediaries for any resale of securities or final placement of securities after publication of this document.

Section B – Issuer		
B.1	<i>The legal and commercial name of the issuer:</i>	The legal and commercial name of the issuer is Dalata Hotel Group p.l.c.
B.2	<i>The domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation:</i>	Dalata is domiciled and incorporated in Ireland and is a public limited company under the Companies Act 2014 with registered number 534888 and registered office at 4th Floor, Burton Court, Burton Hall Drive, Sandyford, Dublin 18, Ireland.

B.3	<i>A description of, and key factors relating to, the nature of the issuer’s current operations and its principal activities, stating the main categories of products sold and/or services performed and identification of the principal markets in which the issuer competes:</i>	Dalata is the largest hotel operator in Ireland, operating 40 hotels with over 7,502 rooms. 21 of the hotels are owned by Dalata (or freehold equivalent), 12 are operated under lease agreements and 7 are operated under management agreements. 14 of Dalata’s hotels are currently operated under the Maldron brand and 13 of Dalata’s hotels are operated under the Clayton brand. 31 of the Group’s hotels are located in the Republic of Ireland, 3 are located in Northern Ireland and 6 are located in the UK (excluding Northern Ireland). The Group’s strategy is to leverage the Group’s core asset management, hotel operation and development competencies to grow the business through a mix of owned and leased hotel assets. The Group plans to continue to increase its portfolio of owned and leased hotel assets.																																												
B.4a	<i>A description of the most significant recent trends affecting the issuer and the industries in which it operates:</i>	The Republic of Ireland economy continued its strong recovery with GDP forecast to grow by 4.6% in 2016 (<i>Source: ESRI, Quarterly Economic Commentary, Summer 2016</i>). The number of visitors to the Republic of Ireland grew by 13.7% in 2015 (<i>Source: CSO, Overseas Travel, December 2015</i>), the sixth consecutive year of growth. UK and North America continue to be the key external markets for Irish tourism and both performed strongly in 2015 with growth rates in visitor numbers to the Republic of Ireland of 12.1% and 14.0% (<i>Source: CSO, Overseas Travel, December 2015</i>) respectively. As a result, there has been strong RevPAR growth in the Group’s major markets. The table below sets out the increase in RevPAR in the five major Irish cities for 2013, 2014 and 2015: <table><tr><td></td><td>2013</td><td>2014</td><td>2015</td></tr><tr><td>Dublin</td><td>+6.6%</td><td>+11.3%</td><td>+23.4%</td></tr><tr><td>Belfast</td><td>+7.2%</td><td>+4.7%</td><td>+11.9%</td></tr><tr><td>Cork</td><td>+9.9%</td><td>+8.9%</td><td>+9.6%</td></tr><tr><td>Galway</td><td>+3.6%</td><td>+7.6%</td><td>+13.3%</td></tr><tr><td>Limerick</td><td>+6.5%</td><td>+14.3%</td><td>+23.4%</td></tr></table> Source: STR Global/Trending.ie The UK economy also continues to perform strongly with GDP forecast to grow by 2.0% in 2016 (<i>Source: Bank of England, May Inflation Report, May 2016</i>). However, there is uncertainty surrounding the prospects of the UK economy following the Brexit Referendum which may result in a change to the GDP forecast for the UK. The table below sets out the growth in RevPAR for each of the UK cities where Dalata operates for 2013, 2014 and 2015: <table><tr><td></td><td>2013</td><td>2014</td><td>2015</td></tr><tr><td>London</td><td>+0.2%</td><td>+3.2%</td><td>+1.5%</td></tr><tr><td>Manchester</td><td>+7.3%</td><td>+10.1%</td><td>+7.2%</td></tr><tr><td>Cardiff</td><td>+4.7%</td><td>+14.5%</td><td>+14.2%</td></tr><tr><td>Leeds</td><td>+10.6%</td><td>+12.5%</td><td>+8.0%</td></tr></table> Source: STR Global		2013	2014	2015	Dublin	+6.6%	+11.3%	+23.4%	Belfast	+7.2%	+4.7%	+11.9%	Cork	+9.9%	+8.9%	+9.6%	Galway	+3.6%	+7.6%	+13.3%	Limerick	+6.5%	+14.3%	+23.4%		2013	2014	2015	London	+0.2%	+3.2%	+1.5%	Manchester	+7.3%	+10.1%	+7.2%	Cardiff	+4.7%	+14.5%	+14.2%	Leeds	+10.6%	+12.5%	+8.0%
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B.5	<i>If the issuer is part of a group, a description of the group and the issuer's position within the group:</i>	The Company is the holding company of the Group. The Company's various assets are held through a number of subsidiaries. The Company has the following subsidiaries: <table><tr><th><i>Name</i></th><th><i>Location and Country of Incorporation</i></th></tr><tr><td colspan="2">Subsidiaries</td></tr><tr><td>DHGL Limited</td><td>Ireland</td></tr><tr><td>Dalata Limited</td><td>Ireland</td></tr><tr><td>Dalata Management Services Limited</td><td>Ireland</td></tr><tr><td>Dalata Support Services Limited</td><td>Ireland</td></tr><tr><td>Hanford Commercial Limited</td><td>Ireland</td></tr><tr><td>Anora Commercial Limited</td><td>Ireland</td></tr><tr><td>Ogwell Limited</td><td>Ireland</td></tr><tr><td>Caruso Limited</td><td>Ireland</td></tr><tr><td>CI Hotels Limited</td><td>Ireland</td></tr><tr><td>Dalata UK Limited</td><td>United Kingdom</td></tr><tr><td>Dalata Cardiff Limited</td><td>United Kingdom</td></tr><tr><td>Tulane Business Management Limited</td><td>Ireland</td></tr><tr><td>Fonteyn Property Holdings Limited</td><td>Ireland</td></tr><tr><td>Fonteyn Property Holdings No. 2 Limited</td><td>Ireland</td></tr><tr><td>Loadbur Limited</td><td>Ireland</td></tr><tr><td>Pillo Hotels Limited</td><td>Ireland</td></tr><tr><td>Amelin Commercial Limited</td><td>Ireland</td></tr><tr><td>Carasco Management Limited</td><td>Ireland</td></tr><tr><td>Suvanne Management Limited</td><td>Ireland</td></tr><tr><td>Lintal Commercial Limited</td><td>Ireland</td></tr><tr><td>Bernara Commercial Limited</td><td>Ireland</td></tr><tr><td>DHG Belfast Limited</td><td>United Kingdom</td></tr><tr><td>DHG Derry Commercial Limited</td><td>United Kingdom</td></tr><tr><td>DHG Derry Limited</td><td>United Kingdom</td></tr><tr><td>Swintron Limited</td><td>Ireland</td></tr><tr><td>Trackdale Limited</td><td>United Kingdom</td></tr><tr><td>Islandvale Limited</td><td>United Kingdom</td></tr><tr><td>Crescentbrook Limited</td><td>United Kingdom</td></tr><tr><td>Hallowridge Limited</td><td>United Kingdom</td></tr><tr><td>Candlevale Limited</td><td>Ireland</td></tr><tr><td>Heartside Limited</td><td>Ireland</td></tr><tr><td>Palaceglen Limited</td><td>Ireland</td></tr><tr><td>Pondglen Limited</td><td>Ireland</td></tr><tr><td>Songdale Limited</td><td>Ireland</td></tr><tr><td>Adelka Limited</td><td>Ireland</td></tr><tr><td>DHG Arden Limited</td><td>Ireland</td></tr><tr><td>DHG Barrington Limited</td><td>Ireland</td></tr><tr><td>DHG Cordin Limited</td><td>Ireland</td></tr><tr><td>Bayvan Limited</td><td>Ireland</td></tr><tr><td>Leevlan Limited</td><td>Ireland</td></tr></table>	<i>Name</i>	<i>Location and Country of Incorporation</i>	Subsidiaries		DHGL Limited	Ireland	Dalata Limited	Ireland	Dalata Management Services Limited	Ireland	Dalata Support Services Limited	Ireland	Hanford Commercial Limited	Ireland	Anora Commercial Limited	Ireland	Ogwell Limited	Ireland	Caruso Limited	Ireland	CI Hotels Limited	Ireland	Dalata UK Limited	United Kingdom	Dalata Cardiff Limited	United Kingdom	Tulane Business Management Limited	Ireland	Fonteyn Property Holdings Limited	Ireland	Fonteyn Property Holdings No. 2 Limited	Ireland	Loadbur Limited	Ireland	Pillo Hotels Limited	Ireland	Amelin Commercial Limited	Ireland	Carasco Management Limited	Ireland	Suvanne Management Limited	Ireland	Lintal Commercial Limited	Ireland	Bernara Commercial Limited	Ireland	DHG Belfast Limited	United Kingdom	DHG Derry Commercial Limited	United Kingdom	DHG Derry Limited	United Kingdom	Swintron Limited	Ireland	Trackdale Limited	United Kingdom	Islandvale Limited	United Kingdom	Crescentbrook Limited	United Kingdom	Hallowridge Limited	United Kingdom	Candlevale Limited	Ireland	Heartside Limited	Ireland	Palaceglen Limited	Ireland	Pondglen Limited	Ireland	Songdale Limited	Ireland	Adelka Limited	Ireland	DHG Arden Limited	Ireland	DHG Barrington Limited	Ireland	DHG Cordin Limited	Ireland	Bayvan Limited	Ireland	Leevlan Limited	Ireland
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B.6	<i>In so far as is known to the issuer, the name of any person who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest:</i> <i>Whether the issuer's major shareholders have different voting rights, if any:</i> <i>To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled, by whom and describe the nature of such control:</i>	As of the Latest Practicable Date, in so far as is known to the Company, the following persons have notified the Company of an interest which represents three per cent. or more of the Existing Issued Share Capital of the Company: <table> <tr> <th><i>Name</i></th><th><i>Number of Ordinary Shares</i></th><th><i>Percentage of Issued Share Capital</i></th></tr> <tr> <td>Franklin Templeton Institutional, LLC</td><td>18,062,433</td><td>9.87%</td></tr> <tr> <td>FMR LLC</td><td>12,358,703</td><td>6.76%</td></tr> <tr> <td>FIL Limited</td><td>11,232,141</td><td>6.14%</td></tr> <tr> <td>Ameriprise Financial</td><td>8,445,856</td><td>4.62%</td></tr> <tr> <td>Pioneer Asset Management S.A.</td><td>7,936,156</td><td>4.34%</td></tr> <tr> <td>Schroders plc</td><td>7,512,731</td><td>4.11%</td></tr> <tr> <td>I. G. International Limited</td><td>6,867,668</td><td>3.75%</td></tr> <tr> <td>Zurich Life</td><td>5,988,700</td><td>3.27%</td></tr> <tr> <td>Artemis Investment Management LLP</td><td>5,757,441</td><td>3.15%</td></tr> <tr> <td>Allianz Global Investors GmbH</td><td>5,755,071</td><td>3.15%</td></tr> <tr> <td>Prudential plc</td><td>5,662,144</td><td>3.10%</td></tr> </table> The above listed Shareholders do not have different voting rights. The Company is not aware of any person, who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements the operation of which may at a subsequent date result in a change in control over the Company.	<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>	Franklin Templeton Institutional, LLC	18,062,433	9.87%	FMR LLC	12,358,703	6.76%	FIL Limited	11,232,141	6.14%	Ameriprise Financial	8,445,856	4.62%	Pioneer Asset Management S.A.	7,936,156	4.34%	Schroders plc	7,512,731	4.11%	I. G. International Limited	6,867,668	3.75%	Zurich Life	5,988,700	3.27%	Artemis Investment Management LLP	5,757,441	3.15%	Allianz Global Investors GmbH	5,755,071	3.15%	Prudential plc	5,662,144	3.10%
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Allianz Global Investors GmbH	5,755,071	3.15%																																				
Prudential plc	5,662,144	3.10%																																				

B.7	<i>Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information and any subsequent interim financial period accompanied by comparative data from the same period in the prior financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information:</i>	The financial information for the year ended 31 December 2015 and year ended 31 December 2014 has been extracted without material adjustment from the audited financial statements of the Group. The financial information for the year ended 31 December 2013 has been extracted without material adjustment from the audited financial statements of DHGL Limited (formerly Dalata Hotel Group Limited). Statement of Comprehensive Income: <table><tr><th></th><th><i>Dalata Hotel Group p.l.c. 31 Dec 2015 €'000</i></th><th><i>Dalata Hotel Group p.l.c. 31 Dec 2014 €'000</i></th><th><i>DHGL Limited 31 Dec 2013 €'000</i></th></tr><tr><td>Continuing operations</td><td></td><td></td><td></td></tr><tr><td>Revenue</td><td>225,673</td><td>79,073</td><td>60,617</td></tr><tr><td>Cost of sales</td><td>(86,907)</td><td>(29,379)</td><td>(23,011)</td></tr><tr><td>Gross profit</td><td>138,766</td><td>49,694</td><td>37,606</td></tr><tr><td>Administrative expenses, including acquisition-related costs of €15.802 million (2014: €2.821 million)</td><td>(104,554)</td><td>(44,716)</td><td>(32,673)</td></tr><tr><td>Other income</td><td>2,745</td><td>–</td><td>–</td></tr><tr><td>Operating profit</td><td>36,957</td><td>4,978</td><td>4,933</td></tr><tr><td>Finance income</td><td>1,863</td><td>409</td><td>–</td></tr><tr><td>Finance costs</td><td>(10,363)</td><td>(1,191)</td><td>(4,860)</td></tr><tr><td>Profit before tax</td><td>28,457</td><td>4,196</td><td>73</td></tr><tr><td>Tax charge</td><td>(6,831)</td><td>(673)</td><td>(650)</td></tr><tr><td>Profit/(loss) for the year attributable to owners of the company</td><td>21,626</td><td>3,523</td><td>(577)</td></tr><tr><td>Other comprehensive income</td><td></td><td></td><td></td></tr><tr><td><i>Items that will not be reclassified to profit or loss</i></td><td></td><td></td><td></td></tr><tr><td>Revaluation of property</td><td>46,567</td><td>8,390</td><td>–</td></tr><tr><td>Related deferred tax</td><td>(6,398)</td><td>(1,049)</td><td>–</td></tr><tr><td></td><td>40,169</td><td>7,341</td><td>–</td></tr><tr><td><i>Items that are or may be reclassified subsequently to profit or loss</i></td><td></td><td></td><td></td></tr><tr><td>Exchange difference on translating foreign operations</td><td>5,169</td><td>88</td><td>24</td></tr><tr><td>Loss on net investment hedge</td><td>(4,329)</td><td>–</td><td>–</td></tr><tr><td>Fair value movement on cashflow hedges</td><td>(1,670)</td><td>–</td><td>–</td></tr><tr><td>Cashflow hedges – reclassified to profit or loss</td><td>655</td><td>–</td><td>–</td></tr><tr><td>Related deferred tax</td><td>127</td><td>–</td><td>–</td></tr><tr><td></td><td>(48)</td><td>88</td><td>24</td></tr><tr><td>Other comprehensive income, net of tax</td><td>40,121</td><td>7,429</td><td>24</td></tr><tr><td>Total comprehensive income/ (loss) for the year attributable to owners of the company</td><td>61,747</td><td>10,952</td><td>(553)</td></tr><tr><td>Earnings per share</td><td></td><td></td><td></td></tr><tr><td>Basic earnings/(loss) per share*</td><td>€0.1455</td><td>€0.0365</td><td>(€60.74)</td></tr><tr><td>Diluted earnings/(loss) per share*</td><td>€0.1447</td><td>€0.0364</td><td>(€60.74)</td></tr><tr><td>Weighted average shares outstanding – basic</td><td>148,648,310</td><td>96,625,887</td><td>9,500</td></tr><tr><td>Weighted average shares outstanding – diluted</td><td>149,427,201</td><td>96,913,563</td><td>9,500</td></tr></table>		<i>Dalata Hotel Group p.l.c. 31 Dec 2015 €'000</i>	<i>Dalata Hotel Group p.l.c. 31 Dec 2014 €'000</i>	<i>DHGL Limited 31 Dec 2013 €'000</i>	Continuing operations				Revenue	225,673	79,073	60,617	Cost of sales	(86,907)	(29,379)	(23,011)	Gross profit	138,766	49,694	37,606	Administrative expenses, including acquisition-related costs of €15.802 million (2014: €2.821 million)	(104,554)	(44,716)	(32,673)	Other income	2,745	–	–	Operating profit	36,957	4,978	4,933	Finance income	1,863	409	–	Finance costs	(10,363)	(1,191)	(4,860)	Profit before tax	28,457	4,196	73	Tax charge	(6,831)	(673)	(650)	Profit/(loss) for the year attributable to owners of the company	21,626	3,523	(577)	Other comprehensive income				<i>Items that will not be reclassified to profit or loss</i>				Revaluation of property	46,567	8,390	–	Related deferred tax	(6,398)	(1,049)	–		40,169	7,341	–	<i>Items that are or may be reclassified subsequently to profit or loss</i>				Exchange difference on translating foreign operations	5,169	88	24	Loss on net investment hedge	(4,329)	–	–	Fair value movement on cashflow hedges	(1,670)	–	–	Cashflow hedges – reclassified to profit or loss	655	–	–	Related deferred tax	127	–	–		(48)	88	24	Other comprehensive income, net of tax	40,121	7,429	24	Total comprehensive income/ (loss) for the year attributable to owners of the company	61,747	10,952	(553)	Earnings per share				Basic earnings/(loss) per share*	€0.1455	€0.0365	(€60.74)	Diluted earnings/(loss) per share*	€0.1447	€0.0364	(€60.74)	Weighted average shares outstanding – basic	148,648,310	96,625,887	9,500	Weighted average shares outstanding – diluted	149,427,201	96,913,563	9,500
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		Current liabilities		
		Loans and borrowings	15,970	–
		Trade and other payables	40,180	20,345
		Current tax liabilities	978	102
		Total current liabilities	57,128	20,447
		Total liabilities	324,040	21,407
		Total equity and liabilities	861,336	294,120
B.7	<i>Narrative description of significant change to the issuer's financial condition and operating results during or subsequent to the period covered by the historical key financial information:</i>	The increase in revenue and profitability was primarily driven by the addition of new owned and leased hotels to the Group's portfolio resulting in strong growth in RevPAR across the Group's properties in Dublin and regional Ireland. Acquisitions completed during 2014: - On 29 August 2014, the Group acquired the Maldron Hotel Pearse Street for a total consideration of €14.4 million - On 8 September 2014, the Group acquired the Maldron Hotel Parnell Square for €15.3 million - On 1 October 2014, the Group acquired the Maldron Hotel Derry for a total consideration of £4.4 million (€5.8 million) - During 2014 the Group also acquired the freehold equivalent interest in 20 rooms in the Clayton Hotel Cardiff Lane (previously a Maldron Hotel) for €1.9 million Acquisitions completed during 2015: - On 21 January 2015, the Group acquired the Clayton Hotel Galway for a total consideration of €16.6 million. - On 3 February 2015, the Group acquired the Moran Bewley's Hotel Group for a total consideration of €452.3 million. The nine hotels acquired as part of this transaction are as follows: - Clayton Hotel Ballsbridge, Dublin - Clayton Hotel Dublin Airport - Clayton Hotel Leopardstown, Dublin - Maldron Hotel Newlands Cross, Dublin - Clayton Hotel Silver Springs, Co. Cork - Clayton Hotel Manchester Airport - Clayton Hotel Leeds - Clayton Crown Hotel, London - Clayton Hotel Chiswick, London		

		In order to fund the acquisition of the Moran Bewley's Hotel Group, the Company drew down a term loan of €282 million, and on 3 February 2015, the Company issued 18,300,000 ordinary shares at €2.75 per share through the MB Vendor Placing and MB Cash Placing which raised €48.6m after costs. - On 13 February 2015, the Group acquired the Maldron Hotel Sandy Road Galway (formerly the Pillo Hotel Galway) and ancillary property interests for a total consideration of €10.5 million - On 13 February 2015, the Group acquired the Clayton Whites Hotel Wexford (formerly Whites Hotel Wexford) for a total consideration of €15.2 million - On 18 March 2015, the Group acquired the car park at the Maldron Hotel Pearse Street for €1.2 million - On 24 March 2015, the Group acquired the Clayton Hotel Belfast (formerly the Holiday Inn Belfast) for a total consideration £18.5 million (€25.7 million) - On 24 April 2015, the Group acquired the Maldron Hotel Wexford for a total consideration of €3.5 million - On 28 May 2015, the Group acquired a property adjacent to the Maldron Hotel Pearse Street for €0.8 million which was incorporated into the hotel's lobby and back office during 2015 - On 5 November 2015, the Group acquired the freehold equivalent interest in three rooms in the Clayton Hotel Cardiff Lane for €0.3 million - On 9 November 2015, the Group acquired the Clarion Hotel, Cork for a consideration of €35.1 million There has been no significant change in the financial or trading position of the Group since 31 December 2015, being the date to which the last audited financial information has been published, except as set out below: - On 6 June 2016, the Group acquired the freehold interest in the Clarion Hotel Limerick for a consideration of €8.5 million. - On 3 June 2016, the Group acquired a development site on Kevin Street, Dublin for a consideration of €8.1 million. - On 3 June 2016, the Group acquired a part-completed hotel property on Beasley Street, Cork for a consideration of €10.2 million. - On 6 May 2016, the Group agreed an extension to its existing Facilities Agreement which provided for an additional €80 million of term loan finance (known as Facility D) and an additional €10 million revolving credit facility. On 9 June 2016, the Group drew down €30.8 million of Facility D to fund permitted acquisitions and/or investment capital expenditure by the Company. - On 15 April 2016, the Group signed a development contract for a site on Brunswick Street, Belfast for a consideration of £21 million.
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		- On 18 March 2016, the Group acquired the Clarion Hotel Sligo for a consideration of €13.1 million. - On 11 March 2016, the Group acquired the leasehold interest of four hotels, The Gibson Hotel Dublin, the Croydon Park Hotel, Croydon, London, the Clarion Hotel Cork and the Clarion Hotel Limerick, and the management contract of the Clarion Liffey Valley Hotel, Dublin for a consideration of €40 million. - On 15 February 2016, the Group acquired DS Charlemont Limited (the former Charlemont Clinic Site) for a consideration of €11.9 million. - On 15 January 2016, the Group acquired the Tara Towers Hotel Dublin for a consideration of €13.2 million.
B.8	<i>Selected key pro forma financial information identified as such:</i>	Not applicable. This document does not contain pro forma financial information.
B.9	<i>Where a profit forecast or estimate is made, state the figure:</i>	Not applicable. No profit forecasts or estimates have been made.
B.10	<i>A description of the nature of any qualifications in the audit report on the historical financial information:</i>	Not applicable. There are no qualifications to the audit report on the historical financial information included in this Prospectus.
B.11	<i>If the issuer's working capital is not sufficient for the issuer's present requirements an explanation should be included:</i>	Not applicable. The Company is of the opinion that the Group has sufficient working capital for its present requirements, that is, for at least the 12 month period from the date of this Prospectus.

Section C – Securities		
C.1	<i>A description of the type and the class of securities being admitted to trading, including any security identification number:</i>	The Company will apply for the admission of 182,966,666 Ordinary Shares to trading on the Main Markets of the Irish Stock Exchange and the London Stock Exchange. The ISIN number for the Ordinary Shares is IE00BJMZDW83.
C.2	<i>Currency of the securities issue:</i>	The Ordinary Shares are denominated in Euro.
C.3	<i>The number of shares issued and fully paid and issued but not fully paid. The par value per share, or that the shares have no par value:</i>	On the Latest Practicable Date prior to the publication of this Prospectus, the Company had 182,966,666 Ordinary Shares of €0.01 each in issue (all of which were fully paid or credited as fully paid). The nominal value of the authorised share capital of the Company is €100,000,000 divided into 10,000,000,000 Ordinary Shares at €0.01 each.
C.4	<i>A description of the rights attached to the securities:</i>	The Ordinary Shares are issued credited as fully paid and rank <i>pari passu</i> in all respects with each other and rank in full for all

		dividends and other distributions thereafter declared, made or paid in respect of the Ordinary Shares.
C.5	<i>A description of any restrictions on the free transferability of the securities:</i>	Following Admission, the Ordinary Shares will be freely transferable in Ireland and the United Kingdom. The Directors in their absolute discretion and without assigning any reason therefor may decline to register: 1. any transfer of a share which is not fully paid; 2. any transfer to or by a minor or person who is adjudged by any competent court or tribunal, or determined in accordance with the Articles, not to possess an adequate decision making capacity; 3. any transfer by any person to whom a Transfer Notice (as defined in Article 5(f)(i) of the Articles) has been given under Article 5(f)(i) of the Articles; or 4. any share which is a Restricted Share (as defined in Article 66 of the Articles) under Article 66 of the Articles; or provided that the refusal to register the transfer does not prevent dealings in the shares from taking place on an open and proper basis.
C.6	<i>An indication as to whether the securities are or will be the object of an application for admission to trading on a regulated market and the identity of all the regulated markets where the securities are or are to be traded:</i>	Applications have been made to the FCA and the Irish Stock Exchange for all of the Ordinary Shares to be admitted to the Official List of the FCA (by way of a Standard Listing) and to the primary listing segment of the Official List of the Irish Stock Exchange, and to the London Stock Exchange and the Irish Stock Exchange for all of the Ordinary Shares to be admitted to trading on the London Stock Exchange's and the Irish Stock Exchange's respective main markets for listed securities.
C.7	<i>A description of the dividend policy:</i>	The 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 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. Dividends may be declared in accordance with the respective rights of members, but no dividend shall exceed the amount recommended by the Directors. All dividends declared shall be paid in accordance with the terms of the Company's Articles of Association and no restrictions apply to the payment of dividends to non-resident members.

Section D – Risks		
D.1	<i>Key information on the key risks that are specific to the issuer or its industry:</i>	The key risks specific to the Company or its industry are: • The Group’s operations, performance, financial condition and the results of its operations are subject to a number of external factors that could adversely affect the Group’s business including a downturn in market conditions, increases in interest rates, increased competition, changes in travel patterns, increases in operating expenses and changes in governmental laws and regulation. • The Group’s business and operations could be adversely affected by geo-political events and acts of terrorism or war. • The Group is exposed to risks as a result of United Kingdom’s proposed exit from the European Union. The indication and general market consensus is that the decision of the United Kingdom to leave the European Union is likely to result in a period of uncertainty and market volatility for the UK and the wider world economy. The main short-term concern for the Group is the potential impact the result will have on the value of Sterling against the Euro. Significant fluctuations in sterling affect the reported earnings and asset value of the Group as UK subsidiaries are reported in sterling and translated into Euros. A significant reduction in the value of sterling would also make Ireland a more expensive destination for UK residents which in turn would impact on the number of UK visitors to Ireland. Additional medium-term risks could arise should general economic activity in the UK be impacted. A slowdown in the UK economy would negatively impact the performance of the Group’s hotels in the UK and may also reduce the number of UK visitors to Ireland. • The Group’s activities are concentrated in the Dublin hotel market and therefore any downturn in Dublin’s economy is likely to have a material impact on the Group’s performance. • New entrants (e.g. Airbnb) have increased competition in the market which may impact on the Group’s performance in the future. • There can be no assurance that due diligence examinations carried out, or that may be carried out, by the Group or third parties in connection with any property that the Group has acquired or that the Group may acquire, have revealed or will reveal all of the risks associated with that property and in certain cases, if certificates of title are being provided in respect of target hotel properties, they may be limited in scope and coverage. • The Group holds the freehold equivalent interest in 21 hotel properties. The Group’s performance and financial position could be adversely affected by a downturn in the property market in terms of capital values.

		• Hotel properties such as those owned by the Group are relatively illiquid. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, property market or other conditions. This could have an adverse effect on the Group's financial condition and results of operations. • The Group may be exposed to losses as a result of difficulties in integrating existing businesses with operations at new hotel properties, which the Group has the opportunity to acquire. Delays or unforeseen expenses in combining operations could have a material adverse impact on the Group's business, financial condition and results of operations. • As is common across the hotel industry, a significant proportion of the Group's operating expenses are fixed and not linked to the performance of its hotels. As such, the Group's operating results are vulnerable to short term changes in its revenues. The Group's inability to react quickly to changes in its revenue by reducing the Group's operating expenses could have a material adverse effect on the Group's business, financial condition and results of operations. The results of operations and the financial position of the Group's UK subsidiaries and affiliates are reported in Sterling. Significant fluctuations in the exchange rate between Sterling and Euros may have a material effect on the Group's financial condition and results of operations. • The Group is subject to a variety of European Union, national and local laws and regulations concerning environmental and/or health and safety ("EHS") matters. The failure to comply with present or future EHS laws and regulations could result in regulatory action, the imposition of fines or third party claims which could in turn have a material adverse effect on the Group's results of operation, its financial condition and/or its reputation. • The Group is dependent upon the performance, behaviours and reputation of a wide range of business partners and external stakeholders. Breakdown in relationships, stakeholder behaviours or adverse reputations could impact on the Group's performance and competitiveness, guest experiences or the reputation of the Group and its brands. • The reputation and awareness of the Maldron brand, Clayton brand and any other brands developed by the Group may be affected by a number of factors, including factors outside of the Group's control such as changes in customer preferences and customer perception. An event that materially damages the reputation or awareness of the Group's brands and/or a material failure to sustain the appeal of such brands to the Group's customers could have a material adverse effect on the value of such brands and subsequent revenues therefrom. • If one or more of the members of the Group's executive management team are unable or unwilling to continue in their
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		present position, the Group might not be able to replace them easily, which could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group is subject to the risk of industrial disputes and adverse employee relations, and these disputes and adverse relations could disrupt the Group's business operations and materially adversely affect the Group's business, financial condition or results of operations. • The Group is reliant on certain technologies and systems for the running of its business. As a result of any system failures, data viruses, computer "hackers" or other malicious or harmful attacks or causes, the Group may experience operational problems with its information systems. Any material disruption or slowdown of the Group's information systems could have a material adverse effect on the Group's business, financial condition and results of operations. • The Group is subject to complex regulations and registration requirements in key areas such as accounting, tax, corporate governance, health and safety, licencing, food safety, environmental, planning, fire safety, corruption, employment law, disability access, data privacy and information protection. Non-compliance by the Group with changing regulatory demands may leave the Group open to fines, prosecution, loss of a licence to operate or reputational damage. • The majority of the leases to which the Group is party are subject to upward only rent reviews, occurring in five yearly cycles. An increase in rents arising from upward only rent reviews could result in a reduction of the Group's competitiveness and adverse effects on the Group's financial condition and results of operations. • The Group's borrowings could have a significant impact on the Group's business, financial condition and/or results of operations. Failure to satisfy obligations under any current or future financing arrangements could give rise to default risk and require the Group to re-finance its borrowings. • The Group is subject to fluctuations in interest rates in relation to its borrowings in Euro and Sterling. The Group had interest rate swaps in place for its sterling denominated loans. The interest rate swaps are employed by the Group to partially convert the Group's borrowings from floating to fixed interest rates. • A number of the properties held or occupied by the Group are currently undergoing capital expenditure. The Directors are of the opinion that many of the Group's hotel properties require upgrading and refurbishing of guest rooms. The Group has announced the acquisition of development sites in Charlemont Street, Kevin Street, Dublin, and a part-completed hotel property in Beasley Street, Cork which it intends to develop into Clayton and Maldron hotels. The Group has also signed a
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		development contract for a site at Brunswick Street, Belfast, which it intends to develop into a Maldron Hotel. There is a risk that these capital refurbishment and development projects may take longer, may not complete on time or at all, or cost more than anticipated which could have a material adverse impact on the Group's business, financial condition and results of operations. • Dalata has identified a number of other potential development opportunities within the Group's portfolio that will require planning permission, particularly in relation to the Clayton Hotel Dublin Airport, Clayton Hotel Ballsbridge, Maldron Hotel Sandy Road Galway, the development site at Charlemont Street, Dublin, and the part-completed hotel property on Beasley Street, Cork. As with any proposed development, planning requirements may have an impact on these potential development opportunities.
D.3	<i>Key information on the key risks that are specific to the securities:</i>	<i>Risks relating to the Ordinary Shares</i> • The price of the Ordinary Shares has fluctuated and may continue to fluctuate from time to time. • There can be no assurance as to the level of future dividends. • The Group may need to raise additional funds in the future to finance the expansion of its operations. If additional funds are raised through the issuance of new equity of the Company other than on a pro rata basis to existing shareholders, the percentage ownership of the shareholders may be reduced. • Some of the current larger shareholders may continue to hold a significant interest in the Company and may be able to exert influence over matters relating to its business. • Shareholders outside Ireland and the United Kingdom may not be able to participate in future equity offerings. • Irish law governs the rights of holders of Ordinary Shares and these rights may differ from the rights of Shareholders in other jurisdictions. • The sale of a substantial number of the Ordinary Shares, or the perception that such sales could occur, could adversely affect the price of the Ordinary Shares. • If the Company is wound up, distributions to Shareholders will be subordinated to the claims of creditors. • There is no guarantee that the market price of the Ordinary Shares will fully reflect the underlying value of the assets owned by the Group.

Section E – Offer		
E.1	<i>The total net proceeds and an estimate of the total expenses of the issue/offer, including estimated expenses charged to the investor by the issuer or the offeror:</i>	The total estimated expenses for the admission to trading are expected to be approximately €1.15 million.
E.2a	<i>Reasons for the offer, use of proceeds and estimated net amount of the proceeds:</i>	Not applicable. This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in Dalata Hotel Group p.l.c.
E.3	<i>Description of the terms and conditions of the offer:</i>	Not applicable. This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in Dalata Hotel Group p.l.c.
E.4	<i>A description of any interest that is material to the issue/offer including conflicting interests:</i>	Not applicable. This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in Dalata Hotel Group p.l.c. There is no interest, including any conflicting interest that is material to Admission.
E.5	<i>Name of the person or entity offering to sell the security:</i> <i>Details of any lock-up agreements; the parties involved; and indication of the period of the lock-up:</i>	Not applicable. This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in Dalata Hotel Group p.l.c.
E.6	<i>The amount and percentage of immediate dilution resulting from the offer:</i>	Not applicable. This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in Dalata Hotel Group p.l.c.
E.7	<i>Estimated expenses charged to the investor by the issuer:</i>	Not applicable. This Prospectus does not constitute an offer or invitation to any person to subscribe for or purchase any shares in Dalata Hotel Group p.l.c.

PART 2

RISK FACTORS

Any investment in the Ordinary Shares is subject to a number of risks and uncertainties. Prior to investing in the Ordinary Shares, prospective investors should carefully consider the factors, risks and uncertainties associated with any such investment, the Group's business, strategy and the industry in which it operates, together with all other information contained in this Prospectus including, in particular, the risk factors described below. Prospective investors should note that the risks and uncertainties identified in the Summary are the risks and uncertainties that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks and uncertainties which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Summary but also, among other things, the risks and uncertainties described below.

The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential harm to the Group's business, operating results, financial condition or prospects. Additional risks and uncertainties relating to the Group that are not currently known to the Directors, or that the Directors currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, operating results, financial condition or prospects and, if any such risk should materialise, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Investors should carefully consider whether an investment in the Ordinary Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

1. RISKS RELATING TO THE GROUP'S BUSINESS

The Group is subject to certain risks common to the hotel industry, certain of which are beyond its control.

The Group's operations, performance, financial condition and the results of its operations are subject to a number of factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control, including the following:

- a downturn in international market conditions or the national, regional and/or local political, economic and market conditions in Ireland and the UK may diminish the demand for leisure and business travel;
- increases in interest rates could affect the Group's ability to negotiate future acquisitions on favourable terms;
- significant fluctuations in the exchange rate between Sterling and Euro may have a material adverse effect on the Group's business, financial condition and results of the operations;
- the impact of extreme weather conditions, impediments to means of transportation, natural disasters, travel-related accidents, outbreaks of diseases or health concerns, acts of terrorism, geo-political events, rising fuel costs or other factors that may affect travel patterns and reduce the number of business and leisure travellers;
- increased competition in the towns and cities in which the Group has hotels. A number of cities where the Group operates have either recently or are about to experience new supply additions due to the impact of hotel refurbishments/extensions, whilst there are other Irish hotel schemes which have recently received planning permission or are currently in planning stages;
- changes in travel patterns or in the structure of the travel industry, including any increase in taxes on air travel;
- increases in operating expenses as a result of inflation, increased personnel costs, higher utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be offset by increased room rates;

- changes in governmental laws and regulation, including those relating to employment, the preparation, labelling and sale of food and beverages, smoking, health and alcohol licensing laws and environmental concerns, health and safety regulations, fiscal policies and zoning ordinances and the related costs of compliance; and
- the current reduced rate of VAT which applies to the hospitality sector in the Republic of Ireland may also be revised.

The indication and general market concerns is that the decision of the United Kingdom to leave the European Union is likely to result in a period of uncertainty and market volatility for the UK and the wider world economy.

The impact of any of these factors (or a combination of any of them) may adversely affect the business of the Group (including but not limited to customer demand, room rates and occupancy levels in the Group's hotels) or otherwise cause a reduction in the Group's income. Such factors (or a combination of them) may also adversely affect the value of the Group's hotels and in either such case would have a material adverse effect on the Group's business, financial conditions and results of operations.

Certain properties within the Group are exposed specifically to such external risks, including, for example, by virtue of dependence on local amenities, attractions and transport links. The Clayton Hotel Chiswick is heavily dependent on Chiswick Business Park as a demand generator and any major downturn in the UK economy could adversely affect corporate demand.

The Group is exposed to the risk of events that adversely impact domestic or international travel.

The Group's business and operations (including room rates and occupancy levels) could be adversely affected by events such as geo-political events, actual or threatened acts of terrorism or war, epidemics, travel-related accidents, travel related industrial action, increased transportation and fuel costs, increased transport related taxes and natural disasters resulting in reduced worldwide travel or other local factors impacting individual hotels. Terrorist incidents such as the events of 11 September 2001, the London bombings of July 2005, the war in Iraq in 2003 and the recent terrorist incidents in Paris (November 2015) and Brussels (March 2016) significantly affected international travel and consequently global demand for hotel rooms. Further incidents or uncertainties of this type may have an adverse impact on the Group's operations and financial results.

The Group is exposed to risks as a result of United Kingdom's proposed exit from the European Union.

The indication and general market consensus is that the decision of the United Kingdom to leave the European Union is likely to result in a period of uncertainty and market volatility for the UK and the wider world economy.

The main short-term concern for the Group is the potential impact the result will have on the value of Sterling against the Euro. Significant fluctuations in sterling affect the reported earnings and asset value of the Group as UK subsidiaries are reported in sterling and translated into Euros. A significant reduction in the value of sterling would also make Ireland a more expensive destination for UK residents which in turn would impact on the number of UK visitors to Ireland.

Additional medium-term risks could arise should general economic activity in the UK be impacted. A slowdown in the UK economy would negatively impact the performance of the Group's hotels in the UK and may also reduce the number of UK visitors to Ireland.

The Group's due diligence may not identify all risks and liabilities in respect of an acquisition and the contractual protections the Group receives from certain types of vendors may be limited or ineffective to cover the Group's losses.

The Group has acquired and it is intended that the Group will continue to acquire hotel properties. Before making any such investments, the Group assesses the value or potential value of such property. The Group performs due diligence on the proposed investment. In doing so, it typically relies in part on third parties to conduct a significant portion of this due diligence (including providing legal and technical reports on title

and property valuations). There can be no assurance, however, that due diligence examinations carried out, or that may be carried out, by the Group or third parties in connection with any property that the Group has acquired or that the Group may acquire, have revealed or will reveal all of the risks associated with that property, or the full extent of any such risks and in certain cases, if certificates of title are being provided in respect of target hotel properties, they may be limited in scope and coverage.

In certain circumstances, the Group or such third parties may have been limited in the level of due diligence they were, or are, able to conduct. For example, in the case of acquisitions of properties or loans from receivers or lenders, the responses the Group receives to its due diligence enquiries will often be qualified or limited (in the case of the receiver, to the actual knowledge of the receiver since his appointment). As a result, the Group may receive only limited replies to requisitions on title and limited availability of documentation. This could give rise to additional expenses and/or liabilities which the Group would be required to pay or could mean that it is not always possible to have definitive confirmation on whether all desired contractual arrangements are in place or any contractual breaches that might be in existence.

Properties that the Group has acquired or may acquire may be subject to material defects that were not apparent at the time of acquisition and have not become apparent as at the date of this Prospectus or other liabilities associated with properties such as the payment of development costs or stamp duty. In addition, there may be certain planning or licensing irregularities related to the properties of the Group. To the extent that the Group or other third parties underestimate or fail to identify defects, risks and/or liabilities associated with an investment, the Group may be subject to risks in respect of defects in title, environmental, structural, operational, planning or building regulations defects or liabilities requiring remediation and/or not covered by indemnities or insurance, an inability to obtain or review permits enabling the Group to use the property as intended or acquiring properties that fail to perform in accordance with expectations.

In addition, the contractual protections the Group has received or that the Group may receive in connection with its acquisitions from certain types of vendors may be limited or ineffective to cover the Group's losses. As a result, the Group's ability to identify, and eventually recover in respect of any losses incurred as a result of, any defects, risks or liabilities that may arise in connection with any such acquisition may be more limited than would otherwise be the case. The consequences of any due diligence failures, or an underestimation of, or failure to identify any defects, risks, or liabilities, or limitations on protections being received, may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

The value of the Group's property portfolio may fluctuate as a result of factors outside the Group's control.

Property investments are subject to varying degrees of risks. Values can be affected (among other things) by changing demand, changes in general economic conditions, changing supply within a particular geographic location or area of competing space and attractiveness of property relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations and higher accounting and control expenses. The Group's performance and financial position could be adversely affected by a downturn in the property market in terms of capital values.

The Group's property investments are relatively illiquid.

Hotels such as those owned by the Group are relatively illiquid and planning regulations may further reduce the numbers and types of potential purchasers should the Group decide to sell certain hotels in the future. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, property market or other conditions. This could have an adverse effect on the Group's financial condition and results of operations.

Integration of additional hotels may be difficult and may inhibit the Group's operations and financial results.

The Group may be exposed to losses as a result of difficulties in integrating existing businesses with operations at new hotel properties, which the Group has the opportunity to acquire or manage. The issues associated with the integration of existing businesses and new operations include, among other things, coordinating sales, distribution and marketing functions and integrating information systems. Delays or unforeseen expenses in combining operations, as well as the diversion of the attention of the Group's management from its existing operations to integration efforts, may prevent the Group from realising the profits which the new properties were expected to generate and could have a material impact on the Group's business and revenues.

A significant proportion of the Group's operating expenses are fixed, which may impede the Group from quickly reacting to changes in revenue.

As is common across the hotel industry, a significant proportion of the Group's operating expenses are fixed and not linked to the performance of its hotels, and certain of the Group's other operating expenses, including heating, information technology and telecommunications and similar expenses, are also to a large extent fixed. As such, the Group's operating results are vulnerable to short term changes in its revenues. The Group's inability to react quickly to changes in its revenue by reducing the Group's operating expenses could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be subject to significant capital expenditure requirements.

A number of the properties held or occupied by the Group are currently undergoing capital expenditure. The Directors are of the opinion that many of the Group's hotel properties require upgrading and refurbishing of guest rooms.

The Group has announced the acquisition of development sites in Charlemont Street and Kevin Street, Dublin and a part-completed hotel property in Beasley Street, Cork which it intends to develop into Clayton and Maldron hotels. The Group has signed a development contract for a site at Brunswick Street, Belfast, which it intends to develop into a Maldron Hotel.

There is a risk that these capital refurbishment and development projects may take longer, may not complete on time or at all, or cost more than anticipated which could have a material adverse impact on the Group's business, financial condition and results of operations.

The Group is subject to risks relating to development opportunities and the possible impact of planning requirements.

Dalata has identified a number of other potential development opportunities within the Group's portfolio that will require planning permission, particularly in relation to the Clayton Hotel Dublin Airport, Clayton Hotel Ballsbridge, Maldron Hotel Sandy Road, Galway and the development site at Charlemont Street, Dublin and the part-completed hotel property on Beasley Street, Cork. As with any proposed development, planning requirements may have an impact on these potential development opportunities.

The Group's results of operations are affected by foreign exchange fluctuations.

The results of operations and the financial position of the Group's UK subsidiaries and affiliates are reported in Sterling and then translated into Euros at the applicable exchange rates for inclusion in the Group's consolidated financial statements, which are stated in Euros. The exchange rates between Sterling and the Euro may fluctuate significantly. Significant fluctuations in the future may have a material effect on the Group's financial condition and results of operations.

The Group seeks to reduce currency transaction risk by matching commitments, revenues and costs cash flows and debt in the same currency but does not currently enter into foreign exchange contracts for hedging purposes. However, the Group has interest rate swaps in place for its Sterling denominated loans. There is a net investment hedge in place which uses Sterling debt to hedge part of the Group's investment in its UK hotels.

The Group's results may be affected by interest rate fluctuations

The Group has incurred and may incur further debt with floating interest rates. Interest rates are highly sensitive to many factors, including international and domestic economic and political conditions, and other factors beyond the Group's control. The level of interest rates can fluctuate due to, among other things, inflationary pressures, disruption to financial markets and the availability of bank credit. If interest rates rise, the Group will be required to use a greater proportion of its revenues to pay interest expenses on its floating rate debt. Whilst the Group has entered into hedging arrangements with Ulster Bank Ireland Limited, The Governor and Company of the Bank of Ireland and Allied Irish Banks p.l.c. to assist the Group in managing this risk, such measures may not be sufficient to protect the Group from risks associated with movements in prevailing interest rates. Increased exposure to adverse interest rate movements through floating rate debt may have a material adverse effect on the Group's financial condition, business, prospects and results of operations.

New entrants to the market may impact the Group's profitability

New entrants (e.g. Airbnb) have increased competition in the market. The growth of Airbnb in the Irish and UK markets provides people with an alternative to hotel accommodation and in doing so, increases the supply of rooms. The Group is aware of the impact such new entrants have in the market and its potential effect on the future profitability of the Group.

The Group's activities are highly concentrated in the Dublin Market

With over 45% of all of the Group's rooms located in Dublin, the Group's activities are highly concentrated in the Dublin market. Any downturn in the Irish economy and in particular Dublin's economy would have a significant impact on the Group's profitability.

Environmental and/or health and safety compliance costs and liabilities may have a material adverse effect on the Group's financial condition and operations.

As an owner and operator of hotels, the Group is subject to a variety of European Union, national and local laws and regulations concerning environmental and/or health and safety ("EHS") matters. There can be no assurance that the Group will not be found to be in breach of EHS laws and regulations. The failure to comply with present or future EHS laws and regulations could result in regulatory action, the imposition of fines or third party claims which could in turn have a material adverse effect on the Group's results of operation, its financial condition and/or its reputation. In addition, compliance with new EHS laws and regulations could require the Group to incur significant expenditure that could have a material adverse effect on the Group's results of operation, financial condition or operations.

The Group is exposed to the risk of litigation from its guests, customers, actual and potential partners, suppliers, employees, regulatory authorities and/or the owners of hotels leased or managed by the Group.

The Group is exposed to the risk of litigation (including from its guests, customers, actual and potential partners, suppliers, employees, regulatory authorities, franchisees and/or the owners/receivers of hotels leased or managed by the Group) for breach of legal, contractual or other duties. Although as stated in section 13 of Part 10 of this Prospectus headed "Litigation", the Group is not involved in any governmental investigation, legal proceedings or arbitration which may have, or have during the 12 months preceding the date of this Prospectus, a significant effect on the Group's financial position or profitability and so far as the Directors are aware no such investigation, proceedings are pending or threatened, no assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Group's reputation even though the monetary consequences may not be significant.

The Group is dependent on a range of external stakeholders and business partners.

The Group is dependent upon the performance, behaviours and reputation of a wide range of business partners and external stakeholders including, but not limited to, owners, contractors, lenders, suppliers, vendors, agents, third-party intermediaries and other business partners. Further, the number and complexity of interdependency with stakeholders is evolving. Breakdown in relationships, stakeholder behaviours or

adverse reputations could impact on the Group's performance and competitiveness, guest experiences or the reputation of the Group and its brands.

The Group's operating results depend on the reputation and awareness of the Maldron brand, Clayton brand and any other brands developed by the Group.

Dalata believes that brand awareness, image and loyalty are critical to its ability to achieve and maintain high average occupancy and room rates and also for its plans to expand. The reputation and awareness of the Maldron brand, Clayton brand and any other brands developed by the Group may be affected by a number of factors, including factors outside of the Group's control such as changes in customer preferences and customer perception. An event that materially damages the reputation or awareness of the Maldron brand, Clayton brand or any other brands developed by the Group and/or a material failure to sustain the appeal of such brands to the Group's customers could have a material adverse effect on the value of such brands and subsequent revenues therefrom.

Dalata's key senior personnel and management have been and remain material to its growth.

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its management team. If one or more of the members of this team are unable or unwilling to continue in their present position, the Group might not be able to replace them easily, which could have a material adverse effect on the Group's business, financial condition and results of operations. If the Group is unable to retain its management team or other key personnel, or attract new qualified personnel to support the growth of its business, this could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may face industrial disputes or other disruptions that could interfere with its operations.

The Group is subject to the risk of industrial disputes and adverse employee relations, and these disputes and adverse relations could disrupt the Group's business operations and materially adversely affect the Group's business, financial condition or results of operations. No assurance can be given that there will not be industrial disputes and/or adverse employee relations in the future that could have a material adverse effect on the Group's operations.

The Group is exposed to certain risks in relation to information technology and systems.

The Group is reliant on certain technologies and systems for the running of its business. As a result of any system failures, data viruses, computer "hackers" or other malicious or harmful attacks or causes, the Group may experience operational problems with its information systems. Any material disruption or slowdown of the Group's information systems, especially any failures relating to its reservation systems, could cause valuable information to be lost or operations to be delayed, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations. As part of the Group's operations, the Group and each of its hotels maintain personal data, such as credit card, identification, address and other information, of the Group's guests on their databases. Any failure by the Group to put in place and maintain adequate processes and controls to ensure the confidentiality of this information, thereby leading to an unauthorised disclosure of private data, may have damaging effects on the reputation and performance of the Group.

The Group is reliant on reservations systems, the failure of which could impact adversely on the Group's operations and ability to compete.

The Group's business derives substantially from its ability to manage bedroom inventory and store guest bookings, rates and profiles through the Opera, Portfolio, Hotsoft and Hotelinx Property Management System (PMS) applications which it licenses from various third party licensors. If these applications were to fail or if the third party licensor breached the terms of the license, the Group's ability to manage bedroom inventory could be impeded and the Group's revenues adversely affected. Furthermore, a failure to adequately update or maintain these applications by the third party licensor could reduce the Group's competitiveness on the open market.

The Group is exposed to risks as a result of existing and changing regulations in Ireland and the United Kingdom.

The Group is subject to complex regulatory requirements in key areas such as accounting, tax, corporate governance, health and safety, licencing, food safety, environmental, planning, fire safety, corruption, employment law, disability access, data privacy and information protection. Changes in these or any of the other regulatory regimes to which the Group is subject may require substantial changes to the manner in which the Group operates its business and may inhibit the Group's use or transmission of customer data. Non-compliance by the Group with changing regulatory demands may leave the Group open to fines, prosecution, loss of a licence to operate or reputational damage.

The Group's insurance policies may not be comprehensive.

Historically, the Group has maintained insurance at levels determined to be appropriate in light of the cost of cover and the risk profiles of the business in which the Group operates. However, the Group may not be able to obtain insurance that covers losses that are due to external risks, such as acts of terrorism or flooding. In addition, the scope of coverage the Group can obtain may be limited as may the Group's ability to obtain coverage at reasonable rates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that appropriate coverage would always be available at acceptable commercial rates.

The Group is reliant on licences in order to carry on certain of its activities.

The Group operates in a regulated sector of the economy and each of its hotels requires a license to sell alcohol. There can be no guarantee that these licence requirements have been fully complied with, including in relation to payment authorisations or renewal requirements, or that these will be renewed in the future, nor that the Group will be able to obtain licences for any new hotels. Failure to obtain or hold or the loss of any licences or non-compliance with any licence could have a significant effect on the Group's business, financial condition or results of operations.

The hotel sector is subject to various regulations and registration requirements.

As with the operation of any hotel group there are various regulations and registration requirements to be adhered to in areas such as environmental licences, food safety regulations, fire safety regulations etc. While generally across the Group all such required licences and registrations are in place, there are some specific instances where registration has not yet occurred but which are currently being addressed by the Group. These include the fact that the Maldron Hotel Cork, and the Maldron Hotel Sandy Road Galway have yet to obtain licences to discharge trade effluent to sewer.

The Croydon Park Hotel London requires upgrades to the fire panel system to meet the requirements of the fire safety regulations.

Certain hotel properties contain the presence of substances which will need to be actively managed.

The Clayton Hotel Silver Springs has a plant room which contains asbestos pipe lagging. This will need to be surveyed and managed going forward which will incur a cost. At the same hotel, the presence of Japanese knotweed has been identified which is a prohibited plant, and will have to be managed environmentally.

The Croydon Park Hotel London has asbestos containing materials in the electrical boxes in the electrical intake room. The main valve gas room and the mechanical room contain asbestos joint gaskets to pipework. These will need to be surveyed and managed going forward which will incur a cost. Sampling of the textured coating to ceilings throughout the hotel will also need to be conducted in advance of any major refurbishment or demolition work to the building.

The Group is exposed to risks in relation to future upward only rent reviews.

The majority of the leases to which the Group is party are subject to upward only rent reviews, occurring in 5 yearly cycles. These upward only rent review clauses typically require that the revised rent be the higher

of the passing rent under the lease and the open market rent. In most cases, the current open market rent would be estimated to be less than the passing rent paid by the Group. However, continued growth of the Irish economy may result in increases in the open market rent, which could lead to the Group's various landlords triggering such rent review clauses. An increase in rents arising from upward only rent reviews could result in a reduction of the Group's competitiveness and adverse effects on the Group's financial condition and results of operations.

2. RISKS RELATING TO THE GROUP'S BORROWINGS

The Group's borrowings could adversely affect its results of operations, financial condition and/or prospects.

As part of the acquisition of the Moran Bewley's Hotel Group, the Group entered into borrowing facilities for up to €302 million, comprised of £132 million in Sterling (€176 million) and €126 million in Euros (the "Original Facilities"). In May 2016 the Group refinanced the Original Facilities by way of an amendment and restatement agreement whereby pursuant to the terms of the Amended and Restated Facilities Agreement Barclays Bank Ireland p.l.c. acceded as a lender thereto and a further €90 million loan was made available to the Company. The degree to which the Group is leveraged could have important consequences for the business, including:

- making it more difficult for it to satisfy obligations with respect to indebtedness;
- increasing vulnerability to, and reducing flexibility to respond to, general adverse economic and industry conditions, including rises in interest rates;
- restricting the ability to make strategic acquisitions or pursue other business opportunities;
- limiting the Group's ability to obtain additional financing, dispose of assets or pay cash dividends other than as permitted by the terms of its borrowing facilities;
- requiring the Group to dedicate a substantial portion of its cash flow from operations to service its borrowing facilities, thereby reducing the availability of such cash flow to fund dividend payments;
- limiting flexibility in planning for, or reacting to, changes in the business and the industry in which the Group operates;
- placing the Group at a competitive disadvantage compared to its competitors that have less debt; and
- increasing the cost of borrowing.

Any of these consequences or events could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The borrowing facilities contain restrictive covenants that will limit the Group's financial and operating flexibility, which could materially and adversely affect its business, financial condition and results of operations.

The Group's borrowing facilities contain certain restrictions and limitations which are subject to significant exceptions and qualifications. The covenants could limit the Group's ability to plan for, or react to, market conditions, as well as adversely affect its ability to finance operations, strategic acquisitions, pay dividends investments or other capital needs, implement the Group's business plans, pursue business opportunities and engage in other business activities that may be in the Group's best interests.

Failure to satisfy obligations under any current or future financing arrangements could give rise to default risk and require the Group to re-finance its borrowings.

The use of borrowings presents the risk that the Group may be unable to service interest payments and principal repayments or comply with other requirements of its facility agreements. Under the Group's current financing arrangements, the Group is at risk of default upon the occurrence of certain events, which could result in borrowings becoming immediately due and repayable in whole or in part, together with any connected cost. The Group might be forced to sell some of its assets to meet such obligations. Borrowings

may not be able to be refinanced or the terms of such refinancing may be less favourable than the existing terms of borrowing. Any cross-default provisions could magnify the effect of an individual default and if such a provision were exercised, this could result in a substantial loss for the Group. Adverse changes to the market values of the Group's portfolio could cause the amount of refinancing proceeds to be insufficient to fully repay its existing debt upon maturity and the Group may be unable to fund payment of such shortfall. Any failure to satisfy debt obligations could result in a default under the terms of current and future financing arrangements, thereby having a materially adverse effect upon the Group's financial condition.

3. RISKS RELATING TO THE ORDINARY SHARES

Investment considerations.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand that there is potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Group and in the Ordinary Shares, for whom an investment in the Ordinary Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment.

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Ordinary Shares will occur or that the investment objectives of the Group will be achieved and the Ordinary Shares may not be suitable as investments. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

There is no guarantee that any appreciation in the value of the Group's assets will occur and investors may not get back the full value of their investment.

Active trading in Ordinary Shares may not develop.

Investors should be aware that the value of the Ordinary Shares may go down as well as up and that they may not be able to realise their investment. Applications have been made to the London Stock Exchange and the Irish Stock Exchange for the Ordinary Shares to be admitted to trading on the Main Markets respectively.

Should these applications be approved, the Group can give no assurance that the trading market for the Ordinary Shares will be more active than when such securities were admitted to trading on AIM and ESM or, if developed, will be sustained following Admission. If an active trading market is not developed or maintained, the liquidity and/or trading price of the Ordinary Shares could be adversely affected.

The price of the Ordinary Shares may be volatile.

The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some related to the quoted travel and tourism sector or quoted companies generally and which are outside the Group's control. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, legislative changes affecting the hotel business sector, general economic, political or regulatory conditions, or changes in market sentiment towards the Ordinary Shares. The results of the Group may fluctuate significantly as a result of a variety of factors, many of which may be outside the Group's control. Period to period comparisons of the Group's results may not be meaningful and investors should not rely on them as indications of the Group's future performance. The Group's results may fall below the expectations of securities analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices for securities and which may be unrelated to the Company's operating performance. Any of these events could result in a decline in the market price of the Ordinary Shares.

Dividends.

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors; and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of profits (and making up losses) as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

Dilution of Shareholders' interest as a result of additional equity fund raising.

The Group may need to raise additional funds in the future to finance the expansion of its operations. If additional funds are raised through the issuance of new equity of the Company other than on a pro rata basis to existing shareholders, the percentage ownership of the shareholders may be reduced. Shareholders may experience subsequent dilution in their existing shareholding and an equity fundraising could have an adverse effect on the market price of the Ordinary Shares as a whole.

Some of the current larger shareholders may continue to hold a significant interest in the Company and may be able to exert influence over matters relating to its business.

A number of Shareholders have significant holdings of Ordinary Shares, as described in section 7 of Part 10. It is possible that, in the future, other investors may have significant holdings of Ordinary Shares. Accordingly, any significant investors will potentially possess sufficient voting power to have a significant influence on matters requiring Shareholder approval. The interests of a significant investor may accordingly conflict with those of other holders of Ordinary Shares. Sales of Ordinary Shares or interests in Ordinary Shares by any significant investor could cause the market price of the Ordinary Shares to decline.

Shareholders outside Ireland and the United Kingdom may not be able to participate in future equity offerings.

Irish company law provides for pre-emptive rights in respect of equity offerings for cash to be granted to a company's existing Shareholders, unless such rights are disapplied by shareholder resolution. However, Shareholders in certain jurisdictions (including in the United States) may not be entitled to exercise these rights unless the rights and Ordinary Shares are registered under their applicable laws (for example, in the United States pursuant to a registration statement under the US Securities Act or where an exemption from the registration requirements of the US Securities Act is available). The Company cannot at this point predict whether it would seek such registrations and intends to evaluate, at the time of any rights offering, the costs and potential liabilities associated with such registrations or qualifying for an exemption, as well as the indirect benefits to the Company of enabling Shareholders in those jurisdictions to exercise rights and any other factors it considers appropriate at the time and then to make a decision as to whether to file such a registration statement. The Company cannot assure investors that any registration statement would be filed as to enable US or other Shareholders outside of Ireland and the United Kingdom exercise of such holders' pre-emptive rights or participation in a rights offer.

Irish law governs the rights of holders of Ordinary Shares and these rights may differ from the rights of Shareholders in other jurisdictions.

The Company is incorporated under the laws of Ireland. The rights of holders of Ordinary Shares are governed by Irish law, including the Companies Act, and its Constitution and certain laws of the EU. These rights differ in certain respects from the rights of shareholder corporations incorporated in other jurisdictions, including in the United States. As a result, it may be difficult for investors outside Ireland to serve process on or enforce foreign judgments against the Company. In particular, Irish law significantly limits the circumstances under which Shareholders in Irish companies may bring derivative actions. In addition, Irish law does not afford appraisal rights to dissenting Shareholders in the form typically available to Shareholders of a US corporation.

The sale of a substantial number of the Ordinary Shares, or the perception that such sales could occur, could adversely affect the price of the Ordinary Shares.

The price of the Ordinary Shares could decline as a result of the sale of substantial number of Ordinary Shares in the market, or could be held back by the perception that such sales could occur. Such perception also might make it difficult for the Company to issue equity securities in the future at a time and at a price that it deems appropriate.

If the Company is wound up, distributions to Shareholders will be subordinated to the claims of creditors.

On a return of capital on a winding-up, holders of Ordinary Shares will be entitled to be paid out of the assets of the Company available to members only after the claims of all creditors of the Company have been settled.

The future market price may not reflect the net asset value of the Group.

There is no guarantee that the market price of the Ordinary Shares will fully reflect the underlying value of the assets owned by the Group. As well as being affected by the underlying value of such assets, the market price of the Ordinary Shares will be influenced, amongst other factors, by the supply and demand for the Ordinary Shares in the market. Accordingly, the market price of the Ordinary Shares may vary considerably from the underlying value of the Group's assets.

PART 3

DIRECTORS, SECRETARY AND ADVISERS

Board of Directors:	John Hennessy	<i>Non Executive Chairman (Irish)</i>
	Pat McCann	<i>Chief Executive Officer (Irish)*</i>
	Dermot Crowley	<i>Deputy CEO, Business Development and Finance (Irish)*</i>
	Stephen McNally	<i>Deputy CEO (Irish)*</i>
	Alf Smiddy	<i>Senior Independent Director (Irish)</i>
	Robert Dix	<i>Non Executive Director (Irish)</i>
	Margaret Sweeney	<i>Non Executive Director (Irish)</i>

* denotes executive director

Company Secretary: Sean McKeon

Registered Office: 4th Floor, Burton Court
Burton Hall Drive
Sandyford
Dublin 18
Ireland

Sponsor and Broker to Dalata: Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Reporting Accountant and Auditor to Dalata: KPMG
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

Solicitors to Dalata: A&L Goodbody
IFSC
North Wall Quay
Dublin 1
Ireland

Solicitors to the Sponsor: William Fry
2 Grand Canal Square
Dublin 2
Ireland

Registrars, Receiving Agent: Computershare Investor Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18
Ireland

Computershare Investor Services p.l.c.
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
United Kingdom

PART 4

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below are indicative only and may be adjusted by the Company, in which event details of the new times and dates will be notified, by way of an announcement issued via a Regulatory Information Service. References to times in this Prospectus are to Dublin times unless otherwise stated.

<i>Event</i>	<i>Time and Date</i>
20 Business Days' notice of intention to de-list from AIM and ESM submitted to the Exchanges	1 June 2016
Publication of Prospectus	27 June 2016
Last day of trading of Ordinary Shares on AIM and ESM	29 June 2016
Expected delisting of shares from AIM and ESM	8.00 a.m. on 30 June 2016
Expected admission of the Ordinary Shares to the Official Lists	8.00 a.m. on 30 June 2016
Expected commencement of dealings on the Main Markets	8.00 a.m. on 30 June 2016

Notes:

References to times and dates in this Prospectus are to times and dates in Dublin, Ireland. The dates set out above and mentioned throughout this Prospectus may be adjusted by the Company, in which event details of new dates will be notified via a Regulatory Information Service.

PART 5

INFORMATION ON THE GROUP'S BUSINESS

1. Introduction

1.1 *Group Overview*

Dalata operates 40 hotels with 7,502 rooms and is the largest hotel operator in Ireland by both hotel and room numbers. 21 of the hotels are owned by Dalata (or freehold equivalent), 12 are operated under lease agreements and 7 are operated under management agreements. 31 of the Group's hotels are located in the Republic of Ireland, 3 are located in Northern Ireland and 6 are located in the UK (excluding Northern Ireland).

In March 2014 Dalata raised €265 million (before expenses) and listed on AIM and ESM. Since the initial admission, Dalata has continued to grow its business through a mixture of owned and leased hotels and has acquired 21 hotel properties across Ireland and the UK (including the acquisition of the Moran Bewley's Hotel Group).

In December 2014 Dalata raised €50.3 million (before expenses) through the MB Vendor Placing and MB Cash Placing and agreed to acquire the Moran Bewley's Hotel Group for a total consideration of €452.3 million. This acquisition completed on 3 February 2015 following shareholder and CCPC approval. The Moran Bewley's Hotel Group contained a portfolio of nine hotels across Ireland and the UK.

In September 2015, Dalata announced a Firm Placing and Placing and Open Offer to raise gross proceeds of €160 million, which completed in October 2015 following shareholder approval. The net proceeds of €153.6 million were principally used to finance further hotel acquisitions, development capital expenditure on existing assets as well as new build opportunities.

Dalata's strategy is to leverage the Group's core asset management, hotel operation and development competencies to grow the business through a mix of owned and leased hotel assets. The Group plans to continue to grow its portfolio of owned and leased hotel assets and continues to consider potential acquisitions of such assets on an ongoing basis.

1.2 *Reasons for the move to the Main Markets*

On 1 June 2016, the Company announced its intention to de-list from AIM and ESM and move to the Main Markets. Since admission to trading on AIM and ESM in March 2014, Dalata has grown its business considerably through organic and acquisitive growth, both operationally and financially, with the market capitalisation of the Company increasing from €305 million on initial admission to c.€757.5 million as at the Latest Practicable Date. The Directors believe that;

- the Company has grown and matured over the last number of years and the Main Markets is the most appropriate platform for its future development;
- a listing on the Main Markets will further improve Dalata's profile as well as potentially increasing the liquidity of trading in its securities, enabling the Ordinary Shares to be acquired by a wider group of investors; and
- a listing on the Main Markets benefit Shareholders due to the further development of the Company's corporate governance, regulatory and reporting disciplines. Dalata already adopts many of the corporate governance, regulatory and reporting disciplines required of companies with a Primary Listing.

Admission to the primary listing segment of the Official List of the ISE and the standard segment of the Official List of the FCA and to trading on the Main Markets is expected to occur on 30 June 2016.

1.3 *Current Trading and Prospects*

On 2 March 2016 Dalata released its preliminary financial results for the year ended 31 December 2015. The full annual results, which were sent to shareholders on 29 March 2016, are incorporated by reference in Part 6 of this Prospectus. In its results statement Dalata stated that trading in the first two months of 2016 has been stronger than expected in Ireland and in line with expectations in the UK.

Since the year end (31 December 2015), Dalata has completed the acquisition of the Tara Towers Hotel, Dublin, the Clarion Hotel, Sligo, DS Charlemont Limited (former Charlemont Clinic Site), Dublin, a development site at Kevin Street, Dublin, a part-completed hotel property at Beasley Street, Cork, secured the management contract for Clarion Liffey Valley Hotel and completed the acquisition of the leasehold interest of four hotels, The Gibson Hotel Dublin, the Croydon Park Hotel, Croydon, London, the Clarion Hotel Cork and the Clarion Hotel Limerick. Dalata has also signed a development contract for a site at Brunswick Street, Belfast and acquired the freehold interest in the Clarion Hotel, Limerick. As set out in the strategy section, the Group considers hotel acquisitions and is considering hotel acquisitions on an ongoing basis.

2. **History and Background of the Group**

2.1 *History and Background of the Group*

An overview of the development of the Group and its key milestones is set out below:

<i>Date</i>	<i>Milestone</i>
June 2007	Dalata Limited was founded by Pat McCann with investment from TVC Holdings p.l.c. and clients of Davy. Pat McCann was previously Chief Executive of Jurys Doyle from 2000 to 2006.
August 2007	Dalata Limited acquired a group of companies from Choice Hotels Ireland that held leases and management agreements for 11 hotels.
August 2008	Dalata Limited rebranded its leased hotels under its own Maldron Hotels brand.
March 2009	Dalata Management Services (“DMS”) was set up in order to provide hotel operational and management expertise to receivers and banks.
March 2011	Dalata Hotel Group Limited was incorporated in January 2011. Dalata Hotel Group Limited acquired the entire issued share capital of Dalata Limited from the then shareholders of Dalata Limited, being TVC Holdings p.l.c., Davy Property Holdings and Patrick McCann (the “Dalata Limited Shareholders”). In consideration for the transfer of the shares by each of the Dalata Limited Shareholders, each of the Dalata Limited Shareholders were allotted shares in the capital of Dalata Hotel Group Limited in proportion to their shareholding in Dalata Limited immediately prior to completion of the share for share transaction. Dalata Hotel Group Limited was renamed DHGL Limited in January 2014.
November 2013	Dalata was incorporated under the name Rockmelon p.l.c.
January 2014	In preparation for the initial admission, Dalata (then Rockmelon p.l.c.) was renamed as Dalata Hotel Group p.l.c. Dalata entered into a ten year operating agreement with the landlord of the Maldron Dublin Airport Hotel.
February 2014	Dalata replaced DHGL Limited as the Group’s holding company on 20 February 2014.

<i>Date</i>	<i>Milestone</i>
March 2014	Dalata raised €265 million (before expenses) and listed on AIM and ESM.
August 2014	Dalata completed the acquisition of the Maldron Hotel Pearse Street for total consideration of €14.4 million.
September 2014	Dalata completed the acquisition of the Maldron Hotel Parnell Square for total consideration of €15.3 million.
October 2014	Dalata completed the acquisition of the Maldron Hotel Derry for total consideration of £4.4 million (€5.8 million).
December 2014	Dalata announces its intention to acquire the Moran Bewley's Hotel Group. During 2014 the Group also acquired the freehold equivalent interest in 20 rooms in the Clayton Hotel Cardiff Lane, Dublin (previously a Maldron hotel) in three separate transactions in 2014 for total consideration of €1.9 million.
January 2015	Dalata completed the acquisition of the Clayton Hotel Galway for total consideration of €16.6 million.
February 2015	Dalata completed the acquisition of Clayton Whites Hotel, Wexford (formerly Whites Hotel Wexford) for total consideration of €15.2 million and the Maldron Hotel Sandy Road, Galway (formerly the Pillo Hotel Galway) for total consideration of €10.5 million. Dalata completed the acquisition of the Moran Bewley's Hotel Group for a total consideration of €452.3 million. In order to fund the acquisition of the Moran Bewley's Hotel Group, the Company drew down a term loan of €282 million, and on 3 February 2015, the Company issued 18,300,000 ordinary shares at €2.75 per share through the MB Vendor Placing and MB Cash Placing which raised €50.3 million (gross) (€48.6m after expenses).
March 2015	Dalata completed the acquisition of the Clayton Hotel Belfast for total consideration of £18.5 million (€25.7 million). Dalata completed the acquisition of the car park at the Maldron Hotel Pearse Street, Dublin for €1.2 million.
April 2015	Dalata completed the acquisition of Maldron Hotel Wexford for total consideration of €3.5 million.
May 2015	Dalata acquired a property adjacent to the Maldron Hotel Pearse Street, Dublin for €0.8 million which was incorporated into the hotel's lobby and back office during 2015.
October 2015	Dalata raised €160 million (before expenses) through the Firm Placing and Placing and Open Offer.
November 2015	Dalata completed the acquisition of the freehold interest in the Clarion Hotel Cork for total consideration of €35.1 million. Dalata acquired the freehold equivalent interest in three rooms in the Clayton Hotel Cardiff Lane, Dublin for a total consideration of €0.3 million.
January 2016	Dalata completed the acquisition of the Tara Towers Hotel, Dublin for total consideration of €13.2 million.

<i>Date</i>	<i>Milestone</i>
February 2016	Dalata completed the acquisition of DS Charlemont Limited, (former Charlemont Clinic Site, Dublin 2) for a consideration of €11.9 million, with the construction of a new 181 bed Clayton Hotel expected to be completed in the first half of 2018. The overall investment in the project, including the site purchase will be in excess of €40 million.
March 2016	Dalata completed the acquisition of the leasehold interest of four hotels (formerly operated as part of the Choice Hotel Group), The Gibson Hotel Dublin, the Croydon Park Hotel in Croydon, London, the Clarion Hotel Cork, the Clarion Hotel Limerick, and the management contract of the Clarion Liffey Valley Hotel for a consideration of €40 million. Dalata completed the acquisition of the Clarion Hotel Sligo for a consideration of €13.1 million.
April 2016	Dalata signed a development contract for a site on Brunswick Street, Belfast for £21 million, with the construction of a new 206 bed Maldron Hotel expected to be completed in the first half of 2018.
June 2016	Dalata completed the acquisition of a part-completed hotel property on Beasley Street, Cork for a consideration of €10.2 million. Dalata completed the acquisition of a development site on Kevin Street, Dublin for a consideration of €8.1 million, with the construction of a new 131 bed Maldron Hotel expected to be completed in 2018. The overall investment in the project including site purchase will be c.€26 million. Dalata completed the acquisition of the freehold interest in the Clarion Hotel Limerick for €8.5 million.

The table below summarises the Group's principal investments in each financial year covered by the historical financial information and up to the Latest Practicable Date.

<i>Period</i>	<i>Principal Investments</i>
2016	- On 6 June 2016, the Group acquired the freehold interest in the Clarion Hotel Limerick for a consideration of €8.5 million. - On 3 June 2016, the Group acquired a development site on Kevin Street, Dublin for a consideration of €8.1 million. - On 3 June 2016, the Group acquired a part-completed hotel property on Beasley Street, Cork for a consideration of €10.2 million. - On 15 April 2016, the Group signed a development contract for a site on Brunswick Street, Belfast for a consideration of £21 million. On 18 March 2016, the Group acquired the Clarion Hotel Sligo for a consideration of €13.1 million. - On 11 March 2016, the Group acquired the leasehold interest of four hotels, The Gibson Hotel Dublin, the Croydon Park Hotel, Croydon, London, the Clarion Hotel Cork and the Clarion Hotel Limerick, and the management contract of the Clarion Liffey Valley Hotel, Dublin for a consideration of €40 million.

*Period**Principal Investments*

Year ended
31 December 2015

- On 15 February 2016, the Group acquired DS Charlemont Limited (the former Charlemont Clinic Site) for a consideration of €11.9 million.
- On 15 January 2016, the Group acquired the Tara Towers Hotel for a consideration of €13.2 million.
- On 9 November 2015, the Group acquired the Clarion Hotel, Cork for a consideration of €35.1 million.
- On 5 November 2015, the Group acquired the freehold equivalent interest in three rooms in the Clayton Hotel Cardiff Lane for €0.3 million.
- On 28 May 2015, the Group acquired a property adjacent to the Maldron Hotel Pearse Street for €0.8 million which was incorporated into the hotel's lobby and back office during 2015.
- On 24 April 2015, the Group acquired the Maldron Hotel Wexford for a total consideration of €3.5 million.
- On 24 March 2015, the Group acquired the Clayton Hotel Belfast (formerly the Holiday Inn Belfast) for a total consideration of £18.5 million (€25.7 million).
- On 18 March 2015, the Group acquired the car park at the Maldron Hotel Pearse Street for €1.2 million.
- On 13 February 2015, the Group acquired the Clayton Whites Hotel Wexford (formerly Whites Hotel Wexford) for a total consideration of €15.2 million.
- On 13 February 2015, the Group acquired the Maldron Hotel Sandy Road Galway (formerly the Pillo Hotel Galway) and ancillary property interests for a total consideration of €10.5 million.
- On 3 February 2015, the Group acquired the Moran Bewley's Hotel Group for a total consideration of €452.3 million. The nine hotels acquired as part of this transaction are as follows:
 - Clayton Hotel Ballsbridge, Dublin
 - Clayton Hotel Dublin Airport
 - Clayton Hotel Leopardstown, Dublin
 - Maldron Hotel Newlands Cross, Dublin
 - Clayton Hotel Silver Springs, Co. Cork
 - Clayton Hotel Manchester Airport
 - Clayton Hotel Leeds
 - Clayton Crown Hotel London
 - Clayton Hotel Chiswick, London
- On 21 January 2015, the Group acquired the Clayton Hotel Galway for a total consideration of €16.6m

<i>Period</i>	<i>Principal Investments</i>
Year ended 31 December 2014	- On 1 October 2014, the Group acquired the Maldron Hotel Derry for a total consideration of £4.4 million (€5.8 million). - On 8 September 2014, the Group acquired the Maldron Hotel Parnell Square for €15.3 million. - On 29 August 2014, the Group acquired the Maldron Hotel Pearse Street for a total consideration of €14.4 million. - During 2014 the Group also acquired the freehold equivalent interest in 20 rooms in the Clayton Hotel Cardiff Lane in three separate transactions in 2014 for total consideration of €1.9 million.
Year ended 31 December 2013	No significant investments were completed during 2013.

3. Sector Overview

The Republic of Ireland economy continued its strong recovery in 2016 with GDP forecast to grow by 4.6% in 2016 (*Source: ESRI, Quarterly Economic Commentary – Summer 2016*). The number of visitors to the Republic of Ireland grew by 13.7% in 2015, the sixth consecutive year of growth (*Source: CSO, Overseas Travel, December 2015*). UK and North America continue to be the key external markets for Irish tourism and both performed strongly in 2015 with growth rates in visitor numbers to the Republic of Ireland of 12.1% and 14.0% respectively growth (*Source: CSO, Overseas Travel, December 2015*). Approximately 65% of hotel visitors in the Republic of Ireland are domestic. In Dublin, the proportion of international visitors is more significant and accounts for approximately 50% of the market. The recovery in international visitor numbers has resulted in double digit RevPAR growth in Dublin for each of the last four years. Areas outside of Dublin tend to rely more heavily on domestic customers. Domestic trips by Irish residents have also grown strongly in recent years, increasing by 3.4% in 2014 and 2.4% in 2015 (*Source: CSO, Domestic Travel by Irish Residents*).

As a result of these factors there has been strong RevPAR growth in the major Irish cities in recent years. The tables below set out the increase in occupancy levels, average room rate and RevPAR in the five major Irish cities for 2013, 2014 and 2015:

<i>Occupancy</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Dublin	+2.7%	+2.3%	+4.9%
Belfast	+1.4%	+1.2%	+3.7%
Cork	+7.3%	+1.7%	+1.5%
Galway	+2.8%	+3.4%	+4.3%
Limerick	+4.6%	+6.7%	+9.7%
<i>ARR</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Dublin	+3.7%	+8.7%	+17.6%
Belfast	+5.6%	+3.5%	+7.9%
Cork	+2.4%	+7.0%	+8.0%
Galway	+0.8%	+4.1%	+8.7%
Limerick	+1.8%	+7.1%	+12.4%
<i>RevPAR</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Dublin	+6.6%	+11.3%	+23.4%
Belfast	+7.2%	+4.7%	+11.9%
Cork	+9.9%	+8.9%	+9.6%
Galway	+3.6%	+7.6%	+13.3%
Limerick	+6.5%	+14.3%	+23.4%

Source: STR Global/Trending.ie

The Dublin market continues to be very strong due to rising demand and limited new supply driving increases in both ARR and occupancy. There appears to be limited scope for any further significant occupancy growth but outlook for continued ARR growth appears strong. Per STR, RevPAR in the Dublin region has increased by 23.4% in 2015 (*Source: STR Global*). This is the result of increased demand through strong corporate activity, increased visitor numbers and business generated from the Convention Centre. At the same time, there has been very little increase in hotel room supply in the city.

The continued recovery of the domestic economy has especially helped hotel performance in regional Ireland where RevPAR increased strongly in Cork (9.6%), Galway (13.3%) and Limerick (23.4%) in 2015 (*Source: Trending.ie*). Cork city is now into its fourth year of recovery with RevPAR starting its recovery in 2013. A modest recovery began in Galway in 2013 with the city posting double digit RevPAR growth since May 2014. The Limerick hotel market continues to recover strongly with RevPAR increased by 23.4% in 2015 (*Source: Trending.ie*) and has increased by a further 22.5% (*Source: Trending.ie*) in the first four months of 2016. Hotel occupancies were still relatively low in 2015 at 68.3% (*Source: Trending.ie*). The closure of hotel rooms and economic recovery is contributing to increased RevPAR.

Belfast city has achieved strong growth in 2015, helped by high levels of project business, with RevPAR up 11.9%.

Competition

<i>Hotel Group</i>	<i>% Share of Rooms in the Republic of Ireland</i>
Dalata Hotel Group	8.7%
Tifco Hotel Group	2.7%
Tetrarch Hospitality	2.0%
Carlson Rezidor Group	1.7%
Hilton	1.6%

Source: AMPM Database, May 2016

Transaction Activity

<i>Year</i>	<i>No. of Hotels Sold</i>	<i>Value</i>
2015	71	€1bn
2014	57	€440m
2013	41	€220m
2012	21	€175m
2011	8	€35m

Source: Savills Hotels & Leisure Report, Q1 2016

Hotel Development Activity

Some new hotel capacity is planned for development in Dublin. It is expected these developments will be slower to the market due to funding and planning restrictions. The Directors believe it is unlikely that there will be any significant increase in hotel capacity outside Dublin, as many hotels outside Dublin continue to trade at significant discounts to replacement cost.

UK

The UK economy also continues to perform strongly, with GDP forecast to grow by 2.0% in 2016 (*Source: Bank of England, May Inflation Report, May 2016*). However, there is uncertainty surrounding the prospects of the UK economy following the Brexit Referendum which may result in a change to the GDP forecast for the UK.

Tourist numbers in the provincial UK hotel market continued to recover in 2015. Cities such as Leeds, Manchester and Cardiff experienced RevPAR growth, with double digit RevPAR growth in Cardiff due to the Rugby World Cup. The London market has shown more modest RevPAR growth in 2015. The table below sets out occupancy, ARR and RevPAR for each of the UK cities where Dalata operates for 2013, 2014 and 2015:

<i>Occupancy</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
London	+2.2%	+0.5%	-1.0%
Manchester	+4.1%	+3.4%	+1.5%
Cardiff	+5.7%	+5.0%	+3.2%
Leeds	+5.7%	+2.2%	+0.1%
<i>ARR</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
London	-2.0%	+2.6%	+2.5%
Manchester	+3.1%	+6.5%	+5.6%
Cardiff	-0.9%	+9.0%	+10.6%
Leeds	+3.8%	+10.1%	+7.9%
<i>RevPAR</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
London	+0.2%	+3.2%	+1.5%
Manchester	+7.3%	+10.1%	+7.2%
Cardiff	+4.7%	+14.5%	+14.2%
Leeds	+10.6%	+12.5%	+8.0%

Source: STR Global

The UK hotel market has a strong budget sector which is dominated by brands such as Travelodge and Premier Inn. International brands also have a stronger presence in the UK market relative to Ireland.

4. Competitive Strengths

The Directors believe the Group has the following key business strengths:

Largest hotel operator in Ireland

The Group has a portfolio of 40 hotels, 34 of which are located throughout Ireland (including both the Republic of Ireland and Northern Ireland). This is a significantly higher number than any other Irish operator and provides the Group with significant scale benefits e.g. purchasing, centralised sales and marketing and standardised group operating processes. In addition, the Directors believe that the geographic spread of the existing portfolio gives Dalata a strong understanding of the Irish hotel market and enables it to better evaluate the trading prospects of potential acquisition targets.

Depth of senior management team

The scale of the Group's existing operations relative to Irish competitors has allowed Dalata to develop a senior management team and support staff which have the capacity to operate a large portfolio of hotels and integrate additional acquisitions. Dalata has recruited experienced executives with specialised experience in the sale and purchase of hotel property assets in the Irish market. The executive management team and the hotels' general managers enable Dalata to manage its business efficiently.

Scale in the Dublin Market

Dalata operates 15 hotels in Dublin. Dalata's scale in the Dublin market and presence in key city centre locations enables the Group to maximise its occupancy and rates across all its Dublin properties.

Reputation

The executive management team has extensive hotel sector experience. Pat McCann served as National President of the Irish Hotels Federation (IHF) from 1996 to 1998. Stephen McNally (Deputy CEO) also served as National President of the IHF from 2014 to 2016. The Directors believe that the extensive

experience of senior management will offer the Group advantages in developing its business and attracting and retaining key talents.

Strong brands

The Maldron brand is positioned in the 3 and 4 star market segments which the Directors believe are the most attractive segments in the Irish hotel industry and offers significant profit growth potential. The Maldron brand is focused on both the leisure and corporate sectors, with a primary focus on leisure customers.

In 2015, Dalata launched Clayton Hotels, a 4 star brand with a strong focus on the corporate sector. The Director's believe that this will strengthen the Group's position in this key market.

5. Current Portfolio

Dalata is the largest hotel operator in Ireland, operating 40 hotels with 7,502 rooms. 21 of the hotels are owned by Dalata (or freehold equivalent), 12 are operated under lease agreements and 7 are operated under management agreements.

Owned Hotels or Freehold Equivalent Hotels

<i>Hotel</i>	<i>Rooms</i>
Clayton Hotel Cardiff Lane, Dublin (23 rooms)	23
Clayton Hotel Dublin Airport	469
Clayton Hotel Ballsbridge, Dublin	304
Clayton Hotel Leopardstown, Dublin	354
Clayton Hotel, Galway	195
Clayton Whites Hotel, Wexford	157
Clayton Hotel Silver Springs, Co. Cork	109
Clayton Hotel Chiswick, London	227
Clayton Crown Hotel, London	152
Clayton Hotel Leeds	334
Clayton Hotel, Belfast	170
Clayton Hotel Manchester Airport	365
Clarion Hotel, Cork	191
Clarion Hotel, Sligo	162
Clarion Hotel, Limerick	158
Maldron Hotel Parnell Square, Dublin	129
Maldron Hotel Pearse Street, Dublin	115
Maldron Hotel Newlands Cross, Dublin	297
Maldron Hotel Sandy Road, Galway	104
Maldron Hotel Wexford	108
Maldron Hotel Derry, Co. Derry	93
Tara Towers Hotel, Dublin	111
Total	4,327
% Dublin	42%

<i>Lease Agreements</i>		<i>Term</i>
<i>Hotel</i>	<i>Rooms</i>	<i>expiry date</i>
Clayton Hotel Cardiff Lane, Dublin	281	
Main Hotel		Dec 2039
Extension		Aug 2040
Suites		Dec 2039 – Aug 2040
Clayton Hotel Cardiff, Wales	216	May 2046
Clarion Hotel, Cork	7	Dec 2031
The Gibson Hotel, Dublin	252	June 2035
Croydon Park Hotel, London	211	April 2031
Maldron Hotel Smithfield, Dublin	92	May 2031
Maldron Hotel Tallaght, Dublin	119	Dec 2029
Maldron Hotel Galway (Oranmore), Co Galway	113	Dec 2033
Maldron Hotel Cork	101	Oct 2030
Maldron Hotel Portlaoise	90	Jul 2036
Maldron Hotel Limerick	143	Jul 2031
Maldron Dublin Airport Hotel*	251	Jan 2024
Ballsbridge Hotel, Dublin	399	Mar 2018
Total	2,275	
% Dublin	61%	

* Note: Maldron Dublin Airport Hotel is not a leasehold interest. The hotel is operated under an operating agreement with the landlord.

Management Agreements – With Receivers

<i>Hotel</i>	<i>Rooms</i>
Clarion Liffey Valley Hotel	352
Total	352
% Dublin	100%

Management Agreements – Directly with Owners

<i>Hotel</i>	<i>Rooms</i>
Cavan Crystal Hotel, Co. Cavan	85
Maldron Hotel, Belfast	103
The Belvedere Hotel, Dublin	92
Fitzwilton Hotel, Co. Waterford	90
Aghadoe Heights Hotel & Spa, Co. Kerry	74
Shearwater Hotel, Ballinasloe, Co. Galway	104
Total	548
% Dublin	17%

Owned Hotels

The Group holds the freehold or freehold equivalent interest in 21 of its hotel properties. The Group also holds the freehold equivalent interest in 23 rooms in the Clayton Hotel Cardiff Lane. A brief description of each of the owned hotels is set out below:

Clayton Hotel Cardiff Lane, Dublin (23 Rooms)

The Clayton Hotel Cardiff Lane is a four star hotel located in the Grand Canal Dock area of Dublin city. It is close to a number of major attractions including the Bord Gais Energy Theatre, Convention Centre, 3Arena and Aviva Stadium. The hotel was acquired as part of the Choice Portfolio in 2007. The Group acquired the freehold equivalent interest in 20 rooms during 2014 and 3 rooms in 2015. The majority of the hotel remains subject to a lease, further details of which are set out below. The hotel contains 304 rooms, restaurant, bar, leisure facilities and five conference rooms.

Clayton Hotel Dublin Airport

The Clayton Hotel Dublin Airport is a four star hotel acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. The hotel is located four kilometres from Dublin Airport and contains 469 rooms, a restaurant, two bars, a coffee dock, a function room, 17 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 133 additional bedrooms.

Clayton Hotel Ballsbridge, Dublin

The Clayton Hotel Ballsbridge was acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. This four 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, five meeting rooms and conference facilities for up to 280 people. A full refurbishment of the hotel was recently completed. There is currently some vacant space in the basement of the hotel which will provide development opportunities in the future. The Group is also considering the possibility of an extension with c. 35 additional rooms.

Clayton Hotel Leopardstown, Dublin

The Clayton Hotel Leopardstown is a four star hotel which was acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. 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.

Clayton Hotel Galway, Co. Galway

The Clayton Hotel Galway, Ballybrit, County Galway is a four star hotel located close to the Ballybrit Racecourse and Galway Clinic and also close to Galway city centre. The hotel contains 195 rooms as well as a bar/bistro, leisure facilities, a restaurant and conference facilities including a ballroom and 12 meeting rooms. The Clayton Hotel Galway has been operated by Dalata since 2009 under a management agreement. On 21 January 2015 Dalata acquired the hotel for a consideration of €16.6 million. There is some vacant space in the basement of the hotel which the Directors believe could potentially be converted into additional meeting rooms.

Clayton Whites Hotel Wexford, Co. Wexford

Clayton Whites Hotel Wexford, Abbey Street, Wexford is a four star hotel. This hotel is located in Wexford town and contains 157 rooms as well as a bar/cafe, a restaurant, a spa and leisure facility and conference facilities including a ballroom and seven meeting rooms. Clayton Whites Hotel Wexford has been operated by Dalata since 2009 under a management agreement. On 13 February 2015 Dalata acquired the hotel for a consideration of €15.2 million.

Clayton Hotel Silver Springs, Co. Cork

The Clayton Hotel Silver Springs was acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. The four star hotel contains 109 rooms, a bar/restaurant, leisure centre and nine 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 11 kilometres from Cork International Airport.

Clayton Hotel Chiswick, London

The Clayton Hotel Chiswick was acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. The construction of an extension comprising 104 bedrooms and conference and banqueting facilities to accommodate 400 delegates was completed in April 2016. The four star hotel contains 227 rooms, a bar, a restaurant, a fitness centre, 10 meeting rooms and conference facilities. The hotel is located in Chiswick, a suburb to the west of London approximately halfway between central London and Heathrow airport.

Clayton Crown Hotel, London

The Clayton Crown Hotel, Cricklewood, was acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. The four star hotel contains 152 rooms, the Crown pub, a restaurant, a leisure centre and swimming pool, four meeting rooms and conference facilities which cater for up to 300 delegates. The Clayton Crown Hotel is located in Cricklewood, a large suburb of London eight kilometres from the city centre.

Clayton Hotel, Leeds

The Clayton Hotel Leeds was acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. This four star hotel is located within walking distance of Leeds city centre and consists of 334 rooms, a fitness room, a bar and restaurant, ten meeting rooms and the Holbeck suite which has a 200 person capacity.

Clayton Hotel, Belfast

The Clayton Hotel, Belfast is a four star hotel located in the city centre, close to the business and shopping district of Belfast. The hotel contains 170 bedrooms, 40 car spaces, a full leisure centre with pool, a restaurant and nine custom built seminar and meeting rooms as well as a ballroom that can cater for up to 600 people. The freehold interest in the hotel was acquired on 24 March 2015 for a consideration of £18.5 million. (€25.7 million)

Clayton Hotel, Manchester Airport

The Clayton Hotel Manchester Airport is a four star hotel acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. The hotel is located on site at Manchester Airport and consists of 365 rooms, a fitness room, a restaurant and 20 meeting rooms. It is operated under a 99 year lease (which commenced in 1986) with Manchester Airport.

Clarion Hotel, Cork

The Clarion Hotel Cork is a four star hotel located on Lapp's Quay in Cork City centre. The Group acquired the freehold equivalent interest in 191 rooms in the hotel in November 2015. The remaining seven rooms are held under separate leases, further details of which are set out below. The hotel contains 198 bedrooms, a bar, a restaurant, a leisure centre and extensive conference and meeting facilities. The Group plans to rebrand the Clarion Hotel, Cork under the Clayton brand by the end of 2016.

Clarion Hotel, Sligo

The Clarion Hotel Sligo is a four star hotel and was acquired by Dalata in March 2016. The hotel is located in Sligo town and contains 162 bedrooms, including 89 suites, a bar, a restaurant, extensive meeting & conference facilities, a leisure centre and a swimming pool. The Group plans to rebrand the Clarion Hotel, Sligo under the Clayton brand by the end of 2016.

Clarion Hotel, Limerick

The four 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, a bar, a restaurant, a leisure centre and meeting facilities. The freehold interest in the hotel was acquired on 6 June 2016 for a consideration of €8.5 million. The Group plans to rebrand the Clarion Hotel, Limerick under the Clayton brand by the end of 2016.

Maldron Hotel Parnell Square, Dublin

The Maldron Hotel Parnell Square is a three star hotel located in Dublin city centre, in close proximity to O'Connell Street and Croke Park stadium as well as a number of Dublin's tourist attractions. The hotel contains 129 rooms as well as a bar/restaurant. A lease on the hotel was acquired as part of the original Choice Portfolio in 2007 and the freehold interest was acquired in September 2014 for consideration of €15.3 million.

Maldron Hotel Pearse Street, Dublin

The Maldron Hotel Pearse Street is a three star hotel located in Dublin's city centre. The hotel contains 115 rooms, a bar/restaurant and five meeting rooms. The freehold interest in the hotel was acquired in August 2014 for consideration of €14.4 million. The Group completed its development work in May 2016 comprising of six additional rooms, lobby, bar and back office.

Maldron Hotel Newlands Cross, Dublin

The Maldron Hotel Newlands Cross was acquired by Dalata in February 2015 as part of its acquisition of the Moran Bewley's Hotel Group. This three star hotel is located in the Southwest of Dublin city, close to the M50 and N7 motorways, and consists of 297 rooms, a fitness room, a restaurant and 10 conference suites.

Maldron Hotel Sandy Road, Galway

The Maldron Hotel Sandy Road, Galway (formerly the Pillo Hotel, Galway) is a four star hotel located close to Galway city centre. The hotel contains 104 rooms as well as underground parking, a spa and fitness suite, a restaurant and five meeting rooms. The Maldron Hotel Sandy Road was acquired by the Company on 13 February 2015 for a consideration of €10.5 million. The Group are currently examining the possibility of an extension which would include additional rooms and meeting rooms.

Maldron Hotel Wexford, Co. Wexford

The Maldron Hotel Wexford is a three star hotel located c. four kilometres from Wexford town centre. The lease was acquired as part of the original Choice Portfolio in 2007. The hotel contains 108 rooms, a leisure centre, bar/restaurant and four conference rooms. The freehold interest in the hotel was acquired on 24 April 2015 for a consideration of €3.5 million.

Maldron Hotel Derry, Co. Derry

The Maldron Hotel Derry is a four star hotel located within the old walled city of Derry. The hotel contains 93 rooms as well as a bar and grill, restaurant, two conference rooms and a basement car park with 21 spaces. The freehold interest in the hotel was acquired in October 2014 for a consideration of £4.4 million (€5.8 million).

Tara Towers Hotel, Dublin

The Tara Towers Hotel, Dublin is a three star hotel located on the Merrion Road, Dublin 4, adjacent to the recently developed elmpark urban campus. The hotel contains 111 ensuite bedrooms, a bar, a restaurant, a car park and meeting facilities. The freehold interest in the hotel was acquired on 15 January 2016 for a consideration of €13.2 million. The Group plans to rebrand the Tara Towers Hotel under the Maldron brand. A full review of the development potential of the hotel is currently being undertaken.

Leased Hotels

The Group operates 12 hotels under lease agreements. The Group also operates 7 rooms of the Clarion Hotel Cork under a lease agreement. Ten of the leased hotels are under long term leases and operate under the Maldron and Clayton brands. One of the hotels, The Ballsbridge Hotel, Dublin is operated under its own brand on a short term lease. The Maldron Dublin Airport Hotel 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. A brief description of each of the hotels operated under lease agreements is set out below:

Clayton Hotel Cardiff Lane, Dublin

While, as set out earlier, Dalata owns the freehold equivalent interest in 23 rooms in the hotel, the remaining 281 rooms are held under separate leases with c. 25 years remaining on the lease agreements.

Clayton Hotel Cardiff, Wales

The Clayton Hotel Cardiff is a four star hotel located in Cardiff city centre. The Group has leased the hotel since it commenced trading in May 2011 and has c. 30 years remaining on its lease agreement. The hotel contains 216 rooms, bar, restaurant and seven conference rooms.

Clarion Hotel, Cork

While, as set out earlier, Dalata owns the freehold equivalent interest in 191 rooms in the hotel, the remaining 7 rooms are held under separate leases with c. 15 years remaining on the lease agreements.

The Gibson Hotel, Dublin

The Gibson Hotel, Dublin is a four star hotel centrally located in Dublin, is part of the Point Village and is adjacent to the 3 Arena. The hotel is within walking distance of the International Financial Services Centre and the Convention Centre. It has 252 rooms, restaurant, bar and extensive conference facilities. The hotel opened in 2010. The lease was acquired on 11 March 2016 and has c. 19 years remaining on its lease agreement. The Group plans to rebrand The Gibson Hotel under the Clayton brand by the end of 2016.

Croydon Park Hotel, London

The four star Croydon Park Hotel is centrally located in Croydon and is a three 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. The lease was acquired on 11 March 2016 and has c. 15 years remaining on its lease agreement. The Group intends to rebrand the Croydon Park Hotel under the Clayton brand by the end of 2016.

Maldron Hotel Smithfield, Dublin

The Maldron Hotel Smithfield is a three star hotel located close to Dublin city centre and a number of tourist attractions including the Jameson Distillery, the Guinness Storehouse, Christchurch Cathedral and Phoenix Park. The lease was acquired as part of the original Choice Portfolio and has c.15 years remaining on its lease agreement. The hotel has 92 rooms as well as a bar/restaurant and two conference rooms.

Maldron Hotel Tallaght, Dublin

The Maldron Hotel Tallaght is a three star hotel located in South Dublin, c. 12 kilometres from the city centre. The Group operated this hotel from 2008 to 2013 under a management agreement and subsequently entered into a lease agreement in 2013 when the hotel was acquired by Green REIT p.l.c. as part of a larger transaction. The hotel has c. 13 years remaining on its lease agreement, with a landlord break clause in year 10. The hotel contains 119 rooms, a leisure centre, bar, restaurant, nine conference rooms and a 300 person capacity function room.

Maldron Hotel Galway (Oranmore), Co. Galway

The Maldron Hotel Galway (Oranmore) is a three star hotel located in Oranmore, c. 10 kilometres from Galway city centre and in close proximity to a number of business parks. The lease was acquired as part of the original Choice Portfolio in 2007 and has c. 17 years remaining on its lease agreement. The hotel contains 113 rooms, a leisure centre, bar, restaurant and conference rooms.

Maldron Hotel Cork, Co. Cork

The Maldron Hotel Cork is a three star hotel located in Cork city centre. The lease was acquired as part of the original Choice Portfolio and has c. 14 years remaining on its lease agreement. The hotel contains 101 rooms, a leisure centre, bar, restaurant and two conference rooms.

Maldron Hotel Portlaoise, Co. Laois

The Maldron Hotel Portlaoise is a three star hotel located three kilometres from Portlaoise town centre, just off the M7/M8 motorway between Dublin and Cork. The lease was acquired as part of the original Choice Portfolio in 2007 and has c. 20 years remaining on its lease agreement. The hotel contains 90 rooms, a leisure centre, bar/restaurant and eight conference rooms.

Maldron Hotel Limerick, Co. Limerick

The Maldron Hotel Limerick is a three star hotel located on the outskirts of Limerick city. The hotel was acquired as part of the original Choice Portfolio in 2007. In September 2013, the Group entered into a sale and purchase agreement with Bank of Scotland, the purpose of which was to acquire debt owed by the landlord at the Maldron Hotel Limerick. As security for such debt, the landlord had provided a security package over this hotel to Bank of Scotland (Ireland), the benefit of which security is now held by the Group. As the landlord has defaulted on its obligations, the Group now has indirect control over the landlord's interest in the Maldron Hotel Limerick by virtue of this security arrangement and has the ability to acquire the freehold interest in the hotel at any time. The hotel contains 143 rooms, a leisure centre, bar, restaurant and nine conference rooms.

Maldron Dublin Airport Hotel

The Maldron Dublin Airport Hotel is a four star hotel located within walking distance of Dublin airport. The hotel contains 251 rooms, gym facilities, bar, restaurant and ten meeting rooms. The Maldron Dublin Airport Hotel is operated under a 10 year operating agreement entered into in January 2014 (with landlord break clauses at the end of years seven, eight and nine) whereby the licence fee payable is a percentage of turnover, subject to a guaranteed minimum amount.

Ballsbridge Hotel, Dublin

The Ballsbridge Hotel is a four star hotel located in Ballsbridge, Dublin, c. two kilometres from the city centre. The hotel contains 399 rooms, a bar, restaurant, conference rooms and a function room. The Group entered into a one year lease for this hotel in January 2012. The Group continued to operate the hotel under that lease until December 2013 when it entered into a lease with a term of five years from April 2013.

Management Agreements

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 Group.

The Group currently operates seven hotels under management agreements, one is currently in receivership and are operated under agreements which cease upon the sale of the hotel. The remaining six hotels are operated under short term agreements (less than five years) directly for hotel owners.

To date in 2016, the Group has secured one new hotel under a management agreement and five management contracts have been terminated. In 2015, management agreements were terminated for 10 hotels, eight of which were terminated as a result of the sale of those hotels.

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.

6. Group Operations

Dalata operates 40 hotels containing 7,502 rooms across Ireland and the UK. The Group's hotel portfolio is split as follows:

	<i>No. of Hotels</i>	<i>No. of Rooms</i>	<i>Percentage of Total</i>
Dublin	15	3,640	49%
Ireland (excluding Dublin)	19	2,357	31%
UK (excluding Northern Ireland)	6	1,505	20%
Total	40	7,502	100%

	<i>No. of Hotels</i>	<i>No. of Rooms</i>	<i>Percentage of Total</i>
Freehold/freehold equivalent	21	4,327	58%
Leasehold/operating agreement	12	2,275	30%
Management agreement	7	900	12%
Total	40	7,502	100%

Dalata seeks to enhance the value of the hotels in its portfolio through operational improvements introduced by a team of specialists operating across all areas of hotel operations. The Group's philosophy is to delegate responsibility (individual hotel managers have full profit and loss accountability) and to support local management in achieving their targets.

Integration of Hotels

Since the creation of DMS Limited in 2009, the Group has developed a standard approach to the integration of hotels into the Dalata network. On taking over the operation of a hotel, the integration phase over four to six weeks typically involves an intensive review of the business across all functional disciplines and the implementation of standard processes for managing and reporting the key variables, including room revenue pipeline, yield management, payroll and productivity management, the conference and banqueting business pipeline and forecasting profitability. This phase also involves an audit of compliance at the hotel and resolution of any issues across employee relations and health and safety.

The integration of the Moran Bewley's Hotel Group was completed in Q3 2015. The Moran Bewley's Hotel Group's head office function was closed by end of March 2015 through a combination of redundancies, redeployments to hotels and transfers to the Dalata central office. Full year savings for year ended 31 December 2015 of approximately €3.2 million were achieved from the integration of the Moran Bewley's Hotel Group. Dalata's suppliers have been introduced to all of the new hotels with new supply agreements in place for both UK and Ireland. The three Moran branded hotels and five Bewley's branded hotels have been successfully rebranded to Clayton and one Bewley's branded hotel (Newlands Cross) has been successfully rebranded to Maldron. The Clayton Hotel Ballsbridge, the Clayton Hotel Leopardstown and the Clayton Hotel Cardiff have been re-rated to four star.

The integration of the Choice Hotel Group is progressing in accordance with the Group's plans and is expected to be completed in July 2016. Choice Hotel Group's head office functions were closed by the end of May 2016 with the re-deployment of the employees to Dalata's central office.

The Clarion Hotel Limerick, Clarion Hotel Cork and The Gibson Hotel Dublin will be rebranded as Clayton Hotels by the end of 2016. No decision has been made on the branding of Croydon Park Hotel, London and Clarion Liffey Valley Hotel, Dublin.

Development Opportunities

Dalata's executive management team examines ways in which the value of acquisitions can be enhanced through the exploitation of development opportunities. This allows Dalata to extract greater returns from its acquisitions. An extension was completed at the Clayton Hotel Chiswick in April 2016 and development

work was completed in Maldron Hotel Pearse Street in May 2016. Dalata has identified a number of potential development opportunities within the Group's portfolio that will require planning permission, particularly in relation to the Clayton Hotel Dublin Airport, Clayton Hotel Ballsbridge, Maldron Hotel Sandy Road, the part-completed hotel property on Beasley Street, Cork, the development site on Charlemont Street.

A four star Clayton Hotel will be constructed at the former Charlemont Clinic site in Dublin 2. The construction is expected to be completed in the first half of 2018.

A four star Maldron Hotel will be constructed on Brunswick Street, Belfast. A development contract has been signed for the construction of the new hotel. Site clearance work had already commenced and it is expected to be completed in the first half of 2018.

A four star Maldron Hotel will be developed on Beasley Street Cork. Planning work has commenced on this hotel. The hotel is expected to be completed in the first half of 2018.

A four star Maldron Hotel will be developed on Kevin Street Dublin. The construction is expected to be completed by mid 2018.

Revenue Management

The central revenue management team monitors room bookings on a daily and weekly basis and supports the local hotel revenue manager in making decisions on pricing and room allocations across the various market segments. Responsibility for the pricing decision rests with local hotel management but the central revenue management team provides support through analysis, critique and benchmarking of outcomes and strategies. The central revenue management team also provides on-going training to the local hotel revenue managers.

Central Sales and Marketing

The central sales and marketing team supports the local hotel sales manager through input on strategy and tactics in the preparation of the sales and marketing plan and participation in initiatives that are aimed at leveraging the Group's platform. These include international representation at trade shows, national advertising and promotion campaigns, and providing a one-stop-shop solution for tour operators, travel agents and conference organisers. The central team supports the local sales manager with content management of the local hotel website, design of online campaigns and management of social media interaction.

Group Purchasing

The Group contracts centrally with suppliers for major consumables, resulting in significant purchasing efficiencies for the hotels within its portfolio. Regular tendering processes are intended to provide assurance in relation to value and quality.

Central Reservations

The central reservations team provides back-up to the hotels to maximise the conversion of telephone and online bookings. All national advertising campaigns feature a booking line and the hotels can divert telephone traffic to the central team at busy times. This team also supports the online livechat facility on the hotel's websites. The reservations centre is metrics driven with daily monitoring of call types, conversion rates, rooms sold and yield. The sales agents are trained through familiarisation with the individual hotel properties and encouraged to cross-sell and up-sell through the hotel portfolio.

Central Finance

The Group deploys a uniform standard of accounts across all hotels. This supports an annual budgeting process which is monitored through continuous forecasting of profitability at weekly intervals. The central finance function monitors weekly revenue and payroll outcomes against short-term targets and distributes benchmarking data for hotel peer groups across a range of performance metrics. The central accounting team receives, reviews and consolidates the monthly management accounts of the owned and leased hotels and is

responsible for group cash flow management. The team also receives and reviews the monthly management accounts of the partner hotels before submitting them with commentaries to the owners or receivers as well as managing their financing needs. In addition, there is a team of six regional financial controllers who visit the hotels in their region on a weekly basis. They provide financial management support to the hotel general manager, review the weekly and monthly financial reports produced at the hotel as well as monitoring controls.

Human Resources

The Group operates a decentralised human resource model with local level HR managers supported by a central Group HR function. The Directors consider training and development of staff to be very important to develop the next generation of hotel managers. The Group commenced a management development programme in 2013 which is designed for high performing middle managers who have the potential to take on key management roles in the Group. The in-house training programme is run in conjunction with Leap Leadership. A graduate training programme also commenced in early 2014.

Branding

Dalata operates 14 hotels under the Maldron brand, and the Group plans to roll out the Maldron brand to one further hotel, being the Tara Towers Hotel acquired in January 2016. The Maldron hotel brand is primarily geared towards leisure customers. In 2015, Dalata launched Clayton Hotels which is a four star brand with a strong focus on the corporate sector. The Group operates 13 hotels under the Clayton brand and plans to roll out the Clayton brand to four further hotels by the end of 2016, being the Clarion Hotel Sligo, the Clarion Hotel Cork, the Clarion Hotel Limerick and The Gibson Hotel Dublin. No decision has been made on the branding of the Croydon Park Hotel, London and the Clarion Liffey Valley Hotel, Dublin. The hotel to be developed on Charlemont Street, Dublin will be branded as a Clayton Hotel, whilst the properties to be developed on Beasley Street, Cork, Kevin Street, Dublin, and Brunswick Street, Belfast will be branded as Maldron Hotels. The Group plans to finance the development and branding of these properties from the Group's free cash flows from its operations. The table below outlines the key features of the Maldron and Clayton brands.

	<i>Clayton</i>	<i>Maldron</i>
Brand Proposition	Hotels that stand out because of the little differences experienced throughout the hotel. Service delivered by staff members who are warm, engaging, inquisitive and empathetic.	Hotels that provide a gateway to a great experience – see a show, attend an event or visit tourist attractions. Service delivered with a smile and a fun attitude.
Bedrooms	Standard and executive room offerings.	Generally standard rooms with executive rooms in some locations.
Food & Beverage	Modern bar, restaurant and coffee dock areas. Food & beverage offering based on local influences.	Integrated bar/restaurant in some locations. Simple menus made from fresh quality produce.
Conference Facilities	Extensive conference and meeting room facilities.	Meeting room facilities.
Target Customers	Corporate on weekdays. Leisure, functions and weddings at weekends.	Corporate and leisure with a focus on leisure.

7. Strategy

Dalata's strategy is to leverage the Group's core asset management, hotel operation and development competencies to grow the business through a mix of owned and leased hotel assets. The Group plans to continue to grow its portfolio of owned and leased hotel assets.

The Group's acquisition and development strategy is to target three and four star hotels primarily in the main cities in Ireland and the provincial cities in the UK. The main elements of the strategy are as follows:

- *Acquisition of the freehold interest in leased assets within the Group's portfolio.* The Directors expect several of the hotels currently leased by Dalata to be sold in the near term. In some of these cases the rent is significantly above the market rent while in other cases there are unacceptable rent review clauses and a purchase of the asset by Dalata would unlock the lease structure. The Directors believe that these opportunities would offer an attractive return on investment to Dalata and Dalata will consider such acquisition opportunities as and when they become available to the market.
- *Leaseholds in Ireland.* Dalata will also look at opportunities to lease additional hotels in Ireland.
- *Development capital expenditure on existing hotels.* The Directors believe there are a number of opportunities to invest in Dalata's existing asset base, thereby unlocking significant additional revenue in a low risk manner.
- *New hotel builds on a selective basis.* Dalata recently completed the acquisition of a number of development sites in Dublin, a partially completed hotel in Cork and signed a development contract for a site in Brunswick Street, Belfast. The Directors will continue to look for new development opportunities in Dublin and other large urban centres.
- *Expansion in the United Kingdom.* The Directors have identified a gap in the UK market for the Clayton and Maldron brands. The Directors are currently examining options to best execute this strategy, will evaluate the opportunity to roll out the Clayton and Maldron brands in the UK through the lease of new hotels based on market circumstances.

Dalata will also continue to utilise the free cash flows generated from its operations to reduce gearing levels, in accordance with the terms of the bank facility agreement over the next number of years.

Dalata will focus on increasing the profitability of its owned and leased assets via a combination of:

- Integration, re-branding and repositioning the Group's existing hotel portfolio;
- Increasing RevPAR at the hotels via improved revenue management techniques;
- Driving economies of scale in the 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 Group has a number of hotels.

PART 6

HISTORICAL FINANCIAL INFORMATION

Historical financial information on Dalata Hotel Group p.l.c. and its subsidiary undertakings

The consolidated financial statements of the Group for the year ended 31 December 2015, which are available on the Group's website at <http://dalatahotelgroup.com/wp-content/uploads/2016/03/Dalata-Annual-Report-2015-Final.pdf> together with the unqualified independent audit report in respect thereof, are hereby incorporated by reference into this Prospectus and have been audited by KPMG (Chartered Accountants and Statutory Audit Firm), independent auditors, as stated in their report incorporated by reference herein. The consolidated financial statements of the Group for the period stated have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The consolidated financial statements of the Group for the year ended 31 December 2014, which are available on the Group's website at <http://dalatahotelgroup.com/wp-content/uploads/2015/04/DHG-plc-AR2014.pdf> together with the unqualified independent audit report in respect thereof, are hereby incorporated by reference into this Prospectus and have been audited by KPMG (Chartered Accountants and Statutory Audit Firm), independent auditors, as stated in their report incorporated by reference herein. The consolidated financial statements of the Group for the period stated have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The consolidated financial statements for DHGL Limited (formerly Dalata Hotel Group Limited) for the year ended 31 December 2013, which are available on the Group's website at <http://dalatahotelgroup.com/wp-content/uploads/2015/05/DHGL-Limited-Fin-Stmts-y-e-31-Dec-2013.pdf> together with the unqualified independent audit report in respect thereof, are hereby incorporated by reference into this Prospectus and have been audited by KPMG (Chartered Accountants and Statutory Audit Firm), independent auditors, as stated in their report incorporated by reference herein. The consolidated financial statements of the Group for the period stated have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The Dalata Hotel Group p.l.c. Firm Placing and Placing and Open Offer prospectus dated 10 September 2015 which contains The Historical Financial Information on the Moran Bewley's Hotel Group for the years ended 31 January 2012 and 31 January 2013, the eleven month period ended 31 December 2013, and the year ended 31 December 2014 together with the report prepared by KPMG which is required by paragraph 20.1 of Annex I of the EU Prospectus Regulation, is hereby incorporated by reference into this Prospectus and is available on the Group's website at <http://dalatahotelgroup.com/wp-content/uploads/2015/09/Prospectus-Approved-by-the-Central-Bank.pdf>.

The table below sets out the various sections of the various documents referred to above which are incorporated by reference into this Prospectus, so as to enable Shareholders to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of Dalata. Only the parts of the above documents identified in the list below are incorporated into and form part of this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

<i>Document</i>	<i>Section</i>	<i>Page numbers</i>
Dalata Hotel Group p.l.c. Annual Report and Accounts 2015	Independent auditor's report	80-84
	Consolidated statement of profit or loss and other comprehensive income	85
	Consolidated statement of financial position	86
	Consolidated statement of changes in equity	87-88
	Consolidated statement of cash flows	89
	Notes to the consolidated financial statements	90-128
Dalata Hotel Group p.l.c. Annual Report and Accounts 2014	Independent auditor's report	68-72
	Consolidated statement of comprehensive income	73
	Consolidated statement of financial position	74
	Consolidated statement of changes in equity	75
	Consolidated statement of cash flows	76
	Notes to the consolidated financial statements	77-110
2013 DHGL Limited (formerly Dalata Hotel Group Limited) Directors' Report and financial statements	Independent auditor's report	8-9
	Consolidated statement of comprehensive income	10
	Consolidated statement of financial position	11
	Consolidated statement of changes in equity	12
	Consolidated statement of cash flows	13
	Notes forming part of the financial statements	17-48
Dalata Hotel Group p.l.c. Firm Placing and Placing and Open Offer prospectus dated 10 September 2015	Historical Financial Information on the Moran Bewley's Hotel Group	90-109

Investors should read the whole of this Prospectus and the documents cited above and should not just rely on the financial information referred to in this Part 6. The documents incorporated by reference contain an extensive review of the periods in question on both an operating and financial level.

The information which is incorporated by reference throughout this Prospectus is so incorporated in compliance with Regulations 27 and 28 of the Irish Prospectus Regulations.

Statement of Comprehensive Income

The financial information for the year ended 31 December 2015 and year ended 31 December 2014 has been extracted without material adjustment from the audited financial statements of the Group. The financial information for the year ended 31 December 2013 has been extracted without material adjustment from the audited financial statements of DHGL Limited (formerly Dalata Hotel Group Limited).

Statement of Comprehensive Income:

	<i>Dalata Hotel Group p.l.c. 31 Dec 2015 €'000</i>	<i>Dalata Hotel Group p.l.c. 31 Dec 2014 €'000</i>	<i>DHGL Limited 31 Dec 2013 €'000</i>
Continuing operations			
Revenue	225,673	79,073	60,617
Cost of sales	(86,907)	(29,379)	(23,011)
Gross profit	138,766	49,694	37,606
Administrative expenses including acquitting related costs of €15.802 million (2014: €2.821 million)	(104,554)	(44,716)	(32,673)
Other income	2,745	–	–
Operating profit	36,957	4,978	4,933
Finance income	1,863	409	–
Finance costs	(10,363)	(1,191)	(4,860)
Profit before tax	28,457	4,196	73
Tax charge	(6,831)	(673)	(650)
Profit/(loss) for the year attributable to owners of the company	21,626	3,523	(577)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of property	46,567	8,390	–
Related deferred tax	(6,398)	(1,049)	–
	40,169	7,341	–
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Exchange difference on translating foreign operations	5,169	88	24
Loss on net investment hedge	(4,329)	–	–
Fair value movement on cashflow hedges	(1,670)	–	–
Cashflow hedges – reclassified to profit or loss	655	–	–
Related deferred tax	127	–	–
	(48)	88	24
Other comprehensive income, net of tax	40,121	7,429	24
Total comprehensive income/(loss) for the year attributable to owners of the company	61,747	10,952	(553)
Earnings per share			
Basic earnings/(loss) per share*	€0.1455	€0.0365	(€60.74)
Diluted earnings/(loss) per share*	€0.1447	€0.0364	(€60.74)
Weighted average shares outstanding – basic	148,648,310	96,625,887	9,500
Weighted average shares outstanding – diluted	149,427,201	96,913,563	9,500

- * Basic earnings/(loss) per share is computed by dividing profit/(loss) for the year attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the year.
- * Diluted earnings/(loss) per share is computed by dividing the profit/(loss) for the year attributable to owners of the company by the weighted average number of ordinary shares outstanding adjusted for the effect of all potentially dilutive shares.

Statement of Financial Position

The financial information for the year ended 31 December 2015 and year ended 31 December 2014 has been extracted without material adjustment from the audited financial statements of the Group. The financial information for the year ended 31 December 2013 has been extracted without material adjustment from the audited financial statements of DHGL Limited (formerly Dalata Hotel Group Limited).

Statement of Financial Position:

	<i>Dalata Hotel Group p.l.c. 31 Dec 2015 €'000</i>	<i>Dalata Hotel Group p.l.c. 31 Dec 2014 €'000</i>	<i>DHGL Limited 31 Dec 2013 €'000</i>
Assets			
Non-current assets			
Goodwill	46,803	7,066	6,867
Property, plant and equipment	608,792	52,294	4,990
Investment property	37,285	1,248	–
Deferred tax assets	3,936	319	170
Trade and other receivables	2,216	5,249	900
Derivatives	26	–	–
Total non-current assets	699,058	66,176	12,927
Current assets			
Trade and other receivables	11,774	9,544	6,045
Inventories	1,349	593	535
Cash and cash equivalents	149,155	217,807	4,940
Total current assets	162,278	227,944	11,520
Total assets	861,336	294,120	24,447
Equity			
Share capital	1,830	1,220	–
Share premium	503,113	295,133	–
Capital contribution	25,724	25,724	–
Merger reserve	(10,337)	(10,337)	–
Share-based payment reserve	912	273	–
Hedging reserve	(888)	–	–
Revaluation reserve	47,510	7,341	–
Reverse acquisition reserve	–	–	4
Translation reserve	880	40	(48)
Retained earnings	(31,448)	(46,681)	(50,204)
Total equity	537,296	272,713	(50,248)

	<i>Dalata Hotel Group p.l.c. 31 Dec 2015 €'000</i>	<i>Dalata Hotel Group p.l.c. 31 Dec 2014 €'000</i>	<i>DHGL Limited 31 Dec 2013 €'000</i>
Liabilities			
Non-current liabilities			
Unsecured shareholder loan notes	–	–	31,497
Accrued interest on unsecured shareholder loan notes	–	–	23,228
Loans and borrowings	250,168	–	7,000
Deferred tax liabilities	15,859	960	–
Derivatives	885	–	–
Total non-current liabilities	<u>266,912</u>	<u>960</u>	<u>61,725</u>
Current liabilities			
Loans and borrowings	15,970	–	2,000
Trade and other payables	40,180	20,345	10,958
Current tax liabilities	978	102	12
Total current liabilities	<u>57,128</u>	<u>20,447</u>	<u>12,970</u>
Total liabilities	<u>324,040</u>	<u>21,407</u>	<u>74,695</u>
Total equity and liabilities	<u>861,336</u>	<u>294,120</u>	<u>24,447</u>

PART 7

OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with the Group's audited consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, auditors' report and accompanying notes to the financial statements as set out in the Group's independent review for the year ended 31 December 2015 and year ended 2014 as incorporated by reference in Part 6 of this document.

1. Background

The Group owns, leases, and manages three, four and five star hotels across Ireland and the UK. The Group's strategy is to leverage the Group's core asset management, hotel operation and development competencies to grow the business through a mix of owned and leased hotel assets.

The following table (which has been derived from internal management information) sets out the total number of hotel rooms in the Group's portfolio under each type of interest or contractual arrangement as at the dates indicated.

<i>Hotel Rooms</i>	<i>31 Dec 2015</i>	<i>31 Dec 2014</i>
Owned hotels	3,680	340
Leased hotels	1,804	2,546
Managed hotels	1,106	2,980
Total	6,590	5,866

At 31 December 2015, there were 14 Maldron hotels and 13 Clayton hotels and 10 managed hotels. The Group also operates the Ballsbridge Hotel in Dublin. Maldron hotels are generally smaller hotels situated in a greater range of locations which are primarily geared towards leisure customers. Clayton hotels are generally larger hotels in urban centres primarily focused on corporate customers.

Selected financial information

The financial information contained in this Part 7 has been extracted without material adjustment from the Group's audited financial statements for the year ended 31 December 2015 and the year ended 31 December 2014 as incorporated by reference in Part 6 of this Prospectus. A summary of the results over that period is set out below. Investors should read the whole document and not rely solely on the key or summarised information.

2015 Highlights

- Group revenue increased by 185% to €225.7m generating a profit before tax of €28.5m;
- Adjusted EBITDA (excluding acquisition costs, impairment charges and non-recurring income) increased 7 times to €62.6m;
- Net revaluation gains on property amounted to €45m;
- Raised €202.2m (after expenses) in equity and €282m in debt to fund acquisitions;
- Invested €558.8m in the acquisitions of 15 hotels throughout Ireland and the UK:
 - €452.3m on nine Moran Bewley's Hotel Group hotels in February 2015
 - €106.5m on six hotels in Ireland
- Successfully launched the Clayton brand across 13 properties in Ireland and the UK;

Post Year End Highlights

- Completed the purchase of the Tara Towers Hotel, Dublin and the Clarion Hotel, Sligo for €26.3m;
- Completed the purchase of a site in the centre of Dublin for €11.9m to build a new 181 room Clayton hotel;
- Completed the purchase of four leasehold interests in London, Dublin, Cork and Limerick, and a management contract in Dublin for €40m;
- Signed a development contract to deliver a 206 room Maldron Hotel in Belfast, which represents a £21 million investment;
- Completed the purchase of a part-completed hotel property at Beasley Street, Cork for €10.2 million; and
- Completed the purchase of a hotel development site at Kevin Street, Dublin for €8.1 million;
- Completed the purchase of the freehold interest in the Clarion Hotel Limerick for €8.5 million.

<i>Key Figures</i>	<i>31 Dec 2015</i>	<i>31 Dec 2014</i>
Revenue	€225.7m	€79.1m
Adjusted EBITDA	€62.6m	€8.9m
Total acquisition costs, impairment charges and non-recurring income	(€15.6m)	(€2.8m)
EBITDA	€47.0m	€6.1m
Depreciation of property, plant and equipment	€10.0m	€1.0m
Amortisation of intangible assets	–	€0.1m
EBIT	€37.0m	€5.0m
Foreign exchange gain	€1.9m	€0.3m
Net finance cost	(€10.4m)	(€1.1m)
Profit before tax	€28.5m	€4.2m

Consolidated Statement of profit or loss and other comprehensive income

	<i>31 Dec 2015</i> <i>€'000</i>	<i>31 Dec 2014</i> <i>€'000</i>
Continuing operations		
Revenue	225,673	79,073
Cost of sales	(86,907)	(29,379)
Gross profit	138,766	49,694
Administrative expenses, including acquisition-related costs of €15.802 million (2014: €2.821 million)	(104,554)	(44,716)
Other income	2,745	–
Operating profit	36,957	4,978
Finance income	1,863	409
Finance costs	(10,363)	(1,191)
Profit before tax	28,457	4,196
Tax charge	(6,831)	(673)
Profit for the year attributable to owners of the Company	21,626	3,523

	31 Dec 2015 €'000	31 Dec 2014 €'000
Other comprehensive income		
<i>Items that will not be classified to profit or loss</i>		
Revaluation of property	46,567	8,390
Related deferred tax	(6,398)	(1,049)
	<u>40,169</u>	<u>7,341</u>
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Exchange difference on translating foreign operations	5,169	88
Loss on net investment hedge	(4,329)	–
Fair value movement on cashflow hedges	(1,670)	–
Cashflow hedges – reclassified to profit or loss	655	–
Related deferred tax	127	–
	<u>(48)</u>	<u>88</u>
Other comprehensive income, net of tax	<u>40,121</u>	<u>7,429</u>
Total comprehensive income for the year attributable to owners of the Company	<u>61,747</u>	<u>10,952</u>
Earnings per share		
Basic earnings per share*	0.1455 cent	0.0365 cent
Diluted earnings per share*	0.1447 cent	0.0364 cent

* Basic earnings per share is computed by dividing profit for the year attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the year.

* Diluted earnings per share is computed by dividing the profit for the year attributable to owners of the company by the weighted average number of ordinary shares outstanding and adjusting for the effect of all potentially dilutive shares.

Consolidated Statement of Financial Position

	31 Dec 2015 €'000	31 Dec 2014 €'000
Assets		
Non-current assets		
Goodwill	46,803	7,066
Property, plant and equipment	608,792	52,294
Investment properties	37,285	1,248
Derivatives	26	–
Deferred tax assets	3,936	319
Trade and other receivables	2,216	5,249
Total non-current assets	<u>699,058</u>	<u>66,176</u>
Current assets		
Trade and other receivables	11,774	9,544
Inventories	1,349	593
Cash and cash equivalents	149,155	217,807
Total current assets	<u>162,278</u>	<u>227,944</u>
Total assets	<u>861,336</u>	<u>294,120</u>

	31 Dec 2015 €'000	31 Dec 2014 €'000
Equity		
Share capital	1,830	1,220
Share premium	503,113	295,133
Capital contribution	25,724	25,724
Merger reserve	(10,337)	(10,337)
Share-based payment reserve	912	273
Hedging reserve	(888)	–
Revaluation reserve	47,510	7,341
Translation reserve	880	40
Retained earnings	(31,448)	(46,681)
Total equity	537,296	272,713
Liabilities		
Loans and borrowings	250,168	–
Deferred tax liabilities	15,859	960
Derivatives	885	–
Total non-current liabilities	266,912	960
Loans and borrowings	15,970	–
Trade and other payables	40,180	20,345
Current tax liabilities	978	102
Total current liabilities	57,128	20,447
Total liabilities	324,040	21,407
Total equity and liabilities	861,336	294,120

Consolidated Statement of Cash Flows

	31 Dec 2015 €'000	31 Dec 2014 €'000
Cash flows from operating activities		
Profit for the year	21,626	3,523
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	10,039	991
Amortisation of intangible assets	–	128
Impairment of goodwill	199	–
Impairment of property, plant and equipment	1,131	–
Decrease in fair value of investment property	445	–
Share based payment expense	639	273
Finance costs	10,363	1,191
Finance income	(1,863)	(409)
Tax charge	6,831	673
	49,410	6,370
Increase in trade and other payables	6,683	9,159
Decrease/(increase) in trade and other receivables	1,568	(3,732)
Increase in inventories	(317)	(58)
Tax paid	(2,941)	(821)
Net cash from operating activities	54,403	10,918

	31 Dec 2015 €'000	31 Dec 2014 €'000
Cash flows from investing activities		
Acquisitions of undertakings through business combinations	(479,087)	(20,063)
Purchase of property, plant and equipment	(28,551)	(21,105)
Purchase of investment property	(35,897)	–
Deposits paid on acquisitions	(1,316)	(4,116)
Interest received	6	115
Net cash used in investing activities	(544,845)	(45,169)
Cash flows from financing activities		
Interest and finance costs paid on bank loans	(13,753)	(152)
Receipt of bank loans	283,090	–
Repayment of bank loans	(17,890)	(9,000)
Repayment of shareholder loan notes	–	(40)
Proceeds from issue of share capital, net of expenses	168,700	256,016
Payment for derivative asset	(156)	–
Net cash from financing activities	419,991	246,824
Net (decrease)/increase in cash and cash equivalents	(70,451)	212,573
Cash and cash equivalents at beginning of year	217,807	4,940
Effect of movements in exchange rates	1,799	294
Cash and cash equivalents at end of year	149,155	217,807

2. Hotel Operations

General

As mentioned previously, the Group's interests in the hotels in its portfolio fall into three main categories: owned hotels, leased hotels and hotels operated by the Group under a management agreement with the owners or receivers.

Owned Hotels/Freehold Equivalent

The Group wholly owns 21 hotels (one of these hotels is a 99 year leasehold). The Group also owns 23 of the 304 rooms in the Clayton Hotel Cardiff Lane, Dublin. All of these hotels are operated by the Group. All of the revenue generated by the Group's owned hotels are shown in the Group's consolidated statement of comprehensive income as are all of the costs associated with that revenue. Owned hotels are reported in the Group's consolidated statement of financial position at fair value.

Leased Hotels

The Group operates 12 hotels under lease agreements. Ten of the leased hotels are under long term leases. The Ballsbridge Hotel is operated on a short term lease. The Maldron Dublin Airport Hotel is operated under a 10 year operating agreement with the landlord. For an analysis of the Group's liabilities under its existing operating leases please see "Liquidity and capital resources – Contractual obligations and commitments" in this Part 7. The revenue generated by the Group's operating lease hotels are shown in the Group's consolidated statement of comprehensive income as are the costs associated with that revenue (which include the rental payments). The principal difference between leased hotels and owned hotels is that the leased hotels are not shown as an asset in the Group's consolidated statement of financial position. The Maldron Hotel Limerick is valued at its equivalent freehold value due to the fact that the Company has acquired the interest in the landlord's debt and vacant possession is readily available at a cost that would not materially impact value.

Managed Hotels

The Group provides hotel operation and management expertise to receivers, banks and hotel owners. This hotel management solution focuses 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. The Group operated 11 hotels under management agreements during 2015, five of the hotels were in receivership and operated under agreements which generally cease upon the sale of the hotel. The remaining six hotels were operated under short term agreements (less than five years) directly for hotel owners. The fees payable to the Group under these management agreements are typically structured as either fixed fees or variable fees based on revenue and/or EBITDA. The number of hotels under management changes frequently.

The Group's operations, performance, financial condition and the results of its operations are subject to a number of factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control, including the following:

- a downturn in international market conditions or the national, regional and/or local political, economic and market conditions in Ireland and the UK may diminish the demand for leisure and business travel;
- increases in interest rates could affect the Group's ability to negotiate future acquisitions on favourable terms;
- significant fluctuations in exchange rates between Sterling and Euros may have a material effect on the Group's financial conditions and results of the operations;
- the impact of extreme weather conditions, impediments to means of transportation, natural disasters, travel-related accidents, outbreaks of diseases or health concerns, acts of terrorism, geo-political events, rising fuel costs or other factors that may affect travel patterns and reduce the number of business and leisure travellers;
- increased competition in the towns and cities in which the Group has hotels. A number of cities where the Group operates have either recently or are about to experience new supply additions due to the impact of hotel refurbishments/extensions, whilst there are other Irish hotel schemes which have recently received planning permission or are currently in planning stages;
- changes in travel patterns or in the structure of the travel industry, including any increase in taxes on air travel;
- increases in operating expenses as a result of inflation, increased personnel costs, higher utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be offset by increased room rates;
- changes in governmental laws and regulation, including those relating to employment, the preparation, labelling and sale of food and beverages, smoking, health and alcohol licensing laws and environmental concerns, health and safety regulations, fiscal policies and zoning ordinances and the related costs of compliance; and
- the current reduced rate of VAT which applies to the hospitality sector in the Republic of Ireland may also be revised.
- The indication and general market consensus is that the decision of the United Kingdom to leave the European Union is likely to result in a period of uncertainty and market volatility for the UK and the wider world economy.

The impact of any of these factors (or a combination of any of them) may adversely affect the business of the Group (including but not limited to customer demand, room rates and occupancy levels in the Group's hotels) or otherwise cause a reduction in the Group's income. Such factors (or a combination of them) may

also adversely affect the value of the Group's hotels and in either such case would have a material adverse effect on the Group's business, financial conditions and results of operations.

Certain properties within the Group are exposed specifically to such external risks, including, for example, by virtue of dependence on local amenities, attractions and transport links. The Clayton Hotel Chiswick is heavily dependent on Chiswick Business Park as a demand generator and any major downturn in the UK economy could adversely affect corporate demand.

3. Results of Operations

The following information should be read in conjunction with the consolidated financial statements of the Group and related notes incorporated by reference in Part 6 of this Prospectus.

The Group presents its operating results in two segments – “Leased and Owned Hotels” and “Managed Hotels”.

Operating profit

	<i>Year ended 31 Dec</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Revenue	225,673	79,073
Cost of sales	(86,907)	(29,379)
Gross Profit	138,766	49,694
Administrative expenses, including acquisition-related costs of €15.802 million (2014 €2.821 million)	(104,554)	(44,716)
Other income	2,745	–
Operating Profit	36,957	4,978

Revenue

Changes in the Group's revenue are attributable to the following:

- increased revenue from existing hotels;
- revenue from new hotels in the Group's portfolio; and
- reduced fee income from managed properties.

The increase in revenue and profitability from 2014 to 2015 was primarily driven by the addition of new owned hotels to the portfolio, resulting in strong growth in RevPAR across the Group's properties in Dublin and regional Ireland.

The revenue from existing and new hotel operations consists of:

- *Room revenue.* The major drivers of room revenue are average daily rate per room “ADR” and occupancy.
- *Food and beverage revenue.* This comprises food and beverage revenue generated from restaurants and bars in addition to conferences and banqueting facilities within the hotels. Food and beverage revenue correlates in part to occupancy and room rates, but is also driven by the amount of conference trade and banqueting.
- *Other hotel revenue.* Other hotel revenue consists primarily of ancillary revenue such as meeting room hire, leisure centre membership fees, car parking income, rental income, laundry, telephone, internet, entertainment and other guest services all of which, are principally driven by hotel occupancy.
- *Managed fees.* The Group derives revenue from management contracts primarily from base fees (determined as a percentage of total hotel revenue), participation and distribution fees (determined as a percentage of room and meeting room revenue) and incentive management fees (determined as a

percentage of the operating profit of the hotel operations) (for further details please see in this Part 7 headed “Managed Hotels”).

Revenue

	<i>Year ended 31 Dec</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Pre IPO portfolio	88,582	72,128
Moran Bewley's Hotel Group	100,743	–
Single hotel acquisitions	32,793	1,498
Leased and owned hotels	222,118	73,626
Managed hotels	3,555	5,447
Total	225,673	79,073

The analysis above which has been extracted from internal management schedules which the Central Bank of Ireland does not have access to and has not reviewed, in respect of pre IPO portfolio, Moran Bewley's Hotel Group and single hotel acquisitions.

The Group's revenue for the year ended 31 December 2015 and for the year ended 31 December 2014 was €225.7 million and €79.1 million respectively, representing an increase of 185% from 2014 to 2015.

Leased and owned hotels revenue

Leased and owned hotels revenue represents the operating revenue (room revenue, food and beverage revenue and hotel revenue) from leased and owned hotels. The revenue increased by €148.5 million from €73.6 million in 2014 to €222.1 million in 2015 due to the acquisition of 15 new hotels to the portfolio in 2015 and strong growth in RevPARs.

Revenue from the Pre IPO portfolio increased by €16.5 million resulting from increased RevPARs in the markets where the Group operates. Former Moran Bewley's Hotel Group hotels accounted for €100.7 million and other single hotel acquisitions contributed additional revenue of €31.3 million in 2015. The acquisitions of the freehold interests of Maldron Parnell Square, Dublin and Maldron Wexford hotels had no impact on revenue as the Group already operated both hotels under operating leases.

RevPAR Change for Year Ended 31 December 2015

Region

	<i>Original leased hotel portfolio</i>	<i>Moran Bewley's Hotel Group</i>	<i>Single hotel acquisitions</i>	<i>Group</i>
Dublin	+32.6%	+21.0%	+37.1%	+25.5%
Regional Ireland	+17.9%	+9.6%	+11.6%	+14.5%
London	n/a	-5.2%	n/a	-5.2%
Regional UK	+14.2%	+5.6%	+6.2%	+6.8%

Note:

- (1) The analysis above has been extracted from internal management schedules, which the Central Bank of Ireland does not have access to and has not reviewed, in respect of the pre IPO portfolio, Moran Bewley's Hotel Group, single hotel acquisitions and the Group. It outlines the Group's hotels performance in the various regions on the assumption that each hotel was owned or leased for the entire 2014 and 2015. This enables the Group to show meaningful and “like for like” comparisons.

The Group's growth in RevPAR in Dublin reflects the positive impact of refurbishment projects undertaken in three hotels in 2014. Refurbishment projects were undertaken in six hotels in Ireland during 2015. The performance of the Group's London hotels was negatively impacted by the building works which took place at the Group's hotel in Chiswick in 2015.

On a like for like basis, using the assumption the Group owned or leased each hotel for the entire 2014 and 2015, food and beverage sales increased by 7.2% and by 3.6% in the pre IPO portfolio and the single hotel acquisitions respectively but declined by 2.2% in the Maldron Hotel in Derry. Food and beverage sales decreased by 1% and 1.9% in the former Moran Bewley's Hotel Group hotels in Ireland and the UK respectively.

Managed Revenue

Managed revenue represents the fees and other income earned from services provided in relation to managed hotels. The Group's consolidated management fee revenue for the year ended 31 December 2015 was €3.56 million. This represented a decrease of 35% versus the year ended 31 December 2014. The Group had anticipated a substantial decrease in management fee revenue throughout 2015 as receivers continue to sell hotels that the Group managed on their behalf. Twelve hotels managed by the Group were sold in 2014 while a further ten management contracts were terminated in 2015. Eight of these hotels were sold and two were returned to their owners. The Group bought three of these hotels – Clayton Whites Hotel, Wexford (formerly Whites of Wexford), Clayton Hotel Galway and Maldron Hotel Sandy Road, Galway (formerly Pillo Hotel Galway) and entered into a management agreement with the new owner in one case – Cavan Crystal Hotel.

Cost of Sales

The largest single component of the Group's cost of sales is wages and related expenses for employees working in the leased and owned hotels. Cost of sales also includes food and beverage costs which are directly related to the volume of food and beverage sales. Other significant elements within cost of sales include reservation fees, travel agent commissions, laundry costs and linen hire.

Cost of sales

	<i>Year ended 31 Dec</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Cost of sales	86,907	29,379

The increase in cost of sales for the year ended 31 December from 2014 to 2015 was 196%, which is attributable to the increase in hotel assets from 13 in 2014 to 28 in 2015. While revenue increased by 185% over the same period, the mix of business in the newly acquired hotels have a larger proportion of food and beverage than the Group's existing business which has a higher cost of sale associated with it. The main constituents of cost of sales are as follows: food and beverage costs which increased from €5.6 million to €18.7 million in 2015, representing an increase of 234%, and wages which increased from €15.7 million in 2014 to €43.3 million in 2015 representing an increase of 176%.

Administrative Expenses

Administrative expenses mainly comprise of other administrative expenses, acquisition-related costs, hotel rental expenses, depreciation and amortisation.

- *Other administrative expenses.* Other administrative expenses includes management wages and salaries, professional fees, utilities, telephone, marketing, repairs and maintenance, building insurance and rates.
- *Acquisition-related costs.* This comprises of professional fees and stamp duty relating to certain hotel acquisitions.
- *Rental expenses.* This comprises of lease payments under operating leases and in relation to leasehold interests.
- *Depreciation and amortisation expense.* Land is not depreciated. Hotel buildings are depreciated using the cost or valuation less residual value on a straight-line basis over the estimated useful life of 50 years. Fixtures, fittings and equipment are depreciated using the straight-line method over estimated useful lives of 5-10 years. Land and buildings are revalued by qualified valuers on a

sufficiently regular basis using open market value (which reflects a highest and best use basis) so that the carrying value of an asset does not materially differ from its fair value at the reporting date. Surpluses on revaluation are recognised in other comprehensive income and accumulated in equity in the revaluation reserve, except to the extent that they reverse previously charged impairment losses, in which case the reversal is recorded in profit or loss. Decreases in value are charged against other comprehensive income and the revaluation reserve to the extent that a previous gain has been recorded there, thereafter are charged as an impairment through profit or loss. Intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on a straight line basis over the estimated useful life.

Administrative expenses

	<i>Year ended 31 Dec</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Other administrative expenses	57,519	24,444
Acquisition-related costs	15,802	2,821
Operating lease rentals	19,229	16,332
Depreciation	10,039	991
Impairment of property plant and equipment	1,131	–
Impairment of investment property	445	–
Impairment of goodwill	199	–
Fees incurred on Ballsbridge site sale	190	–
Amortisation of intangible assets	–	128
Total administrative expenses	104,554	44,716

The Group's consolidated administrative expenses for the year ended 31 December 2015 and 31 December 2014 were €104.6 million and €44.7 million respectively representing an increase of 134%.

Other administrative expenses

As can be seen from the table above, other administrative expenses increased by €33.1 million for the year ended 31 December 2015 compared to 2014.

The acquisitions of the fifteen hotels throughout 2014/2015 contributed an additional €28.6 million in administrative expenses. The nine Moran Bewley's Hotel Group hotels accounted for €19.7 million of this additional cost and the other six acquired properties contributed €8.9 million in additional cost.

The existing portfolio of hotels accounted for an increase of €0.9 million due to a programme of essential maintenance works at the Ballsbridge Hotel and the associated increases in wages and sales related activity due to the uplift in revenue.

Central office costs increased by €3.6 million, due to additional staff costs of €3.4 million to support the newly acquired hotels and meet the additional responsibilities of being a publicly quoted company, additional sales and marketing costs of €0.5 million, while other overheads declined by €0.3 million.

Acquisition-related costs

2015

€15.8 million was spent on acquisition-related costs in the year ended 31 December 2015. €1.8 million related to stamp duty on the four single hotel acquisitions in 2015. €9.3 million related to stamp duty on the Moran Bewley's Hotel Group acquisition. €1.9 million related to restructuring costs on integrating the Moran Bewley's Hotel Group properties into the Group. €2.8 million related to professional fees incurred on the Moran Bewley's Hotel Group and other single hotel acquisitions.

2014

€2.8 million was spent on acquisition-related costs in the year ended 31 December 2014. €1.9 million related to professional fees on the Moran Bewley's Hotel Group acquisition. €0.9 million related to professional fees and stamp duty on the single hotel acquisition in 2014.

Operating lease rental

The Group's consolidated operating lease rental for the years ended 31 December 2015 and 31 December 2014 were €19.2 million and €16.3 million respectively, representing an increase of 18% from 2014 to 2015. The increase in rent of €2.9 million was due to the following:

- An increase of €3.1 million in performance related rent for Ballsbridge Hotel, the Clyde Court Hotel and Maldron Hotel Dublin Airport reflecting improved trading performance.
- Inclusion of ground rent in the Clayton Hotel Manchester Airport of €0.9 million.
- Offset by savings of €1.0 million achieved with the purchase of freehold interest in the Maldron Hotel Parnell Square (August 2014), Maldron Hotel Wexford (April 2015) and eight suites (23 bedrooms) in the Clayton Hotel Cardiff Lane (various dates in 2014 & 2015).
- Savings of €0.1 million were achieved through the restructure of existing leases.

Depreciation

The Group's depreciation charge increased from €1.0 million for the year ended 31 December 2014 to €10 million for the year ended 31 December 2015. The increase of €9 million is due to the following:

- an increase of €5.7 million in depreciation on land and buildings from additional capital investments in the hotels and hotel acquisitions of €493.7 million.
- an increase of €3.3 million in depreciation on fixtures, fittings and equipment from additional capital investment in the hotels of €14.2 million, and the acquisition of fixtures, fittings and equipment of €7.8 million through the Moran Bewley's Hotel Group and other single hotel acquisitions during 2015.

Impairment of property, plant and equipment

The Group's policy to fair value its property, plant and equipment at each reporting date has resulted in an impairment in the value of its investment in the Maldron Hotel Derry (formerly Tower Hotel) of €1.03 million and €0.1 million in Clayton Hotel Silver Springs, Cork in the year ended 31 December 2015. There was no impairment of property, plant and equipment in the year ended 31 December 2014.

Impairment of investment property

The Group's policy to fair value its investment property at each reporting date has resulted in an impairment in the value of its investment property in the Clarion Hotel Cork of €0.4 million in the year ended 31 December 2015. There was no impairment of investment property in the year ended 31 December 2014.

Impairment of goodwill

During the year ended 31 December 2015, the Group impaired €0.2 million in respect of goodwill purchased as part of the acquisition of the Maldron Hotel Derry (formerly Tower Hotel) in October 2014. There was no impairment of goodwill in the year ended 31 December 2014.

Fees incurred on the Ballsbridge site sale

Fees of €0.19 million were incurred by the Group on the sale by the landlord of the Ballsbridge and Clyde Court hotel sites in the year ended 31 December 2015. There were no fees incurred on the Ballsbridge site sale in the year ended 31 December 2014.

Amortisation of intangible assets

During the year ended 31 December 2014, the Group amortised €0.12 million in respect of an intangible asset which resulted from the acquisition of the Pillo Hotels Limited in February 2014. The intangible asset was fully amortised by 31 December 2014. There was no amortisation of intangible assets in the year ended 31 December 2015.

Other income

The Group received an incentive fee relating to the sale by the landlord of the Ballsbridge and Clyde Court hotels of €2.1 million. Rental income of €0.6 million in the year ended 31 December 2015 arose from the investment properties acquired during 2014 and 2015. €0.4 million relates to the Clarion Hotel Cork in 2015 and €0.1 million relates to income from ancillary properties (comprising a convenience store and a betting office) held adjacent to the Maldron Hotel, Pearse Street, Dublin.

EBITDA/EBITDAR for year ended 31 December

	2015	2014
	€'000	€'000
Profit before tax	28,457	4,196
Finance income – Interest income on bank deposits	(6)	(115)
Finance income – Exchange gain on cash and cash equivalents	(1,857)	(294)
Finance costs	10,363	1,191
Depreciation	10,039	991
Amortisation of intangible assets	–	128
EBITDA	46,996	6,097
Net impact of Ballsbridge site sale	(1,947)	–
Net impairment charges	1,775	–
Costs relating to the integration of hotel properties	1,940	–
Costs relating to the acquisition of hotel properties	13,862	2,821
Adjusted EBITDA (excluding acquisition and integration costs)	62,626	8,918
Hotel rental expenses	19,167	16,221
Central costs	8,068	4,498
Rental income	(608)	–
EBITDAR (excluding acquisition and integration costs)	89,253	29,637

Note:

- (1) EBITDAR (excluding acquisition and integration costs) has been calculated by adding back hotel rental expenses to EBITDA (excluding acquisition and integration costs).

EBITDA for the year ended 31 December (by segment)

	2015	2014
	€'000	€'000
Pre IPO portfolio	16,910	7,636
Moran Bewley's Hotel Group	40,955	–
Single hotel acquisitions	8,666	333
Leased and owned hotels	66,531	7,969
Managed hotels	3,555	5,447
EBITDA by segment	70,086	13,416
Central costs including other income	(7,460)	(4,498)
EBITDA (excluding acquisition and integration costs)	62,626	8,918
Acquisition and integration costs, impairments & Ballsbridge site sale	(15,630)	(2,821)
EBITDA	46,996	6,097

Note:

- (1) The analysis has been extracted from the 'Operating segments' included in the financial review of the annual report, supported by internal management schedules, which the Central Bank of Ireland does not have access to and has not reviewed, in respect of pre IPO portfolio, Moran Bewley's Hotel Group and single hotel acquisitions.

EBITDAR for the year ended 31 December (by segment)

	2015 €'000	2014 €'000
Pre IPO portfolio	35,230	23,857
Moran Bewley's Hotel Group	41,802	–
Single hotel acquisitions	8,666	333
Leased and owned hotels	85,698	24,190
Managed hotels	3,555	5,447
EBITDAR by segment	89,253	29,637
Central overheads	(8,068)	(4,498)
Rental income	608	–
EBITDAR (excluding acquisition and integration costs)	81,793	25,139

Notes:

- (1) The analysis above has been extracted from internal management schedules, which the Central Bank of Ireland does not have access to and has not reviewed, in respect of original based hotel portfolio, Moran Bewley's Hotel Group, single hotel acquisitions, managed, central overheads and rental income.
- (2) EBITDAR of €81.8 million has been calculated by excluding non-trade related items such as finance income and costs and the integration and acquisition costs related to new acquisitions to reflect the change in the nature and size of the business over the past twelve months.

The Group's consolidated EBITDA increased by €40.9 million to €47.0 million in the year ended 31 December 2015. Excluding the impact of acquisition and integration costs and the net impact of Ballsbridge site sale, the Group's consolidated EBITDA increased by €53.7 million to €62.6 million. The increase in EBITDA is primarily due to the following:

- an increase of €8.33 million contribution of the six new owned hotels in the Group's portfolio acquired throughout the second half of 2014 and opening quarter of 2015;
- contribution of €40.95 million from the Moran Bewley's Hotel Group acquisition in February 2015;
- increase in "like for like" revenue of 22.8% at the Group's leased hotels primarily driven by a 32.6% increase in Dublin room revenue. This contributed an additional €9.27 million in EBITDA;
- decrease of €1.89 million in managed revenue due to the loss of hotel management contracts;
- increase of €3.6 million in central office costs due to the increased size of the business; and
- rental income of €0.6 million from the investment properties at the Clarion Hotel Cork and Maldron Hotel Pearse Street, Dublin.

Finance income and costs

Finance income comprises interest income and foreign currency gains on funds invested.

Finance costs comprise interest expense on borrowings.

Finance income and costs

	<i>31 Dec 2015</i>	<i>31 Dec 2014</i>
	<i>€'000s</i>	<i>€'000s</i>
Finance income – Interest income on bank deposits	6	115
Finance income – Exchange gain on cash and cash equivalents	1,857	294
Finance income	<u>1,863</u>	<u>409</u>
Finance costs	(10,363)	(1,191)

Finance income comprises interest income and foreign currency gains on funds invested. The increase in finance income in the year ended 31 December 2015 compared to the year ended 31 December 2014 is due to an increase in the foreign exchange gain on the deposits held of €1.56 million and a decrease of €0.1 million on interest income on bank deposits as the Company held lower cash balances in 2015.

Finance costs in the year ended 31 December 2015 comprised of interest expense on bank loans and borrowings of €9.7 million and cashflow hedges of €0.66 million. The interest expense of €9.7 million related to interest on the loan facilities drawdown on 3 February 2015 to part fund the Moran Bewley's Hotel Group acquisition. The cashflow hedge of €0.66 million was reclassified from other comprehensive income.

Finance costs in the year ended 31 December 2014 comprised of €1.04 million related to interest expense on unsecured shareholder loan notes and €0.15 million related to interest expense on bank borrowings. The shareholder loan note obligations of DHGL Limited were novated to the Company. All obligations in relation to the shareholder loan notes were settled in exchange for the issue of ordinary shares of the Company on 19 March 2014. All bank loans were repaid in full on 2 April 2014.

Other Comprehensive Income

Items that will not be classified to profit or loss

Revaluation of property and related deferred tax

Land and buildings are stated at fair value. Land and buildings are revalued by qualified valuers on a sufficiently regular basis using open market value so that the carrying value of an asset does not materially differ from its fair value at the reporting date. Surpluses on revaluation are recognised in other comprehensive income and accumulated in equity in the revaluation reserve except to the extent that they reverse previously charged impairment losses, in which the reversal is recorded in profit and loss. Decreases in value are charged against other comprehensive income and the revaluation reserve to the extent that a previous gain has been recorded here, and thereafter are charged as an impairment through profit or loss.

In the year ended 31 December 2015, a revaluation of property was carried out and increases in value of €46.6 million were identified. These surpluses arose on properties that were acquired in the years ended 31 December 2014 and 2015. A provision for the potential deferred tax liability associated with this increase is provided for in the amount of €6.4 million.

Items that are or may be reclassified subsequently to profit or loss

Loss on net investment hedge

The Group drewdown a loan denominated in Sterling to part fund the MBHG acquisition. From the acquisition date to the year end, the value of Sterling increased relative to the Euro, resulting in a loss on translation of €4.33 million.

Exchange difference on translating foreign operations

The Group owns and operates hotels in the United Kingdom whose net assets are denominated in Sterling. Several of these hotels were acquired in the early part of 2015 and between the acquisition dates and the year end the value of Sterling increased relative to the Euro, resulting in a gain on translation of €5.17 million. In the year ended 31 December 2014, €0.09 million was recognized as the exchange difference on translating foreign operations in other comprehensive income. This gain was in respect of the properties in Derry and Cardiff.

Cashflow hedges and related deferred tax

During the year ended 31 December 2015, the Group entered into interest rate swaps and cap agreements with a syndicate of financial institutions in order to manage the interest rate risks arising from the Group's borrowings. Interest rate swaps are employed by the Group to partially convert the Group's borrowings from floating to fixed interest rates. Interest rate caps are employed to limit the exposure to upward movements in interest rates.

The terms of the derivatives are as follows:

- interest rate swaps with a maturity date of 3 February 2020 covering approximately 77% of the Group's Sterling denominated borrowings at 31 December 2015; and
- interest rate cap with a maturity date of 30 September 2019 covering approximately 47% of the Group's Euro denominated borrowings at 31 December 2015.

Fair value loss of €1.67 million on these derivatives was recognized in other comprehensive income, and €0.66 million was reclassified from other comprehensive income to profit or loss. The related deferred tax credit on other fair value movements was €0.13 million in the year ended 31 December 2015. There were no derivatives in the year ended 31 December 2014.

As at 31 December 2015, the fair value of interest rate swaps was a liability of €0.89 million and the interest cap was valued at €0.03 million.

Financial position

Statement of financial position

	<i>31 December 2015 €'000</i>	<i>31 December 2014 €'000</i>
Total assets	861,336	294,120
Total non-current assets	699,058	66,176
Total current assets	162,278	227,944
Total current liabilities	57,128	20,447
Total non-current liabilities	266,912	960
Total equity	537,296	272,713

The acquisition of the Moran Bewley's Hotel Group on 3 February 2015 for a total consideration of €452.3 million had a significant impact on the financial position of the Group. To finance the acquisition, the Group issued 18.3 million shares for €48.6 million net of costs and drew down a term loan of €282 million. The Group also completed the acquisition of six new hotels for €106.5 million in 2015. In October 2015, the Group issued 42.7 million shares for €153.6 million net of expenses to fund further acquisitions and investments in existing hotels. At 31 December 2015, the Group revalued its properties upwards by a net amount of €45.5 million (€46.6 million of upward revaluations are recognised in other comprehensive income and there is €1.1 million of impairment of property plant and equipment, as per Note 12 to the financial statements (as incorporated by reference in Part 6 of this Prospectus).

Total non-current assets

	<i>31 December 2015 €'000</i>	<i>2014 €'000</i>
Total non-current assets	699,058	66,176

Total non-current assets increased by €632.8 million in the year ended 31 December 2015. Property, plant and equipment, goodwill and investment properties increased by €556.5 million, €39.7 million and €36.0 million respectively. Trade and other receivables decreased by €3.0 million. The deferred tax asset

increased by €3.6 million between 31 December 2014 and 31 December 2015 as a result of a movement in timing differences between the recognition of expenses for accounting and tax purposes.

Property, plant and equipment

Property, plant and equipment increased by €556.5 million reflecting the following:

- acquisition of property, plant and equipment of the nine hotels from the Moran Bewley's Hotel Group for €425.5 million in February 2015;
- acquisition of the property, plant and equipment of four new hotels namely Clayton Hotel Galway, Maldron Hotel Sandy Road Galway (formerly Pillo Hotel Galway), Clayton Whites Hotel Wexford (formerly Whites of Wexford) and Clayton Hotel Belfast (formerly Holiday Inn Belfast) for €59.4 million in the first quarter of 2015;
- acquisition of the freehold interest at the Maldron Hotel Wexford in April 2015 for €3.6 million (including professional fees of €0.1 million);
- acquisition of carpark and shops at Maldron Hotel, Pearse St, Dublin for €2 million;
- acquisition of one suite in Clayton Hotel Cardiff Lane is €0.3 million;
- capital expenditure on the additional bedrooms in Parnell Square and Pearse Street was €0.1 million and €0.2 million respectively;
- capital expenditure of €10.5 million on the building extension constructed at the Clayton Hotel, Chiswick, London;
- capital expenditure on fixtures and fittings at other hotels such as Maldron Pearse Street, Maldron Smithfield and Maldron Cork, Maldron Derry, Clayton Dublin Airport Clayton Leeds and Clayton Hotel Chiswick of €14.2 million;
- upward revaluation of €46.6 million on sixteen properties;
- impairment of €1.1 million in respect of Maldron Hotel Derry and Clayton Hotel Silver Springs, Cork;
- foreign exchange upward revaluation of €5.2 million on UK properties; and
- depreciation charge for the period of €10 million.

Goodwill

Goodwill increased by €39.74 million reflecting the following factors:

- goodwill of €32.57 million related to the acquisition of nine hotels from the Moran Bewley's Hotel Group in February 2015;
- goodwill of €7.37 million arising from the acquisition of four hotels namely Clayton Hotel Galway, Pillo Hotel Galway, Whites Hotel Wexford and Holiday Inn Belfast in the first quarter of 2015; and
- impairment of goodwill of €0.2 million on the Maldron Hotel Derry.

Investment Property

Investment property increased by €36.04 million due to:

- the purchase of an investment property for €0.59 million as part of the acquisition of the Pillo Hotel Galway in February 2015;
- the purchase of the Clarion Hotel Cork for €35.1 million in November 2015;
- capitalized transaction costs incurred on the purchase of the Clarion Hotel Cork of €0.8 million; and

- impairment of €0.45 million of the value of the Clarion Hotel Cork.

Trade and other receivables

Trade and other receivables decreased by €3.0 million reflecting:

- deposits of €4.1 million were paid in respect of acquisitions that had been contracted for in 2014 but were not due to close until the first quarter of 2015, whereas deposits of €1.3 million were paid in respect of acquisitions that had been contracted for in 2015 but were not due to close until the first quarter of 2016; and
- there were prepayments of €0.2 million in respect of the share issuance and fundraising at 31 December 2014 which took place in February 2015.

Total current assets

	<i>31 December</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Total current assets	162,278	227,944

Total current assets decreased by €65.7 million in the year ended 31 December 2015 due to the following:

Cash and cash equivalents decreased by €68.7 million as a result of:

- decrease in cash and cash equivalents of €70.5 million. The decrease is due to the acquisition of new hotels of €558.8 million less deposits of €4.1 million paid in 2014. These acquisitions were partly funded by loan facilities of €282 million and the proceeds from the two share issuances of €202.2 million; and
- €1.8 million foreign exchange gain on the sterling bank accounts.

Trade receivables increased by €2.6 million as a result of:

- additional trade receivables of €3.1 million relate to the hotels acquired in 2015;
- decrease in trade receivables of €0.2 million relating to existing properties due to strong effort to improve debtor management in 2015; and
- decrease in amounts due from partner hotels of €0.3 million due to the loss of management contracts in the year ended 31 December 2015.

Aged analysis of current trade receivables is outlined below.

Prepayments decreased by €0.8 million as a result of:

- additional prepayments of €1.5 million relate to the hotels acquired in 2015; and
- reduction in prepayments of €2.3 million in respect of acquisition costs prepaid at 31 December 2014 for the Moran Bewley's Hotel Group transaction.

Accrued income increased by €0.4 million due to:

- additional accrued income of €0.5 million relates to the hotels acquired in 2015;
- increase in accrued income of €0.3 million relating to management contracts due to timing of invoicing and an increase in the incentive fee accrual booked for 2015 due to increased profitability at the partner hotels;
- receipt of insurance proceeds of €0.2 million in respect of the Ballsbridge Hotel which was included in accrued income at 31 December 2014; and

- miscellaneous decrease in accrued income of €0.2 million.

Inventories increased by €0.8 million from 2014 to 2015 due to the new acquisitions during 2015.

Trade receivables

The Group has detailed procedures for monitoring and managing the credit risk related to trade receivables. Trade receivables are monitored by review of aged debtor reports by management. The aged analysis of trade receivables at 31 December 2015 and 31 December 2014 were as follows:

Aged analysis of trade receivables

	<i>Gross receivables</i>	<i>Impairment provision</i>	<i>Net receivables</i>
	<i>2015</i>	<i>2015</i>	<i>2015</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Not past due	2,542	(87)	2,455
Past due < 30 days	1,902	(4)	1,898
Past due 30 – 60 days	693	(4)	689
Past due 60 – 90 days	453	(18)	435
Past due > 90 days	863	(339)	524
	<u>6,453</u>	<u>(452)</u>	<u>6,001</u>
	<i>Gross receivables</i>	<i>Impairment provision</i>	<i>Net receivables</i>
	<i>2014</i>	<i>2014</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Not past due	710	–	710
Past due < 30 days	1,295	(7)	1,288
Past due 30 – 60 days	525	–	525
Past due 60 – 90 days	409	–	409
Past due > 90 days	631	(153)	478
	<u>3,570</u>	<u>(160)</u>	<u>3,410</u>

Management does not expect any significant losses from receivables that have not been provided for as shown above.

Total current liabilities

	<i>31 December</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Loans and borrowings	15,970	–
Trade and other payables	40,180	20,345
Current taxation payable	978	102
Total current liabilities	<u>57,128</u>	<u>20,447</u>

Total current liabilities increased by €36.7 million for the year ended 31 December 2015 due to the following:

- increase in loans and borrowings of €15.9 million, which represents the amount repayable of the facilities drawn down in February 2015 within the next 12 months;
- corporation tax increased by €0.9 million from €0.1 million to €1.0 million; and
- increase of €19.9 million in trade and other payables from €20.3 million to €40.2 million as follows:

Trade payables increased due to additional trade payables of €6.1 million relating to the hotels acquired in 2015.

Accruals increased by €9.2 million primarily due to:

- additional accruals of €6.1 million relate to the hotels acquired in 2015;
- increased rent accrual of €2.9 million;
- increase in capex accrual of €1.5 million;
- increase in central office accruals of €2.7 million; and
- reduction in accruals of €4 million in respect of acquisition costs accrued at 31 December 2014 for the Moran Bewley's Hotel Group transaction.

Deferred income increased by €2.4 million due to:

- additional deferred income of €2.1 million relating to the hotels acquired in 2015; and
- increase of €0.3 million on deferred income at existing hotels.

Value added tax increased by €1.5 million due to:

- increase of €2.6 million relates to the hotels acquired in 2015;
- increase of €0.5 million due to increased sales in existing hotels; and
- offset by decrease of €1.6 million at central office primarily due to VAT to be reclaimed on capital expenditure.

Payroll tax increased by €0.7 million due to the increased number of employees resulting from the acquisitions made in 2015.

Total non-current liabilities

	<i>31 December</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Loans and borrowings	250,168	–
Deferred tax liabilities	15,859	960
Derivatives	885	–
Total non-current liabilities	266,912	960

Loans and borrowings

On 3 February 2015, the Company drew down a term loan of €282 million. At 31 December 2015, €266.1 million is outstanding. €16.0 million will be repaid within the next 12 months and €250.2 million will be repaid thereafter.

Deferred tax liabilities

Deferred tax liabilities increased by €14.9 million and the deferred tax assets increased by €3.6 million resulting in a net increase in the deferred tax liability of €11.3 million for year ended 31 December 2015.

The reasons for this movement are as follows:

- €7.6 million of deferred tax liability acquired as part of the MBHG acquisition;
- €2.1 million charge to the profit or loss for the year in respect of tax losses carried forward;

- €0.9 million charge to the profit or loss for the year where the net book value of the assets exceeds the tax written down value; and
- €6.4 million charge to other comprehensive income in respect of the revaluation of property, plant and equipment and investment property.

This was reduced by the acquisition of tax losses of €5.6 million acquired as part of the MBHG acquisition and €0.13m credit to other comprehensive income in respect of the deferred tax on the fair value movement of the cashflow hedges.

Derivatives

Derivative liability was €0.89 million at 31 December 2015. This is the fair value of the interest rate swap with a maturity date of 3 February 2020.

Total Equity

	<i>31 December</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Share capital	1,830	1,220
Share premium	503,113	295,133
Capital contribution	25,724	25,724
Merger reserve	(10,337)	(10,337)
Share-based payments reserve	912	273
Revaluation reserve	47,510	7,341
Hedging reserve	(888)	–
Translation reserve	880	40
Retained earnings	(31,448)	(46,681)
Total Equity	537,296	272,713

Share capital and share premium

On 3 February 2015, the Company issued 18,300,000 ordinary shares of €0.01 each pursuant to the MB Vendor Placing and MB Cash Placing for cash at an issue price of €2.75 per share, resulting in gross proceeds of €50.3 million (€48.6 million net of costs). Share premium of €48.4 million was recorded on these shares after deduction of costs of €1.7 million.

On 6 October 2015, the Company issued 42,666,666 ordinary shares of €0.01 each pursuant to the Firm Placing and Placing and Open Offer for cash at an issue price of €3.75 per share, resulting in gross proceeds of €160 million (€153.6 million net of costs). Share premium of €159.6 million was recorded on these shares. The share issue costs of €6.4 million are deducted from retained earnings.

Share-based payment reserve

The movement on the share-based payment reserve relates to the charge of €0.6 million in respect of the awards granted to eligible service employees pursuant to the Group's Long Term Incentive Plan.

Revaluation reserve

The movement in the revaluation reserve of €40.2 million relates to the upward revaluation of fifteen properties of €46.6 million less related deferred tax of €6.4 million.

Hedging reserve

This represents the fair value movements of the interest rate swaps of €1.02 million less the related deferred tax of €0.13 million.

Translation reserve

The movement of €0.8 million represents the exchange difference on the translation of foreign operations.

Retained earnings

The movement in retained earnings of €15.2 million relates to profit for the year ended 31 December 2015 of €21.6 million less share issue costs of €6.4 million.

4. Liquidity and capital resources

Liquidity and cash

The Group's liquidity requirements have arisen from the following:

- operating expenses for the Group's hotels;
- investments relating to acquisitions and new developments;
- interest expense and scheduled principal payments on outstanding indebtedness; and
- capital expenditures incurred to maintain and improve the Group's hotels.

The Group has in the past derived, and the Directors expect that the Group will continue to derive, substantially all of its funds from profits generated by the Company's operating subsidiaries. The Group's principal sources of liquidity have been:

- cash raised from the Initial Placing of €256 million net of expenses in March 2014;
- cash and equity raised from a cash placing and vendor placing of €48.6 million net of expenses in February 2015;
- senior debt facilities of €282 million drawn in February 2015;
- an undrawn committed revolving credit facility of €20 million;
- cash raised from the Firm Placing and Placing and Open Offer of €153.6 million in October 2015; and
- operating cash flows.

Cash Flows

Extract from statement of cash flows

	<i>31 Dec 2015 €'000</i>	<i>31 Dec 2014 €'000</i>
Net cash from operating activities	54,403	10,918
Net cash used in investing activities	(544,845)	(45,169)
Net cash from financing activities	419,991	246,824
Net (decrease)/increase in cash and cash equivalents	(70,451)	212,573
Cash and cash equivalents at the beginning of the year	217,807	4,940
Effect of movements in exchange rates	1,799	294
Cash and cash equivalents at the end of the year	149,155	217,807

Net cash from operating activities is derived from the ongoing operating activities of the Group. The increase of €43.5 million from €10.9 million to €54.4 million has resulted from the following:

- Increase in EBITDA of €40.9 million from €6.1 million to €47 million, adjusted for an increase in share-based payments expense of €0.4 million and net impairment charges of €1.8 million, resulting in increased cash flow of €43.1 million;
- Increase in working capital movements of €2.5 million;

- Offset by an increase in tax payments of €2.1 million.

In the year ended 31 December 2015, cash used in investing activities was €545 million as follows:

- Acquisition of the Moran Bewley's Hotel Group for a consideration of €452.3 million of which €415.5 million was satisfied by a net cash consideration. The net cash consideration of €415.5 million is the total cash consideration less the cash acquired as part of the acquisition. The Group also acquired single asset hotels for a total consideration of €67.7 million of which €4.1 million was paid in 2014;
- Purchase of property, plant and equipment of €28.6 million included the purchase of the freehold interest at Maldron Hotel Wexford, construction of an extension at Clayton Hotel Chiswick, London and Maldron Hotel Pearse Street Dublin and ongoing refurbishment in other hotels within the Group;
- Purchase an investment property (including capitalised costs) at Clarion Hotel Cork for €35.9 million; and
- Deposit of €1.3 million in relation to the acquisition of the Tara Towers Hotel Dublin.

In the year ended 31 December 2014, cash used in investing activities was €45.2 million as follows:

- Purchase of seven suites at the Clayton Hotel Cardiff Lane, Dublin, Maldron Hotels Pearse Street, Parnell Square, Dublin and Derry and ongoing refurbishment to other hotels in the Group for €41.1 million; and
- Deposits of €4.1 million for the acquisitions of Clayton Hotel Galway, Maldron Hotel Sandy Road and Clayton Whites Hotel, Wexford, which were completed in 2015.

In the year ended 31 December 2015, the Group generated €420 million from financing activities as follows:

- €282 million through a term loan facilities drawdown in February;
- €168.7 million was raised through equity
 - In February 2015, the Company issued 6.1 million shares for cash at €2.75 each through the MB Cash Placing which raised €15 million (after expenses).
 - At the same date the Company issued 12.2 million shares in a vendor placing as consideration for the acquisition of the Moran Bewley Hotel Group. No cash was received in respect of these shares.
 - In October 2015, the Company issued 42,666,666 shares for cash at €3.75 each through the Firm Placing and Placing and Open Offer which raised €153.6 million (after expenses).
- Repayment of €17.9 million of the term loans;
- Payment of interest of €13.8 million on the term loans.

In the year ended 31 December 2014, €256 million was raised in equity and net repayments of €9.0 million were made in respect of a bank loans.

Cash and cash equivalents

	<i>31 December</i>	
	<i>2015</i>	<i>2014</i>
	<i>€'000</i>	<i>€'000</i>
Cash at bank and in hand	25,202	39,259
Money market funds	123,953	178,548
	<u>149,155</u>	<u>217,807</u>

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less, which are carried at amortised cost, and money-market funds. Money-market funds are short term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in values, and are measured at fair value through profit or loss.

The reduction in the value of cash and cash equivalents from 31 December 2014 to 31 December 2015 is a consequence of the Groups execution of a series of property acquisitions.

The Group will continue to use these funds to support its strategy of acquiring and developing new hotels. The potential development opportunities identified within the Group's portfolio are Clayton Hotel Dublin Airport, Clayton Hotel Ballsbridge, Maldron Hotel Sandy Road, the part-completed hotel property on Beasley Street Cork and the development sites on Charlemont Street and Kevin Street Dublin and the development contract for the site on Brunswick Street Belfast.

The Group will also continue its ongoing capital refurbishment programmes in the Clayton Hotel Leeds, Clayton Hotel Dublin Airport, Clayton Hotel Cardiff Lane, Clayton Hotel Leopardstown, Clayton Hotel Manchester, Clayton Hotel Silver Springs, Maldron Hotel Newlands Cross, Maldron Hotel Wexford, Clayton Whites Hotel, Wexford, and the Clarion Hotel Sligo.

Working capital requirements of the Group are met on an ongoing basis through the cash generated from its hotel operations.

There are no legal or economic restrictions on the ability of the subsidiaries to transfer funds to the Company.

The Group has a defined treasury policy which outlines the processes and procedures to manage its treasury activities. Further details of the Company's treasury policy are included on page 25 of the Company's Annual Report and Accounts 2015.

Loan facilities

The Company has obtained the following loan facilities on 17 December 2014 which facilities were amended and re-stated in May 2016 as follows:

On 17 December 2014, the Company entered into a multicurrency term and revolving credit facilities agreement with The Governor and Company of the Bank of Ireland, Allied Irish Banks p.l.c and Ulster Bank Ireland Limited. Details of the loan facilities are as follows:

- A five year term loan facility of an amount up to €84 million (**Facility A**) to be used to part finance the acquisition of the Moran Bewley's Hotel Group, repayable by way of quarterly instalments;
- A five year term loan facility of an amount up to €198 million (**Facility B**) to be used to part finance the acquisition of the Moran Bewley's Hotel Group, repayable by way of one repayment on the termination date;
- A bridging loan facility of an amount up to €16 million (**Facility C**) which is available up to 30 June 2015 to be used to part finance the acquisition of Moran Bewley's Hotel Group, repayable by way of one repayment on the termination date; and
- A three year revolving loan facility of an amount up to €20 million (**Revolving Facility**) to be used for general working capital purposes.

On 6 May 2016 the Group entered into an amendment and restatement agreement to amend and restate the Original Facilities Agreement with each member of the Group (as guarantor), 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) (the Security Agent) and each of The Governor and Company of the Bank of Ireland, Allied Irish Banks p.l.c., Ulster Bank

Ireland Limited and Barclays Bank Ireland p.l.c. (as lenders) (the Lenders) whereby pursuant to the terms of the amendment and restatement agreement:

- (a) each of the subsidiaries not already a party to the Original Facilities Agreement acceded thereto as guarantors;
- (b) the Lenders provided a new four year term facility in an amount up to €80,000,000 to the Company which is available for drawdown up to January 2020 and is to be used to fund permitted acquisitions and/or investment capital expenditure (**Facility D**); and
- (c) the Lenders increased the monies made available under the Revolving Facility by €10,000,000 and extended the term to 3 February 2020.

To date the Company has drawn down Facility A and Facility B in full. Facility C was cancelled by the Company on 30 March 2015 and the Company has recently drawn down part of Facility D however the Company has not drawn down any part of the Revolving Facility to date.

Interest payable under Facility A, Facility B, Facility D and the Revolving Facility is at a rate of a 3% margin (subject to certain conditions set out in the Facilities Agreement) and EURIBOR or in relation to any Sterling Loan LIBOR and is payable in arrears on each interest period (to be determined pursuant to the terms of the Facilities Agreement). In the event of a default in payment/repayment break costs will apply.

The Facilities are being secured by way of:

- (a) a fixed and floating charge over all of the Group's present and future assets and undertakings in favour of the Security Agent including a first fixed charge over its owned and leased hotels; and
- (b) an Intercompany Guarantee and Indemnity from each member of the Group.

The Company has also entered into hedging arrangements with each of Ulster Bank Ireland Limited, The Governor and Company of the Bank of Ireland and Allied Irish Banks p.l.c. for the purpose of hedging any interest rate risks pursuant to the Facilities A and B.

Under the terms of the two loan facilities on 17 December 2014 and May 2016, the Company is subject to covenants as follows: net debt/EBITDA, debt service, interest cover and level of annual maintenance capital expenditure. No breach of covenant is expected to occur.

Contractual obligations and commitments

Operating leases

Non-cancellable operating lease rentals payable represent the minimum future lease payments in aggregate that the Group is required to make under existing lease arrangements. The analysis of non-cancellable operating lease rentals is set out in Note 24 to the financial statements (as incorporated by reference in Part 6 of this Prospectus).

In addition, under the terms of certain hotel operating leases, contingent rents are payable, in excess of minimum lease payments, based on the financial performance of the hotels. The expiry dates of operating leases with contingent rental arrangements at 31 December 2015 ranged from April 2018 to July 2036. The Company has undertaken to guarantee the obligations of its subsidiary Dalata Cardiff Limited in relation to the lease of the Clayton Hotel, Cardiff, Wales for a period of 35 years of which there are 30 years remaining. The Company has undertaken to guarantee the obligations of its subsidiary CI Hotels Limited in relation to the lease of the Maldron Hotel Portlaoise for a period of 30 years of which there are 20 years remaining.

Capital expenditure commitments

At 31 December 2015, the Group had entered into an agreement to acquire Tara Towers Hotel, Dublin which was completed on 15 January 2016. The value of the commitments under contractual agreement, net of deposits of €1.3 million paid in the year is approximately €11.8 million. At 31 December 2015, the Group had commitments for future capital expenditure under its contractual arrangements of €2.2 million. These commitments are primarily in respect of the refurbishment of 194 bedrooms in the Clayton Hotels in Leeds,

Dublin Airport, Cardiff Lane and Leopardstown. These projects commenced in 2015 and were completed by the end of February 2016.

Documents incorporated by reference

The Dalata Hotel Group p.l.c. Firm Placing and Placing and Open Offer prospectus dated 10 September 2015 which contains the Operating and Financial Review – Dalata Hotel Group, and the Operating and Financial Review – Moran Bewley’s Hotel Group, are incorporated by reference in this Prospectus and are available on the Group’s website at <http://dalatahotelgroup.com/wp-content/uploads/2015/09/Prospectus-Approved-by-the-Central-Bank.pdf>.

The table below sets out the various sections of the document referred to above which is incorporated by reference into this Prospectus, so as to enable Shareholders to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of Dalata. Only the parts of the above documents identified in the list below are incorporated into and form part of this Prospectus. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

<i>Document</i>	<i>Section</i>	<i>Page numbers</i>
Dalata Hotel Group p.l.c. Firm	Operating and Financial Review – Dalata Hotel Group	129-143
Placing and Placing and Open	Operating and Financial Review – Moran Bewley’s	144-155
Offer prospectus dated	Hotel Group	
10 September 2015		

Investors should read the whole of this Prospectus and the document cited above and should not just rely on the financial information referred to in this Part 7. The documents incorporated by reference contain an extensive review of the periods in question on both an operating and financial level.

The information which is incorporated by reference throughout this Prospectus is so incorporated in compliance with Regulations 27 and 28 of the Irish Prospectus Regulations.

PART 8

PROPERTY VALUATION REPORT

Savills Advisory Services (Ireland) Limited (“Savills”, “we”, “our” and “us”) valuation of certain properties held by Dalata Hotel Group plc

Report Date 24 June 2016

Addressees **Dalata Hotel Group plc** (the “Company”)
Burton Court, Burton Hall Drive, Sandyford
Dublin 18

and

J&E Davy (“Davy”)
Davy House
49 Dawson Street
Dublin 2

(together, the “**Addressees**”), provided that in relying on this Valuation Report, each of the Addressees acknowledges and agrees that this report is subject to the terms and conditions set out in our letter of engagement with the Company dated 20th June 2016.

We understand that this Valuation Report will be relied upon by the Addressees and their respective holding companies and subsidiary companies, provided that Savills’ liability to the Addressees and any other party who is entitled to rely on this Valuation Report, under and in connection with this Valuation Report shall be limited in the aggregate to the amount set out in our letter of engagement referred to above (save where liability cannot be excluded or limited at law).

The Properties

1. Maldron Hotel Parnell Square, Granby Row, Dublin 1.
2. Maldron Hotel Limerick, Southern Ring Road, Roxboro, Limerick.
3. Maldron Hotel 98 – 107 Pearse Street, Dublin 2.
4. Clayton Hotel Galway, Old Monivea Road, Ballybrit, Co Galway.
5. Clayton Whites Hotel Wexford, Abbey Street, Wexford Town, Co. Wexford.
6. Maldron Hotel, Sandy Road, Galway.
7. Maldron Hotel Derry, Butcher Street, Derry/Londonderry, Northern Ireland, BT48 6HL.
8. Clayton Hotel Belfast, 22 Ormeau Avenue, Belfast, Northern Ireland, BT2 8HS.
9. Maldron Hotel Wexford, Ballindinas, Barnstown, Wexford.
10. Clayton Hotel Ballsbridge, Merrion Road, Ballsbridge, Dublin 4.

11. Maldron Hotel Newlands Cross, Naas Road, Dublin 22.
12. Clayton Hotel Dublin Airport, Stockhole Lane, Swords, Co. Dublin.
13. Clayton Hotel Leopardstown, Central Park, Leopardstown, Dublin 18.
14. Clayton Hotel Manchester Airport, Outwood Lane, Woodhouse Park, Manchester M90 4HL.
15. Clayton Hotel Leeds, City Walk, Sweet Street, Leeds LS11 9AT.
16. Clayton Crown Hotel, London, 142-152 Cricklewood, Broadway, Brent, London NW2 3ED.
17. Clayton Hotel Chiswick, 626 Chiswick High Road, London W4 5RY.
18. Clayton Hotel Silver Springs, Tivoli, Cork.
19. Clarion Hotel, Lapps Quay, Cork, Ireland.
20. Tara Towers Hotel, Merrion Road, Dublin 4.
21. Clarion Hotel, Ballinode, Clarion Road, Sligo.
22. Development Site at Charlemont Mall, Charlemont Street, Dublin 2.
23. Partially completed hotel at Beasley Street, Cork.
24. Development Site at Kevin Street, Dublin 2.
25. Clarion Hotel Limerick, Steamboat Quay, Limerick.

(together, the “**Properties**” and “**Property**” shall be construed accordingly)

Instruction

In accordance with our engagement letter dated 20 June 2016 we have considered the Properties listed above in order to provide the Addressees with our opinion of value of the freehold/freehold equivalent interests, and leasehold interests held in the Properties.

**Purpose of Valuation
 (“The Purpose”)**

We understand that this Valuation Report is required (i) to confirm to the directors of the Company the Market Value as at 20 June 2016 of the Properties and (ii) for inclusion in a prospectus (within the meaning of Article 3 of Directive 2003/71/EC (as amended) to be published by the Company (the “Prospectus”) in connection with the introduction of 182,966,666 Ordinary Shares to the primary listing segment of the Official List of the Irish Stock Exchange and the Official List of the FCA (by way of a Standard Listing) and to trading on the Main Markets of the Irish Stock Exchange and the London Stock Exchange.

We authorise and consent to the inclusion of this Valuation Report or extracts thereof together with references to Savills and such Valuation Report or extract (i) in the Prospectus; (ii) in any shareholder communication to be issued by the Company in relation to Admission; (iii) in relation to any announcement documentation

to be issued by the Company in relation to Admission; and (iv) in respect of any investor presentations in relation to Admission, provided this Valuation Report or any extract thereof shall not be published in such material until such time as we have approved the form and context in which the Valuation Report and extract appears (such approval not to be unreasonably withheld or delayed). Savills further authorise and consent to the Valuation Report being made available for inspection in accordance with Commission Regulation (EC) No 809/2004 (as amended).

Valuation Date

20 June 2016 for all Properties. We have valued the Properties as at 20 June 2016 (based on the inspections of the Properties undertaken on the inspection dates set out in this Valuation Report), and the Company has confirmed to us that there have been no material changes to the physical attributes of the Properties or the nature of their location between the date of our inspection of the Properties and the date of this Valuation Report 20 June 2016.

Compliance with Valuation Standards

The Valuation Report has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Professional Standards January 2014 published in November 2013 and effective from 6 January 2014 (the "RICS Red Book").

We confirm that this Valuation Report was prepared for a Regulated Purpose as defined in the RICS Red Book.

We confirm that we have sufficient current local and national knowledge of the particular market in which the Properties are located, and have the skills and understanding to undertake valuations of the Properties competently.

Status of Valuer

In preparing this Valuation Report we have acted as external valuers and an independent expert for the purposes of paragraph 130 (i) of the ESMA Recommendations.

Valuer

The Properties have been valued by a Valuer who is qualified for the purpose of the valuation in accordance with the RICS Red Book.

Assumptions

The Properties we have valued are briefly described in the Schedule attached to this Valuation Report.

Each Property has been valued individually and not as part of a portfolio. No allowance has been made for any possible discount or premium which may apply for a bulk portfolio sale.

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings including ground and groundwater contamination – as set out below in the "Scope of Work and Sources of Information and Valuation Assumptions" section of this Valuation Report below.

If any of the information or assumptions upon which the valuations in our Valuation Report are based is subsequently found to be incorrect, the valuation figures in this Valuation Report may also be incorrect, and we reserve the right to amend the valuations contained herein if appropriate.

Variation from Standard Assumptions

We understand that the Maldron Hotel Limerick is held under an occupational lease by the Company and that Fonteyn Property

Holdings No.2 Limited (FPHL2), a group company within the Company group structure, acquired the debt and the benefit of the security package (including security over the legal and beneficial interest in the Maldron Hotel Limerick) (the Security Package).

As FPHL2 (the debt owner) and the tenant are group companies of the Company we understand and assume that under the terms of the Security Package FPHL2 has the ability to acquire the freehold interest in the Maldron Hotel Limerick at any time. On this basis and as instructed we have disregarded the current occupational lease and have made the Special Assumption that vacant possession is readily available at a cost that would not materially impact on the value reported.

For the purposes of our valuation we have assumed that this information is correct, but reserve the right to amend our valuation accordingly if it is shown to be incorrect.

Independence

The total fees, earned in 2015 by Savills from the Company (or other companies forming the same group of companies) is less than 5% of the total Irish revenues earned by Savills in the financial year 2014.

We confirm that Savills does not have an interest in the Company or the Properties.

We do not consider there to be any conflict of interest in us preparing this Valuation Report and the Company has confirmed to us that it also considers this to be the case.

Disclosures

In April 2016, Savills Commercial (Ireland) Limited were instructed to provide valuation advice in respect of the subject Properties to The Governor and Company of the Bank of Ireland acting as agent and security trustee on behalf of the lenders, The Governor and Company of the Bank of Ireland, Allied Irish Banks p.l.c., Barclays Bank Ireland p.l.c. & Ulster Bank Ireland Limited.

Savills Commercial (Ireland) Limited were the selling Agents in respect of the Tara Towers Hotel, Merrion Road, Dublin 4, and the Clarion Hotel, Ballinode, Clarion Road, Sligo. Both acquisitions were completed in Q1 2016.

End of year valuations were carried out by Savills Advisory Services Limited in December 2015 (finalised in February 2016) on 19 of the subject Properties. Interim Valuations were carried out by Savills Advisory Services Limited in June 2015 on 18 of the subject Properties. These exercises were for Accounts Purposes.

Valuations as at 30th June 2015 on 18 of the subject Properties were carried out for the purpose of inclusion in the Firm Placing and Placing and Open Offer prospectus dated 10 September 2015 which was issued by Savills Advisory Services Limited in connection with a transaction (the Capital Raise).

In December 2014, Savills Commercial (Ireland) Limited provided valuation advice in respect of 17 of the subject Properties to The Governor and Company of the Bank of Ireland acting as agent and security trustee on behalf of the lenders, The Governor and

Company of the Bank of Ireland, Allied Irish Banks p.l.c. & Ulster Bank Ireland Limited.

Savills Commercial (Ireland) Limited brokered the freehold sale of Maldron Hotel Parnell Square in Q2 2014. Savills Development Land Department acted for the vendor & Savills Hotels & Leisure Department for the buyer (the Company).

Market Value

FREEHOLD/LONG LEASEHOLD – 23 PROPERTIES

We are of the opinion, subject to the Assumptions detailed herein, that the aggregate of the Market Values as at the Valuation Date of the good and marketable freehold/long leasehold interests held in the 23 Properties is as follows:

€673,347,294 (six hundred and seventy three million, three hundred and forty seven thousand, two hundred and ninety four Euro).

LEASEHOLD – 2 PROPERTIES

We are of the opinion, subject to the Assumptions detailed herein, that the Market Value as at the Valuation Date of the good and marketable leasehold interest held in the 2 properties, is as follows:

€65,130,856 (sixty five million, one hundred and thirty thousand, eight hundred and fifty six Euro).

<i>No.</i>	<i>Property Address</i>	<i>Tenure</i>	<i>Market Value (EUR) As at 20th June 2016</i>	<i>Market Value (GBP) As at 20th June 2016</i>
1	Maldron Hotel Parnell Square, Dublin	Freehold	€29,300,000	
2	Maldron Hotel Limerick*	Occupational Leasehold	€4,000,000	
3	Maldron Hotel Pearse Street, Dublin	Freehold	€29,200,000	
4	Clayton Hotel Galway	Freehold	€17,800,000	
5	Clayton Whites Hotel Wexford	Freehold/Long Leasehold	€15,000,000	
6	Maldron Hotel Sandy Road Galway	Freehold	€10,775,000	
7	Clayton Hotel Silver Springs, Cork	Freehold	€8,100,000	
8	Maldron Hotel Derry	Freehold	€5,815,832	£4,500,000
9	Clayton Hotel Belfast	Freehold	€21,324,717	£16,500,000
10	Clayton Hotel Ballsbridge, Dublin	Freehold	€87,000,000	
11	Maldron Hotel Newlands Cross, Dublin	Freehold	€31,200,000	
12	Clayton Hotel Dublin Airport	Freehold	€92,900,000	
13	Clayton Hotel Leopardstown Dublin	Long Leasehold	€57,500,000	
14	Clayton Hotel Manchester Airport	Leasehold	€61,130,856	£47,300,000
15	Clayton Hotel Leeds	Freehold	€40,323,102	£31,200,000
16	Clayton Crown Hotel, London	Freehold	€29,854,604	£23,100,000
17	Clayton Hotel Chiswick, London	Freehold	€72,504,039	£56,100,000
18	Maldron Hotel Wexford	Freehold	€5,900,000	
19	Clarion Hotel, Lapps Quay, Cork	Freehold/Long Leasehold	€47,200,000	
20	Tara Towers Hotel, Merrion Road, Dublin 4	Freehold/Long Leasehold	€13,200,000	
21	Clarion Hotel, Clarion Road, Sligo	Freehold	€13,150,000	
22	Development Site at Charlemont Mall, Charlemont Street, Dublin 2	Freehold/Long Leasehold	€11,900,000	
23	Partially completed hotel at Beasley Street, Cork	Freehold/Long Leasehold	€10,300,000	
24	Development Site at Kevin Street, Dublin 2	Freehold	€8,100,000	
25	Clarion Hotel Limerick, Steamboat Quay, Limerick	Freehold	€15,000,000	

* Maldron Hotel Limerick has been valued making the Special Assumption that the freehold equivalent interest of the hotel with the benefit of vacant possession is readily available to the Company at a cost that would not materially impact on the value reported. See variation from Standard Assumptions above.

Our valuations set out in the above table are net of purchaser's costs but make no allowance for expenses of sale, which may be considerable, or liabilities to taxation (including VAT), which might arise on a disposal. No allowance is made for transfer costs in disposing of the hotel (whether payable by the vendor or purchaser) as these often depend on the manner in which the sale is conducted, nor for any interest, which might accrue prior to a disposal.

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole. Our opinion of Market Value is based upon the "Scope of Work, Sources of Information and Valuation Assumptions" section of this Valuation Report below.

Our opinions of value set out in this Valuation Report have been primarily derived using comparable recent market transactions, combined with a profits method of valuation, and discounted cash flow (DCF) method. We have cross checked the values on a price per bedroom based upon comparable evidence where available and also on a multiple (years purchase) against 2015 actual profits/EBITDA and 2016 forecasts for each property.

Where there are other commercial properties with a hotel, which are part of the demise but do not form part of the hotel trading business (e.g. retail and office units at Maldron Hotel Pearse Street, Dublin and Maldron Hotel Sandy Road Galway), we valued these commercial properties using the comparable and investment methods.

In respect of the undeveloped or part developed sites, we have used both the comparable and residual approaches to valuation in arriving at our opinions of value.

Before finally settling on a valuation figure for each Property, we have also relied upon our professional experience.

Where applicable, we have used an exchange rate of 0.77375 in converting Sterling to Euro.

Responsibility

For the purposes of Schedule 1 of the Irish Prospectus Regulations, we are responsible for our Valuation Report and we accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is, as at the date of the Valuation Report, in accordance with the facts and contains no omissions likely to affect its import into the Prospectus. With the exception of this Valuation Report, Savills does not accept any liability in relation to the information contained in the Prospectus or any other information provided by the Company or any other party in connection with Admission.

Reliance

This Valuation Report is for the use only of the parties to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents save as set out in the "Purpose" section above, to the extent permitted by law.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of this Valuation Report.

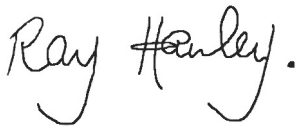
Publication

Neither the whole nor any part of our Report nor any references thereto may be included in any published document, circular or statement other than the Prospectus nor published in any way without our prior written approval of the form and context in which it will appear.

Any such publication of, or reference to this Valuation Report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the RICS Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully

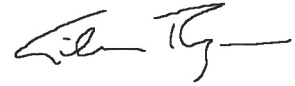
For and on Behalf of Savills Advisory Services (Ireland) Limited



Ray Hanley MRICS
RICS Registered Valuer
Head of Professional Services



Aidan Reynolds MRICS
RICS Registered Valuer
Divisional Director



Giles Furze MRICS
RICS Registered Valuer
Director Hotel Valuation

Property Valuation Schedule

<i>Property</i>	<i>Rooms</i>	<i>Ownership</i>	<i>Market Value (EUR)</i>	<i>Market Value (GBP)</i>	<i>Tenure</i>	<i>Comments</i>
Maldron Hotel, Parnell Square, Dublin 1, Ireland	129	100%	€29,300,000		Freehold interest	Three star hotel located at the junction with Dorset St Upper and Granby Row which is located off the west side of Parnell Square in Dublin 1.
Maldron Hotel*, Southern Ring Road, Roxboro, Limerick, Ireland	143	100%	€4,000,000		Occupational leasehold	Purpose built three star hotel located approximately 2 km south east of Limerick City Centre in Roxboro. Poor historic trading history.
Maldron Hotel, 98-107 Pearse Street, Dublin 2, Ireland	115	100%	€29,200,000		Freehold interest (subject to the occupational leases therein)	Three star hotel located on Pearse Street on the south side of Dublin city centre. Has undergone refurbishment. Includes 2 commercial properties and 51 basement car spaces.
Clayton Hotel, Old Monivea Road, Ballybrit, Galway, Ireland	195	100%	€17,800,000		Freehold interest	Four star hotel, located to the north east of Galway City at the junction of the N6 Dublin Road and the R339 Monivea Road.
Clayton Whites Hotel Wexford, Abbey Street, Wexford, Ireland	157	100%	€15,000,000		Freehold interest/Long leasehold interest	Four star hotel, located on Abbey Street, in the centre of Wexford Town, approx. 154 km south of Dublin City.
Maldron Hotel, Sandy Road, Galway, Ireland	104	100%	€10,775,000		Freehold Interest (subject to occupational leases therein)	A mixed use development comprising hotel, offices and vacant retail unit., situated approx. 1.4 km northeast of Galway city centre.
Clayton Hotel Silver Spring, Tivoli, Cork, Ireland	109	100%	€8,100,000		Freehold interest	Purpose built four star hotel, located 4.5km east of Cork City in an area known as the Silver Springs.
Maldron Hotel, Butcher Street, Derry, Northern Ireland, BT48 6HL	93	100%	€5,815,832	£4,500,000	Freehold interest	Purpose built four star hotel, located in the historic core of Derry City within the Derry City Walls and on the west bank of the River Foyle. Trading conditions are challenging.
Clayton Hotel, 22 Ormeau Avenue, Belfast, Northern Ireland, BT2 8HS	170	100%	€21,324,717	£16,500,000	Freehold interest	Four star Hotel located on Ormeau Avenue in central Belfast. The hotel is located in the main commercial area on the southern fringe of the city core

<i>Property</i>	<i>Rooms</i>	<i>Ownership</i>	<i>Market Value (EUR)</i>	<i>Market Value (GBP)</i>	<i>Tenure</i>	<i>Comments</i>
Clayton Hotel Ballsbridge, Merrion Road, Dublin 4, Ireland	304	100%	€87,000,000		Freehold interest.	304 bedroom hotel operates within an imposing Victorian building fronted by landscaped areas to the north east. Located in Ballsbridge, adjacent to the Royal Dublin Society in the business and embassy district of Dublin
Maldron Hotel, Newlands Cross, Naas Road, Dublin 22, Ireland	297	100%	€31,200,000		Freehold interest.	297 bedroom three star hotel, located on the Naas Road, beside the M50 junction 9 which provides road access to the south and west of Ireland.
Clayton Hotel Dublin Airport, Stockhole Lane, Swords, Co. Dublin, Ireland	469	100%	€92,900,000		Freehold interest.	469 bedroom purpose built four star hotel located near the M50, M1 and R139 junction in close proximity to Dublin airport.
Clayton Hotel Leopardstown, Central Park, Dublin 18, Ireland	354	100%	€57,500,000		Long leasehold interest	Purpose built four Star hotel providing 354 rooms, 12km north of the city centre.
Clayton Hotel Manchester Airport, Outwood Lane, Woodhouse Park, Manchester M90 4HL, UK	365	100%	€61,130,856	£47,300,000	Long leasehold interest (99 years commencing April 1986)	Four star, 365 bedroom hotel situated within the Manchester Airport site adjacent to Outwood Lane.
Clayton Hotel Leeds, City Walk, Sweet Street, Leeds, LS11 9AT, UK	334	100%	€40,323,102	£31,200,000	Freehold interest	Purpose built 334 bedroom four star hotel located fronting on to Sweet Street at its junction with Meadow Road (A653) on the south of Leeds city centre.
Clayton Crown Hotel, 142-152 Cricklewood Broadway, Brent, London, NW2 3ED, UK	152	100%	€29,854,604	£23,100,000	Freehold Interest.	152 bedroom four star hotel located in north west London in the London Borough of Barnet.
Clayton Hotel Chiswick, 626 Chiswick High Rd, London, W4 5RY, UK	227	100%	€72,504,039	£56,100,000	Freehold Interest	Four star hotel which was converted from an office building in 2006. A four storey extension was completed in 2016.
Maldron Hotel, Ballindinas, Barntown, Wexford, Ireland	108	100%	€5,900,000		Freehold Interest	Three star purpose built hotel located 4km west of Wexford Town.
Clarion Hotel, Lapps Quay, Cork, Ireland	198	100%	€47,200,000		Freehold/Long leasehold interest	The Clarion Hotel is a 198 bedroom, 4 Star Hotel on the northern side of Lapps Quay at its intersection with Clontarf Street.

<i>Property</i>	<i>Rooms</i>	<i>Ownership</i>	<i>Market Value (EUR)</i>	<i>Market Value (GBP)</i>	<i>Tenure</i>	<i>Comments</i>
Tara Towers Hotel, Merrion Road, Dublin 4, Ireland	111	100%	€13,200,000		Freehold Interest/Long leasehold interest	Tara Towers is a 111 bedroom, 3 Star Hotel located off Merrion Road, Dublin 4, adjacent to Elm Park Business Campus.
Clarion Hotel, Ballinode, Clarion Road, Sligo, Ireland	162	100%	€13,150,000		Freehold/Long leasehold interest	Four star hotel providing 162 bedrooms. Located approximately 1 km north of Sligo Town centre just off the Clarion Road.
Development Site at Charlemont Mall, Charlemont Street, Dublin 2, Ireland	n/a	100%	€11,900,000		Freehold Interest/Long Leasehold Title	Approx. 0.38 Ha (0.95 acre) site fronting onto Charlemont Street and Charlemont Mall. Benefits from FPP (subject to conditions) for 181 bedroom hotel, 3 residential apartments, and basement car parking.
Partially completed hotel at Beasley Street, Cork, Ireland	n/a	100%	€10,300,000		Freehold/Long leasehold interest	Partially completed hotel development. Benefits from FPP for 121 bedroom hotel to include spa/leisure centre and car parking.
Development Site at Kevin Street, Dublin 2, Ireland	n/a	100%	€8,100,000		Freehold Interest	Approx. 0.145 Ha (0.36 acre) site at the junction of Kevin Street Upper and New Street South. Benefits from FPP for 137 bedroom hotel and 23 basement car spaces.
Clarion Hotel Limerick, Steamboat Quay, Limerick, Ireland	158	100%	€15,000,000		Freehold Interest	Four star hotel providing 158 bedrooms and leisure centre. Located in the city centre overlooking the river.

* Maldron Hotel Limerick has been valued making the Special Assumption that the freehold equivalent interest of the hotel with the benefit of vacant possession is readily available to the Company at a cost that would not materially impact on the value reported. See variation from Standard Assumptions above.

Scope of Work, Sources of Information & Valuation Assumptions

Sources of Information

We have inspected the Properties, carried out all the necessary enquiries, and been provided with information by the Company and/or their Advisors which we have assumed to be correct and comprehensive and upon which we have relied in order to arrive at our opinion of Market Value. We have also relied upon the information which was made available on the Project View datasite as part of Project View sale (Moran Bewley's Hotel Group), which we have assumed also to be correct and comprehensive. If any of the information upon which the valuations in our Valuation Report are based is subsequently found to be incorrect, the valuation figures in this Valuation Report may also be incorrect, and we reserve the right to amend the valuations contained herein if appropriate.

We have sought legal and technical due diligence reports for each of the properties. Where available, we have reviewed these reports and have taken them into account for the purposes of this Valuation Report.

<i>Property</i>	<i>Report</i>	<i>Date</i>	<i>Prepared by</i>
Maldron Hotel, 98 – 107 Pearse Street, Dublin 2, Ireland	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	17/05/2016	Dalata
	Lease copies for Boyle Sports and Centra retail units	2014	A&L Goodbody
	Schedule of Accommodation	03/06/2016	Dalata
	Planning application details	12/05/2015	Dalata
	Floor plans for the property	Oct-14	Urban Innovations
	Details on acquisition of 103 Pearse Street	19/05/2015	Dalata
	Certificate of Title to include summary occupational lease details	2014	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
Maldron Hotel, Parnell Square, Dublin 1, Ireland	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Summary title details.	2014	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
Maldron Hotel, Southern Ring Road, Roxboro Limerick, Ireland	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata

<i>Property</i>	<i>Report</i>	<i>Date</i>	<i>Prepared by</i>
Clayton Hotel, Old Monivea Road, Ballybrit, Galway, Ireland	Planning application details	12/05/2015	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Floor plans for the property;	Dec-14	Arnold Leahy Architects
	Occupational Lease Report	Undated	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Desktop Study of Civil & Structural and Mechanical & Electrical Engineering Vendors Report	29/09/2014	KSN Project Management
Maldron Hotel, Sandy Road, Galway, Ireland	Certificate of Title	2015	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Copy Lease for Direct Marketing Technologies Limited	Undated	Unknown
	Floor plans (not to scale)	November 2004	O'Brien & Kaye
	Due Diligence Survey prepared by Healy Kelly Turner & Townsend in October 2014	Oct-14	Healy Kelly Turner & Townsend
	Summary title details.	2015	A&L Goodbody
Clayton Whites Hotel Wexford, Abbey Street, Wexford, Ireland	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Desktop Study of Civil & Structural and Mechanical & Electrical Engineering Vendors Report	Sep-14	KSN Project Management
	Certificate of Title.	15/06/2015	A&L Goodbody

<i>Property</i>	<i>Report</i>	<i>Date</i>	<i>Prepared by</i>
Maldron Hotel, Butcher Street, Derry, Northern Ireland, BT48 6HL	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Details on refurbishment works	03/06/2016	Dalata
	Due Diligence Survey of Tower Hotel, Derry	Aug-14	Healy Kelly Turner & Townsend
	Summary title details.	2014	A&L Goodbody
Clayton Crown Hotel, 142-152 Cricklewood Broadway, Brent, London, NW2 3ED, UK	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	A schedule of accommodation for the property;	03/06/2016	Dalata
	Floor plans for the property;	28/11/2014	Dataroom set up by Rothschild for Project view
	Summary title details	15/12/2014	Taylor Wessing
Clayton Hotel Chiswick, 626 Chiswick High Rd, London W4 5RY, UK	A summary of historic management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Summary title details	12/12/2014	Taylor Wessing
Clayton Hotel Manchester Airport, Outwood Lane, Woodhouse Park, Manchester M90 4HL, UK	A summary of historic management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Schedule of Accommodation	03/06/2016	Dalata
	Floor plans for the property;	28/11/2014	Dataroom set up by Rothschild for Project View
	Summary title details	15/12/2014	Taylor Wessing

<i>Property</i>	<i>Report</i>	<i>Date</i>	<i>Prepared by</i>
Clayton Hotel Leeds, City Walk, Sweet Street, Leeds, LS11 9AT, UK	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	A schedule of accommodation for the property;	03/06/2016	Dalata
	Floor plans for the property;	28/11/2014	Dataroom set up by Rothschild for Project View
	Summary title details	15/12/2014	Taylor Wessing
Clayton Hotel Silver Springs, Tivoli, Cork, Ireland	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Certificate of Title	16/06/2015	A&L Goodbody
Clayton Hotel Ballsbridge, Merrion Road, Dublin 4, Ireland	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	A schedule of accommodation for the property;	03/06/2016	Dalata
	Floor plans for the property;	28/11/2014	Dataroom set up by Rothschild for Project View
	Certificate of Title	19/06/2015	A&L Goodbody
Clayton Hotel Leopardstown, Central Park, Dublin 18, Ireland	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	A schedule of accommodation for the property;	03/06/2016	Dalata

<i>Property</i>	<i>Report</i>	<i>Date</i>	<i>Prepared by</i>
Maldron Hotel, Newlands Cross, Naas Road, Dublin 22, Ireland	Floor plans for the property;	28/11/2014	Dataroom set up by Rothschild for Project View
	Certificate of Title	19/06/2015	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	A schedule of accommodation for the property;	Most recent inspection	Savills
Clayton Hotel Dublin Airport, Stockhole Lane, Swords, Co. Dublin, Ireland	Floor plans for the property;	28/11/2014	Dataroom set up by Rothschild for Project View
	Certificate of Title	19/06/2015	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	A schedule of accommodation for the property;	Most recent inspection	Savills
Clayton Hotel, Belfast 22 Ormeau Avenue Belfast Northern Ireland BT2 8HS	Certificate of Title	22/06/2015	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Summary title details.	13/12/2014	A&L Goodbody
	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
Maldron Hotel, Ballindinas, Barntown, Wexford, Ireland	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata

<i>Property</i>	<i>Report</i>	<i>Date</i>	<i>Prepared by</i>
	Title overview and map	30/01/2015	Unknown
	Floor plans	Sep-02	Raymund Kelly architects
	Body & Soul Rental Agreement – Treatment Rooms	09/03/2015	Unknown
	Creche Rental Agreement	01/09/2014	Unknown
	Certificate of Title	15/06/2015	A&L Goodbody
Clarion Hotel, Lapps Quay, Cork, Ireland	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	December 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	March 2015 and May 2016	Dalata
	Certificate of Title	15/06/2016	A&L Goodbody
Tara Towers Hotel Merrion Road, Dublin 4, Ireland	A summary of historic hotel management accounts for the period 2010 to 2015, management accounts YTD May 2016, and budget for 2016.	March 2015 and May 2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	17/05/2016	Dalata
	Due diligence survey of Tara Towers Hotel dated December 2015	03/06/2016	Healy Kelly Turner & Townsend
	Certificate of Title	03/06/2016	A&L Goodbody
The Clarion Hotel, Ballinode, Clarion Road, Sligo, Ireland	Management accounts YTD May 2016, and budget for 2016.	17/05/2016	Dalata
	Summary details of historic and proposed capital expenditure (2016) at the property;	17/05/2016	Dalata
	Due diligence survey of the Clarion Hotel Sligo dated December 2015	03/06/2016	MGM Partnership
	Certificate of Title	03/06/2016	A&L Goodbody
Development Site at Charlemont Mall, Charlemont Street, Dublin 2, Ireland	Ordnance Survey Map with site boundaries outlined	03/06/2016	A&L Goodbody
	Copy of Planning Permissions and/or Planning Report	03/06/2016	Dalata
	Copy of scaled drawings and site plan for proposed scheme	17/06/2016	Dalata

<i>Property</i>	<i>Report</i>	<i>Date</i>	<i>Prepared by</i>
Partially completed hotel at Beasley Street, Cork, Ireland	Indicative build costs prepared by McAleer & Rushe	01/06/2016	Dalata
	Title Report	15/06/2016	A&L Goodbody
	Ordnance Survey Map with site boundaries outlined	03/06/2016	Dalata
	Copy of Planning Permissions and/or Planning Report	03/06/2016	Dalata
	Copy of scaled drawings and site plan for proposed scheme	17/06/2016	Dalata
	Indicative build costs prepared by Healy, Kelly, Turner & Townsend.	01/06/2016	Dalata
Development Site at Kevin Street, Dublin 2, Ireland	Title Report	15/06/2016	A&L Goodbody
	Ordnance Survey Map with site boundaries outlined	03/06/2016	Dalata
	Copy of Planning Permissions and/or Planning Report	03/06/2016	Dalata
	Copy of scaled drawings and site plan for proposed scheme	03/06/2016	Dalata
	Indicative build costs prepared by McAleer & Rushe	01/06/2016	Dalata
	Title Report	15/06/2016	A&L Goodbody
Clarion Hotel Limerick, Steamboat Quay, Limerick, Ireland	Management accounts YTD May 2016, and budget for 2016	08/06/2016	Dalata
	Certificate of Title	24/06/2016	A&L Goodbody
The Properties	Our Valuation Report contains a brief summary of the Property details on which the individual valuations have been based.		
Inspection	Savills have previously carried out inspections on 19 of the subject Properties between November 2014 and December 2015. As agreed we have re-inspected a selection of those properties. Unless otherwise informed, we are assuming that there have been no changes to the properties since our last inspections, which include the selection of properties which were re-inspected and those properties which were not re-inspected. We have inspected all new acquisitions since November 2015.		
	Each Property was inspected internally and externally. The following schedule outlines the date of inspection and Valuer who carried out the inspection;		

Property

<i>Ref:</i>	<i>Property</i>	<i>Valuer</i>	<i>Inspection Date</i>
1.	Maldron Hotel Parnell Square	Aidan Reynolds MRICS	27 November 2014
2.	Maldron Hotel Limerick	Denis O'Donoghue MRICS	25 May 2016
3.	Maldron Hotel Pearse Street	Aidan Reynolds MRICS	3 June 2016
4.	Clayton Hotel Galway	Aidan Reynolds MRICS	10 November 2015
5.	Clayton Whites Hotel Wexford	Aidan Reynolds MRICS	26 November 2014
6.	Maldron Hotel Sandy Road Galway	Aidan Reynolds MRICS	10 November 2015
7.	Clayton Hotel Silver Springs, Cork	Denis O'Donoghue MRICS	14 June 2016
8.	Maldron Hotel Derry	Aidan Reynolds MRICS	8 June 2015
9.	Clayton Hotel Belfast	Aidan Reynolds MRICS	8 June 2015
10.	Clayton Hotel Ballsbridge, Dublin	Aidan Reynolds MRICS	9 June 2016
11.	Maldron Hotel Newlands Cross, Dublin	Aidan Reynolds MRICS	3 June 2016
12.	Clayton Hotel Dublin Airport	Aidan Reynolds MRICS	3 June 2016
13.	Clayton Hotel Leopardstown, Dublin	Aidan Reynolds MRICS	27 November 2015
14.	Clayton Hotel Manchester Airport	David Elton MRICS	1 June 2016
15.	Clayton Hotel Leeds	David Elton MRICS	1 June 2016
16.	Clayton Crown Hotel, London	Giles Furze MRICS	1 June 2016
17.	Clayton Hotel Chiswick, London	Giles Furze MRICS	2 June 2016
18.	Maldron Hotel Wexford	Aidan Reynolds MRICS	7 May 2015
19.	Clarion Hotel, Lapps Quay, Cork	Denis O'Donoghue MRICS	8 September 2015
20.	Tara Towers Hotel, Dublin 4	Aidan Reynolds MRICS	26 May 2016
21.	Clarion Hotel, Clarion Road, Sligo	Aidan Reynolds MRICS	26 May 2016
22.	Development Site at Charlemont Mall,	Aidan Reynolds MRICS	26 May 2016
23.	Partially completed hotel at Beasley Street, Cork	Denis O'Donoghue MRICS	14 April 2015
24.	Development Site at Kevin Street, Dublin 2	Aidan Reynolds MRICS	10 June 2016
25.	Clarion Hotel Limerick, Steamboat Quay, Limerick	Denis O'Donoghue MRICS	14 June 2016

**Schedule of
Accommodation**

We have relied upon the schedules of accommodation (room count, food and beverage facilities, meeting rooms, etc) supplied to us by the Company which we have assumed to be correct and complete.

Areas

We have not measured the Properties and, where relevant, have relied upon floor areas provided to us by the Company.

**Environmental
Considerations**

We have not ourselves undertaken any environmental investigations for contamination or otherwise but, in the absence of any information to the contrary, we have assumed that:

- the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law;
- any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- the Properties are either not subject to flooding risk, or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value;
- there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties; and

- the Properties possess current Building Energy Rating Certificates as required under the EC Energy Performance of Building Regulations 2006 (Statutory Instrument SI 666 of 2006) of Ireland.

We would comment that in respect of the Clayton Hotel Silver Springs in Cork, there were environmental concerns raised in a report provided to us (specifically the presence of asbestos and Japanese knotweed). We recommend that the above findings and recommendations are fully Investigated and that thorough, current, and independent Building and Environmental Surveys are carried out on the subject property by appropriately qualified and experienced professionals, to include costings for any necessary removal works, timeframe to carry out same, and potential risks involved. When prepared, we will review and consider same. In the meantime, we reserve the right to amend our valuation pending receipt and review of these reports

Repair and Condition

As instructed, we have not carried out a building survey, nor have we tested any of the services. This Valuation Report is not a building survey and we therefore provide our Valuations on the assumption that the Properties are of sound design and construction, and free from inherent defects.

We have not inspected any covered or inaccessible areas, nor were any detailed inspections carried out of woodwork or structural members. We did not carry out any investigation to determine whether or not high alumina cement, calcium chloride additives, asbestos or other potentially deleterious or hazardous materials have been used in the construction of the Properties or have since been incorporated in the Properties.

In the absence of any information to the contrary, we have assumed that:

- the Properties are free from rot, infestation, structural or latent defect;
- no currently known deleterious or hazardous materials or suspect techniques (including, by way of example, high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos) have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the Property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

We would comment that in respect of the Clayton Hotel Galway, Clayton Whites Hotel Wexford and Maldron Hotel Wexford, there were building and structural concerns raised in reports provided to us. We would highlight that our valuations of these properties provide for a 4.0% (of total revenue of each hotel) furniture, fixtures and equipment allowance, which would be considered standard for hotels of this market position. We are assuming that these sums will provide sufficient capital to meet the items highlighted in the building and structural reports, as well as ongoing requirements in the short to medium term.

We do recommend however that the findings and recommendations in the building and structural reports are fully investigated and that thorough, current, and independent building and structural surveys are carried out on these Properties by appropriately qualified and experienced professionals to include costings for any necessary remedial works, timeframe to carry out same, and potential risks involved. When prepared, we will review and consider same. In the meantime, we reserve the right to amend our valuations pending receipt and review of these reports.

Services

We have assumed that all mains services are available to all of the Properties including electricity, water and sewage connections. We were not instructed to test services.

Town Planning

For the purpose of our valuation we have made the assumption that all of the Properties have full planning approval for their current use as at the Valuation Date, and have been constructed in accordance with local planning legislation and comply with all relevant statutes including planning, building and fire regulations.

We would comment that in respect of Clayton Whites Hotel Wexford, there were planning concerns raised in reports provided to us. However, in recent correspondence from Planning Consultants Coakley O'Neill Town Planning Ltd, we note that they consider "that the outstanding issues do not present a threat to the overall operation of the hotel and costs in resolving same would be limited to the payment of consultant fees and planning application fees."

Title, Tenures and Lettings Of the 25 subject Properties, 23 are assumed to be held freehold/long leasehold and 2 are held leasehold.

Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of the Company's legal advisor.

Unless disclosed to us to the contrary our Valuations are on the basis that the Properties possess good and marketable titles free from any unusual encumbrances, restrictions or obligations that would affect value.

In respect of any occupational leases, in the absence of any information to the contrary, we have assumed that:

- all rent reviews are to be assessed by reference to full current market rents;
- there are no tenant's improvements that will materially affect our opinion of the rents that would be obtained on review or renewal;
- tenants will meet their obligations under their leases, are responsible for insurance and payments of business rates and are responsible for all repairs, whether directly or by means of a service charge;
- there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

- where appropriate, permission to assign the interest being valued therein would not be withheld by the landlord, where required;
- vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- stamp duty will apply at the rate currently applicable in Ireland (and UK where applicable)

We have not conducted credit enquiries on the financial status of any third party tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

Third Party Agreements

We are aware of a number of mobile phone masts on the roofs of the properties. It has been confirmed to us that income from masts is accounted for centrally by Dalata (the Company) and not included in the trading information of the Properties.

In addition, we are also aware of some areas within a number of properties which are held under licence or lease agreements e.g. treatment rooms and creche.

We recommend that the above matters concerning occupational agreements should be verified by your solicitors and other professional advisors. Any material discrepancies revealed during their verification should be referred back to us to enable us to review our Valuation.

Capital Values

Each valuation has been prepared on the Basis of 'Market Value' in accordance with the RICS Red Book published by the Royal Institution of Chartered Surveyors as follows:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.'

Each asset has been valued as a fully fitted and operational hotel property, and having regard to its trading potential.

No allowance has been made of any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the Properties have been considered free and clear of all mortgages or other charges which may be secured thereon.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital based government or European Community grants.

VPGA 9 Valuations in markets susceptible to change: certainty and uncertainty

The RICS Red Book – VPGA 9 – directs us to identify a situation where a reduced level of certainty should be attached to our valuations.

The outcome of the referendum on 23 June 2016 is now known – the United Kingdom will leave the EU on terms and at a date which, as yet, are unknown. The uncertainty around the outcome and the resulting decision to leave the EU had led to general political and financial uncertainty, the effect of which on the Irish and UK hotel market, and Irish and UK property market generally, is as yet unclear.

In view of this, we have less confidence than usual in the probability of our valuation coinciding exactly with the price achieved were there a sale and recommend that our valuations are kept under constant review. We also recommend that specific marketing advice is obtained should you wish to effect a disposal.

PART 9

TAXATION

1. Irish Taxation

The following is a general summary of the main Irish tax considerations applicable to certain Irish investors who are the beneficial owners of Ordinary Shares and is based on existing Irish law and practice in effect on the date of this Prospectus. Legislative, administrative or judicial changes may modify the tax consequences described below. The statements do not constitute tax advice and are intended only as a general guide. Furthermore, this information applies only to Ordinary Shares held as capital assets and does not apply to certain categories of Shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes and Shareholders who have, or who are deemed to have, acquired their Ordinary Shares by virtue of an office or employment. This summary is not exhaustive and prospective purchasers should consult their own tax advisers as to the tax consequences in Ireland, or other relevant jurisdictions of the purchase, ownership and disposition of the Ordinary Shares.

1.1 *Capital Gains Tax*

A holder of Ordinary Shares who is either resident or ordinarily resident in Ireland, or who holds such shares for the purposes of a trade carried on by an Irish branch or agency should be subject to Irish Capital Gains Tax on the disposal of Ordinary Shares. The rate of capital gains tax in Ireland is currently 33 per cent. An individual is entitled to a small gains exemption annually whereby currently the first €1,270 of an individual's chargeable gain is exempt.

A holder of Ordinary Shares who is neither resident nor ordinarily resident in Ireland should not be subject to Irish Capital Gains Tax on the disposal of Ordinary Shares provided that such holder does not hold the Ordinary Shares for the purposes of a trade carried on by an Irish branch or agency. Notwithstanding this, a holder who is an individual and who is temporarily a non-resident of Ireland may under anti-avoidance legislation still be liable to Irish taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs).

1.2 *Capital Acquisitions Tax*

Irish capital acquisitions tax ("CAT") is a tax on gifts, inheritances and on discretionary trusts. CAT could apply to a gift or inheritance of Ordinary Shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because Ordinary Shares are regarded as property situated in Ireland as the register of members of the Company is held in Ireland. The person who receives the gift or inheritance has primary liability for CAT.

CAT is levied at a rate of 33 per cent. above certain tax-free thresholds. The appropriate tax-free threshold is dependent upon: (i) the relationship between the donor and the donee; and (ii) the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same group threshold. Gifts and inheritances passing between spouses are exempt from CAT.

1.3 *Stamp Duty*

A transfer or sale of Ordinary Shares (including a transfer effected through CREST) will (unless an exemption or relief is available) generally be liable to Irish stamp duty at the rate of 1 per cent. of the consideration paid or, in the case of a gift or where the purchase price is inadequate or unascertainable, the market value of the Ordinary Shares being transferred. The person acquiring the Ordinary Shares is liable for the stamp duty. However, in the case of a gift or a transfer at undervalue, all parties to the transfer are liable for the duty. To avoid interest and penalties, stamp duty should be paid within 30 days after the transfer is first executed.

1.4 ***Tax on Dividends paid on Ordinary Shares***

Distributions made by the Company are generally subject to dividend withholding tax (“DWT”) in Ireland at the standard rate of income tax (currently 20 percent). Where DWT applies, the Company is responsible for withholding DWT at source and forwarding the relevant payment to the Irish Revenue. A dividend for Irish DWT purposes includes any distribution made by the Company to its shareholders, including a cash dividend, non-cash dividend and additional shares that are received in lieu of a cash dividend.

DWT is not payable where an exemption applies provided that the Company or a relevant qualifying intermediary (the qualifying intermediary from whom the dividend is received (“Relevant Qualifying Intermediary”)) has received all necessary documentation required by the relevant legislation from the shareholder prior to payment of the dividend.

Irish resident holders of Ordinary Shares who are individuals are liable to Irish income tax, universal social charge and levies on the gross dividend at their marginal rate of tax. The gross dividend is the dividend received plus DWT withheld by the Company. Irish resident individual shareholders are generally entitled to a credit for the DWT deducted against their income tax liability and to have refunded to them any amount by which DWT exceeds such income tax liability provided that they furnish the statement of DWT suffered to the Revenue Commissioners in Ireland.

Irish resident holders of Ordinary Shares which are companies are generally exempt from Irish tax on dividends received from the Company. If an Irish resident corporate shareholder is a close company, as defined under Irish legislation, it may, in certain circumstances, be liable to a 20 per cent. investment income surcharge.

Non-Irish resident holders of Ordinary Shares are, unless entitled to exemption from DWT, liable to Irish income tax on dividends received from the Company. However, the DWT deducted by the Company discharges such liability to Irish income tax provided that they furnish the statement of DWT suffered to the Revenue Commissioners in Ireland. Where a non-resident shareholder is entitled to exemption from DWT, and furnishes the appropriate declarations, then no Irish income tax arises.

2. United Kingdom Taxation

The following statements are intended only as a general guide to the position under current United Kingdom law (as expected to be in force following the enactment of Finance (No. 2) Bill 2016 which is currently progressing through Parliament) and Her Majesty’s Revenue & Customs published practice as at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. They do not constitute tax advice and relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders and apply only to persons who are resident (and, in the case of an individual, resident and domiciled) in the United Kingdom for United Kingdom tax purposes and who are the absolute beneficial owners of both the Ordinary Shares and any dividends paid on them. In addition, the summary (i) only addresses the tax consequences for holders who hold the Ordinary Shares as capital assets; (ii) does not address the tax consequences which may be relevant to certain other categories of holders, for example, dealers, charities, registered pension schemes, insurance companies, collective investment schemes, or persons who acquire Ordinary Shares in connection with their employment; (iii) assumes that the holder does not control or hold directly or indirectly, either alone or together with one or more associated or connected persons, 10 per cent. or more of the shares and/or voting power of the Company; (iv) assumes that there will be no register in the United Kingdom in respect of the Ordinary Shares and that the sole register will be maintained in Ireland; and (v) assumes that the Ordinary Shares will not be paired with shares issued by any company incorporated in the United Kingdom.

Any person who is in any doubt as to his tax position should consult his own professional adviser.

2.1 *Taxation of capital gains*

A disposal of Ordinary Shares by a Shareholder who is resident in the UK may, subject to the Shareholder's circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

UK resident Shareholders within the charge to corporation tax on chargeable gains will be subject to UK corporation tax (current rate 20 per cent., reducing to 19 per cent. with effect from 1 April 2017 and then to 17 per cent. with effect from 1 April 2020) but indexation allowance should be available to reduce the amount of any chargeable gain realised on a disposal of Ordinary Shares (but not to create or increase any loss).

For UK resident Shareholders who are subject to capital gains tax, such as individuals, trustees and personal representatives, an annual exemption is available, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,100 for individuals for the tax year 2016-2017. Capital gains tax chargeable will be at the current rate of 10 percent (for basic rate income taxpayers) and 20 percent (for higher and additional rate income taxpayers) during the tax year 2016-2017.

A Shareholder who is not UK resident will generally not be subject to UK tax on a gain arising on a disposal of Ordinary Shares, except that such a Shareholder may be subject to UK tax on a gain arising on such a disposal if (i) the Shareholder carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and, broadly, holds the Ordinary Shares for the purposes of the trade, profession or vocation; or (ii) the Shareholder falls within the anti-avoidance rules applying to individuals who are temporarily not resident in the UK.

A UK resident individual Shareholder who is non-UK domiciled may, subject to various conditions (including, in some circumstances, the payment of an annual charge), elect to be taxed on the remittance basis, with the result that any capital gain arising on a disposal of Ordinary Shares may only be subject to capital gains tax when it is treated as having been remitted to the UK.

Detailed UK tax advice should be obtained before considering whether to adopt the remittance basis of UK taxation.

2.2 *Stamp Duty and Stamp Duty Reserve Tax*

No UK stamp duty or UK SDRT will be payable by a Shareholder on the allotment, issue or registration of the Ordinary Shares. Since the Company is incorporated outside of the UK no SDRT should apply to agreements to transfer the Ordinary Shares provided that the Ordinary Shares are not registered on any register kept in the UK and are not paired with shares issued by a body corporate incorporated in the UK.

Legal instruments transferring the Ordinary Shares should not be within the scope of UK stamp duty provided that such instruments are executed outside of the UK and do not relate to any matter or thing done or to be done in the UK. Where such an instrument is chargeable to stamp duty in both the UK and Ireland and has been duly stamped in one of those countries it is deemed to be stamped in the other country up to the amount of duty it bears but must be stamped for any excess.

The above comments are intended as a guide to the general UK stamp duty and SDRT position. Special rules apply to persons such as market intermediaries, charities, persons connected with depositary arrangements or clearance services and to certain sale and repurchase and stock borrowing arrangements.

The above statements are intended as a general guide to the current position. Certain categories of person are not liable to stamp duty or SDRT, and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

2.3 *Taxation of dividends*

No UK tax will be withheld by the Company when it pays a dividend. A UK resident Shareholder's liability to UK taxation on dividends from the Company will depend on their circumstances. The following paragraphs are based on the assumption that dividend on Ordinary Shares paid to a UK resident Shareholder should not be subject to deduction of DWT in practice, and so does not address the UK tax treatment of such deductions. Changes are being introduced in Finance (No. 2) Bill 2016 concerning the position of UK resident individual shareholders, which take effect on 6 April 2016. The following paragraphs are based on the expectation that such changes will be fully implemented.

Individual shareholders

With effect from 6 April 2016, the dividend tax credit is abolished and a new 0% rate for dividend income received by UK resident individuals is implemented, as well as changes to the rates of tax for dividend income. A new nil rate will apply to the first £5,000 of an individual's dividend income and will be available annually (the "**Dividend Allowance**").

The rates of income tax for dividends received above the Dividend Allowance on or after 6 April 2016 are proposed to be:

- 7.5% for dividend income within the basic rate income tax band
- 32.5% for dividend income within the higher rate income tax band
- 38.1% for dividend income within the additional rate income tax band

The Dividend Allowance applies to the first £5,000 of a UK resident individual's taxable dividend income and is in addition to the provisions for Individual Savings Accounts and the tax-free annual income tax personal allowance.

Corporate Shareholders

A UK resident corporate Shareholder is, in principle, subject to corporation tax on any dividend received from the Company, (current rate 20 per cent., reducing to 19 per cent. with effect from 1 April 2017 and then to 17 per cent. with effect from 1 April 2020), but subject to possible exemption under the rules for the taxation of corporate distributions depending on whether the dividend falls within qualifying exempt classes. Where a dividend paid by the Company is treated as exempt from UK corporation tax under the dividend exemption, the holder will not be entitled to claim relief by way of credit in the United Kingdom in respect of any tax paid by the holder under the laws of Ireland, either directly or by deduction, in respect of that dividend. Shareholders are advised to seek specific tax advice on this when completing their UK corporation tax returns.

Remittance basis taxpayers

A UK resident individual Shareholder who is non-UK domiciled can, subject to various conditions (including, in some circumstances, the payment of an annual charge), elect to be taxed on the remittance basis, with the result that any dividend received from the Company may be subject to income tax only when it is treated as having been remitted to the UK. This is a complex area of UK taxation and specific detailed advice should be obtained before taking any action in this regard.

Any person who is in any doubt as to his tax position should consult his own professional adviser.

PART 10

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and the Directors, whose names and functions are set out in Part 3 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

2. INFORMATION ON THE GROUP

Incorporation and principal place of business

The Company was incorporated in Ireland with registered number 534888 on 4 November 2013 as a company limited by shares under the name Rockmelon p.l.c. On 15 January 2014 it changed its name to Dalata Hotel Group p.l.c.

The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder. The liability of the Company's members is limited to the amounts, if any, unpaid on the shares issued to them.

The Company is domiciled in Ireland. The registered and head office of the Company is at 4th Floor, Burton Court, Burton Hall Drive, Sandyford, Dublin 18, Ireland (telephone number 353 1 206 9400) and the Company's website is www.dalatahotelgroup.com.

The financial year end of the Company is 31 December.

KPMG, whose address is 1 Stokes Place, St. Stephen's Green, Dublin 2, are the auditor to the Group. KPMG is authorised by the Institute of Chartered Accountants of Ireland.

Organisational Structure

The Company is the holding company of the Group and has the following subsidiaries, all of which are directly or indirectly 100 per cent. owned by it:

<i>Company name</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
DHGL Limited	DHGL Limited is a holding company for the Group's operating companies. It is the employer in respect of the Group's central office staff (circa 70 people). DHGL Limited provides certain services to the Group and charges for services and costs incurred in accordance with the principles of the Group's transfer pricing policy.	Ireland
Dalata Limited	Dalata Limited is a holding company for a number of the Group's hotel operating companies (Hanford Commercial Limited, Anora Commercial Limited, Ogwell Limited, Caruso Limited and CI Hotels Limited). Prior to a reorganisation of the Group structure in 2011, Dalata Limited was the Group's holding company. Dalata Limited is also the sole shareholder of Loadbur Limited.	Ireland

<i>Company name</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
Dalata Management Services Limited	Dalata Management Services Limited provides hotel management services to third party asset owners in the Republic of Ireland.	Ireland
Dalata Support Services Limited	Dalata Support Services Limited is the contracting entity in respect of the majority of third party supply contracts entered into by the Group for the supply of goods and services to the hotels operated by the Group. Dalata Support Services Limited receives revenue through commission on these contracts.	Ireland
Hanford Commercial Limited	Hanford Commercial Limited is a hotel operating company which operates three hotels directly, namely the Clayton Hotel Cardiff Lane, the Maldron Hotel Wexford and the Maldron Hotel Limerick and properties in Youghal. Hanford Commercial Limited is also the sole shareholder in two subsidiary companies: Ogwell Limited and Caruso Limited (which are also hotel operators).	Ireland
Anora Commercial Limited	Anora Commercial Limited is a hotel operating company which operates two hotels directly, namely the Maldron Hotel Smithfield and the Maldron Hotel Parnell Square. Anora Commercial Limited is also the sole shareholder in CI Hotels Limited (which is also a hotel operator).	Ireland
Ogwell Limited	Ogwell Limited is the operator of the Maldron Hotel Cork.	Ireland
Caruso Limited	Caruso Limited is the operator of the Maldron Hotel Galway (Oranmore).	Ireland
CI Hotels Limited	CI Hotels Limited is the operator of the Maldron Hotel Portlaoise.	Ireland
Dalata UK Limited	Dalata UK Limited is the holding company for the Group's business in the UK and is the provider of hotel management services in respect of properties located in the UK	United Kingdom
Dalata Cardiff Limited	Dalata Cardiff Limited is the operator of the Clayton Hotel Cardiff.	United Kingdom
Tulane Business Management Limited	Tulane Business Management Limited is a hotel operating company which operates three hotels directly, namely the Ballsbridge Hotel, the Maldron Hotel Tallaght and the Maldron Dublin Airport Hotel.	Ireland
Fonteyn Property Holdings Limited	Fonteyn Property Holdings Limited provides hotel management services to third party asset owners in the Republic of Ireland.	Ireland
Fonteyn Property Holdings No. 2 Limited	The principal activity of Fonteyn Property Holdings No. 2 Limited is trading in distressed debt. The Group acquired debt in 2013, where the landlord had provided security over the Maldron Hotel Limerick. The benefit of this security is now held by the Group as the landlord has defaulted on his obligations.	Ireland

<i>Company name</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
Loadbur Limited	Loadbur Limited operated/traded. It is the holding company for the property associated with Maldron Hotel Wexford.	Ireland
Pillo Hotels Limited	Pillo Hotels Limited provides hotel management services to third party asset owners in the Republic of Ireland.	Ireland
Amelin Commercial Limited	Amelin Commercial Limited is the operator of Clayton Whites Hotel Wexford.	Ireland
Carasco Management Limited	Carasco Management Limited is the operator of the Clayton Hotel Galway.	Ireland
Suvanne Management Limited	Suvanne Management Limited is the operator of the Maldron Hotel Pearse Street.	Ireland
Lintal Commercial Limited	Lintal Commercial Limited is the operator of the Maldron Hotel Sandy Road, Galway.	Ireland
Bernara Commercial Limited	Bernara Commercial Limited is a property investment company for the commercial property adjacent to the Maldron Hotel Pearse Street.	Ireland
DHG Belfast Limited	DHG Belfast Limited is the operator of the Clayton Hotel Belfast.	United Kingdom
DHG Derry Commercial Limited	DHG Derry Commercial Limited is the property holding company of the Maldron Hotel Derry.	United Kingdom
DHG Derry Limited	DHG Derry Limited is the trading company for the Maldron Hotel Derry.	United Kingdom
Swintron Limited	Swintron Limited is the holding company for a number of the Group's operating companies (Candlevale Limited, Heartside Limited, Palaceglen Limited, Pondglen Limited and Songdale Limited).	Ireland
Trackdale Limited	Trackdale Limited is the operator of the Clayton Hotel Chiswick, London.	United Kingdom
Islandvale Limited	Islandvale Limited is the operator of the Clayton Crown Hotel, London.	United Kingdom
Crescentbrook Limited	Crescentbrook Limited is the operator of Clayton Hotel Leeds.	United Kingdom
Hallowridge Limited	Hallowridge Limited is the operator of Clayton Hotel Manchester Airport.	United Kingdom
Candlevale Limited	Candlevale Limited is the operator of Maldron Hotel Newlands Cross, Dublin.	Ireland
Heartside Limited	Heartside Limited is the operator of Clayton Hotel Ballsbridge.	Ireland
Palaceglen Limited	Palaceglen Limited is the operator of Clayton Hotel Silver Springs.	Ireland
Pondglen Limited	Pondglen Limited is the operator of Clayton Hotel Leopardstown.	Ireland

<i>Company name</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
Songdale Limited	Songdale Limited is the operator of Clayton Hotel Dublin Airport.	Ireland
DHG Arden Limited	DHG Arden Limited is the operator of Clarion Hotel Sligo	Ireland
DHG Barrington Limited	DHG Barrington Limited is the holding company for the site at Kevin Street, Dublin 2.	Ireland
DHG Cordin Limited	DHG Cordin Limited is the holding company of the Clarion Hotel Limerick	Ireland
Bayvan Limited	Bayvan Limited is the operator of Tara Towers Hotel Dublin.	Ireland
Leevlan Limited	Leevlan Limited is the holding company for the part-completed property on Beasley Street, Cork.	Ireland
DS Charlemont Limited	DS Charlemont Limited is the holding company for the development site on Charlemont Street, Dublin.	Ireland
Cavernford DAC	Cavernford DAC is the intermediate holding company for the leases of the Croydon Park Hotel, London and The Gibson Hotel Dublin	Ireland
Sparrowdale Limited	Sparrowdale Limited is the intermediate holding company for the lease of The Gibson Hotel Dublin.	Ireland
Galsay Limited	Galsay Limited is the operator of The Gibson Hotel Dublin.	Ireland
Vizmol Limited	Vizmol Limited is the intermediate holding company for the leases of the Clarion Hotel Cork and the Clarion Hotel Limerick.	Ireland
Merzolt Limited	Merzolt Limited provides management services to third party owners.	Ireland
Adelka Limited	Adelka Limited is the property holding company of the Clarion Hotel Cork.	Ireland
Kasterlee UK Limited	Kasterlee UK Limited is the operator of the Croydon Park Hotel London.	United Kingdom
Cenan BV	Cenan BV is a financing company for UK entities.	Netherlands
DHG Brunswick Limited	DHG Brunswick Limited is the operator for the hotel planned at the site on Brunswick Street, Belfast.	United Kingdom

3. SHARE CAPITAL

The authorised, issued and fully paid or credited as fully paid share capital of Dalata Hotel Group p.l.c. as at 31 December 2015 (being the date of the most recent balance sheet included in the historical financial information) is as follows:

<i>Class</i>	<i>Authorised number</i>	<i>Nominal value</i>	<i>Issued and fully paid up number</i>	<i>Nominal value aggregate</i>
Ordinary Shares	10,000,000,000	€0.01	182,966,666	€1,829,666

3.1 *Authorised and Issued Share Capital*

Between the date of incorporation of the Company and 31 December 2015 (being the date of the most recent balance sheet included in the historical financial information), there have been the following changes in the authorised and issued share capital of the Company:

Authorised Share Capital

- (a) On incorporation, the authorised share capital of the Company was €100,000,000 divided into 100,000,000 Ordinary Shares of €1 each.
- (b) On 20 February 2014, the authorised but unissued 99,960,095 Ordinary Shares of €1 each in the capital of the Company were subdivided into 9,996,009,500 Ordinary Shares of €0.01 each.
- (c) On 20 February 2014, the issued 25,966 Ordinary Shares of €1 each registered in the name of Davy Property Holdings were subdivided into 2,596,600 Ordinary Shares of €0.01 each.
- (d) On 20 February 2014, the issued 12,669 Ordinary Shares of €1 each registered in the name of TVC Holdings p.l.c. were subdivided into 1,266,900 Ordinary Shares of €0.01 each.
- (e) On 20 February 2014, the issued 1,266 Ordinary Shares of €1 each registered in the name of Patrick McCann were subdivided into 126,600 Ordinary Shares of €0.01 each.
- (f) On 20 February 2014, 1 issued Ordinary Share of €1 registered in the name of Dermot Crowley and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.
- (g) On 20 February 2014, 1 issued Ordinary Share of €1 registered in the name of Stephen McNally and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.
- (h) On 20 February 2014, 1 issued Ordinary Share of €1 registered in the name of Stephen Clarke and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.
- (i) On 20 February 2014, 1 issued Ordinary Share of €1 each registered in the name of Sean McKeon and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.

Accordingly, at the 31 December 2015 (being the date of the most recent balance sheet included in the historical financial information) the authorised share capital of the Company is €100,000,000 divided into 10,000,000,000 Ordinary Shares of €0.01 each.

Issued Share Capital

- (a) On incorporation, the issued share capital of the Company was €7 divided into 7 Ordinary Shares of €1 each credited as fully paid.
- (b) On 1 January 2014, the issued share capital of the Company was €7 divided into 7 Ordinary Shares of €1 each credited as fully paid.
- (c) On 28 January 2014, the seven shares in issue in the Company were transferred to the following parties: (i) one share of €1 each was transferred to Pat McCann; (ii) one share of €1 each was transferred to Dermot Crowley; (iii) one share of €1 each was transferred to Sean McKeon; (iv) one share of €1 each was transferred to Stephen Clarke; (v) one share of €1 each was transferred to TVC Holdings plc; (vi) one share of €1 each was transferred to Davy Property Holdings; and (vi) one share of €1 each was transferred to Stephen McNally.
- (d) On 14 February 2014, the Company allotted and issued 39,898 Ordinary Shares of €1 each to the shareholders of the Company, namely 25,965 Ordinary Shares were issued to Davy Property Holdings, 12,668 Ordinary Shares were issued to TVC Holdings plc and

1,265 Ordinary Shares were issued to Pat McCann and the shares were credited as fully paid up.

- (e) On 20 February 2014, the issued 25,966 Ordinary Shares of €1 each registered in the name of Davy Property Holdings were subdivided into 2,596,600 Ordinary Shares of €0.01 each.
- (f) On 20 February 2014, the issued 12,669 Ordinary Shares of €1 each registered in the name of TVC Holdings p.l.c. were subdivided into 1,266,900 Ordinary Shares of €0.01 each.
- (g) On 20 February 2014, the issued 1,266 Ordinary Shares of €1 each registered in the name of Patrick McCann were subdivided into 126,600 Ordinary Shares of €0.01 each.
- (h) On 20 February 2014, 1 issued Ordinary Share of €1 registered in the name of Dermot Crowley and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.
- (i) On 20 February 2014, 1 issued Ordinary Share of €1 registered in the name of Stephen McNally and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.
- (j) On 20 February 2014, 1 issued Ordinary Share of €1 each registered in the name of Stephen Clarke and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.
- (k) On 20 February 2014, 1 issued Ordinary Share of €1 registered in the name of Sean McKeon and held on trust for Davy Property Holdings was subdivided into 100 Ordinary Shares of €0.01 each.
- (l) On 20 February 2014, the Company acquired the entire issued share capital of DHGL Limited in consideration of the issue by the Company of 9,500 Ordinary Shares of €0.01 each in the capital of the Company to the shareholders of DHGL Limited. The shares were issued and paid up in full.
- (m) On 21 February 2014, the DHGL Limited novated (i) €20,471,985 9% fixed rate non-convertible loan notes issued to Davy Property Holdings; (ii) €9,986,332 9% fixed rate non-convertible loan notes issued to TVC Holdings plc; and (iii) €998,635 9% fixed rate non-convertible loan notes issued to Pat McCann to the Company. The terms of the loan notes provided that immediately upon admission of the Company's share to the ESM or AIM, the outstanding loan notes plus interest would be converted into shares in the capital of the Company.
- (n) On 13 March 2014, Davy Property Holdings transferred 2,596,600 Ordinary Shares of €0.01 each to Davycrest Nominees.
- (o) On 13 March 2014, each of Dermot Crowley, Stephen McNally, Stephen Clarke and Sean McKeon entered into declarations of trust with Davycrest Nominees in respect of the 100 issued Ordinary Shares of €1 each registered in each of their names and previously held on trust for Davy Property Holdings as set out in (h) to (k) above.
- (p) On 19 March 2014, the Company allotted and issued an aggregate of 106,000,000 Ordinary Shares of €0.01 each pursuant to the Initial Placing and in connection with the initial admission, raising gross proceeds of approximately €265 million and issued 12,000,000 Ordinary Shares of €0.01 to the holders of the loan notes referred to in paragraph (l) above, resulting in an increase in the number of Ordinary Shares in issue to 122,000,000. On 31 December 2014, the issued share capital of the Company was €1,220,000 divided into 122,000,000 Ordinary Shares of €0.01 each credited as fully paid.
- (q) On 3 February 2015, the Company allotted and issued an aggregate of 18,300,000 Ordinary Shares of €0.01 each pursuant to the MB Vendor Placing and pursuant to the MB Cash Placing,

raising gross proceeds of approximately €50.3 million and resulting in an increase in the number of Ordinary Shares in issue to 140,300,000.

- (r) On 6 October 2015, the Company allotted and issued an aggregate of 42,666,666 Ordinary Shares of €0.01 each pursuant to the Firm Placing and Placing and Open Offer, raising gross proceeds of approximately €160 million and resulting in an increase in the number of Ordinary Shares in issue to 182,966,666.

The Company currently has only one class of share in issue, namely Ordinary Shares. It has not issued any preference shares in the Company.

The following is a reconciliation of the number of issued Ordinary Shares from 1 January 2015 to 31 December 2015 (being the date of the most recent balance sheet included in the historical financial information):

<i>Date</i>	<i>Description</i>	<i>Issued Share Capital</i>
1 January 2015	Issued Share Capital of 122,000,000	122,000,000
3 February 2015	The Company allotted and issued an aggregate of 18,300,000 Ordinary Shares of €0.01 each pursuant to the MB Vendor Placing and pursuant to the MB Cash Placing	140,300,000
6 October 2015	The Company allotted and issued an aggregate of 42,666,666 Ordinary Shares of €0.01 each pursuant to the Firm Placing and Placing and Open Offer	182,966,666

3.2 *Reorganisation of the Group*

In preparation for the initial admission, the Group undertook certain corporate organisational steps to reorganise the Group's corporate structure (the "Reorganisation"). The Reorganisation involved the former holding company of the Group, DHGL Limited becoming a wholly owned subsidiary of the Company. To give effect to the Reorganisation, on 20 February 2014 the Company entered into a share exchange agreement with the former shareholders of DHGL Limited, namely Pat McCann, TVC Holdings p.l.c. and Davy Properties Holdings whereby those shareholders agreed to transfer the entire issued share capital in DHGL Limited to the Company in return for the issue of new shares in the Company.

The Reorganisation also involved the novation of certain loan notes held by Davy Property Holdings, TVC Holdings p.l.c. and Pat McCann (the "Noteholders") to the Company. The loan notes comprised €31,496,850 9% fixed rate loan notes which were originally constituted by Dalata Limited by instrument dated 7 August 2007 (the Loan Notes). On 21 February 2014, the Company and each of the Noteholders respectively entered into certain deeds of novation whereby the Company agreed to assume and perform all of issuer's obligations under and in respect of the Loan Notes. On 21 February 2014, the Company and the Noteholders amended the terms of the Loan Notes to provide that upon and subject to the initial admission all amounts of the principal amount outstanding under the Loan Notes were automatically converted into an agreed number of Ordinary Shares.

3.3 On 14 March 2014 the Shareholders passed resolutions as follows:

Ordinary Resolution

That the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company for the purposes of Section 20 of the Companies (Amendment) Act, 1983 to allot relevant securities (within the meaning of Section 20 of the said Act) up to an aggregate nominal amount of €1,506,667 inclusive of approximately 33.3% of the aggregate nominal value of the issue share capital of the Company immediately following initial admission. The authority hereby conferred shall expire at close of business on the later of: (i) 14 March 2015; and (ii) on the date of the next annual general meeting following initial admission, unless previously varied, revoked or renewed, provided that the Company may before such expiry make an offer or agreement which would or might

require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power hereby conferred had not expired.

Special Resolution

That the Directors be and are hereby empowered pursuant to Section 23 and Section 24(1) of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of the said Section 23) for cash pursuant to the authority conferred on the directors by resolution 1 above as if Section 23(1) of the said Act did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with any rights issue in favour of ordinary shareholders (other than those holders with registered addresses outside the State to whom an offer would, in the opinion of the directors, be impractical or unlawful in any jurisdiction) and/or any persons having a right to subscribe for or convert securities into ordinary shares in the capital of the Company (including without limitation any holders of options under any of the Company's share option schemes for the time being) where the equity securities respectively attributable to the interests of such ordinary shareholders or such persons are proportionate (as nearly as may be) to the respective number of ordinary shares held by them or for which they are entitled to subscribe or convert into, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any regulatory requirements, legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise; and
- (b) the allotment of the Initial Placing Shares being the equity securities to be issued by the Company (other than pursuant to any such issue as referred to in paragraph (a) above) under and in accordance with the Initial Placing Agreement and the Existing Shareholder and Board/SMT Offer; and
- (c) the allotment of such aggregate number of equity securities (other than pursuant to any such issue as is referred to in paragraphs (a) or (b) above) the aggregate nominal value of which shall not exceed five percent (5%) of the aggregate nominal value of the issued ordinary share capital in the Company immediately following the initial admission,

and such power (unless otherwise specified in such special resolution or varied or abrogated by special resolution passed at an intervening extraordinary general meeting) shall expire at the earlier of: (i) the date of the next annual general meeting of the Company after the date of adoption of these Articles or (ii) 31 August, 2015, unless previously varied, revoked or renewed, provided that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

3.4 On 28 April 2015 the Shareholders passed resolutions as follows:

Ordinary Resolution

That the Directors be and are hereby generally and unconditionally authorised pursuant to Section 20 of the Companies (Amendment) Act 1983 (and, from its commencement, Section 1021 of the Companies Act 2014) to exercise all the powers of the Company to allot relevant securities within the meaning of Section 20 of the Companies (Amendment) Act 1983 (and, from its commencement, Section 1021 of the Companies Act 2014) up to an aggregate nominal value of €462,990, representing, as at 2 April 2015, approximately 33% of the aggregate nominal value of the issued share capital of the Company (excluding treasury shares). The authority hereby conferred shall commence at the time of the passing of this Resolution and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or on the date which is 15 calendar months after the date of passing this Resolution, whichever is earlier, provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Special Resolutions

That, subject to and conditional upon the above resolution being duly passed, pursuant to Section 23 and Section 24(1) of the Companies (Amendment) Act, 1983 (and, from the commencement of Sections 1022 and 1023(3) of the Companies Act 2014) the Directors be and are hereby empowered to allot equity securities (within the meaning of Section 23 of the Companies (Amendment) Act, 1983 and, from the commencement within the meaning of Section 1023(1) of the Companies Act 2014) for cash as if Section 23 of the Companies (Amendment) Act, 1983 did not apply to any such allotment (and from its commencement, as if Section 1022(1) of the Companies Act 2014 did not apply to any such allotment), such power to be effective from the time of passing of this Resolution or on the date which is 15 calendar months after the date of passing this Resolution, whichever is earlier, and such power being limited to:

- (a) the allotment of equity securities in connection with any offer of securities, open for a period fixed by the Directors, by way of rights issue, open offer or otherwise in favour of the holders of Ordinary Shares and/or any persons having a right to subscribe for securities in the capital of the Company (including, without limitation, any person entitled to options under any of the Company's share option scheme or share incentive plans then in force) and subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems (including dealing with any fractional entitlements) under the laws of, or the requirements of any regulatory body or stock exchange in, any territory; and
- (b) the allotment of equity securities up to a maximum aggregate nominal value of 5% of the issued share capital of the Company as at the close of business on 2 April 2015.

3.5 On 27 April 2016 the Shareholders passed resolutions as follows:

Ordinary Resolution

That the Directors be and are hereby generally and unconditionally authorised, pursuant to Section 1021 of the Companies Act 2014, to exercise all of the powers of the Company to allot and issue all relevant securities of the Company (within the meaning of Section 1021 of the Companies Act 2014) up to an aggregate nominal amount of €603,790 representing 33% of the aggregate nominal value of the issued share capital of the Company as at 25th March 2016. The authority hereby conferred shall commence at the time of the passing of this Resolution and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or the date which is 15 calendar months after the date of passing this Resolution (whichever is earlier) unless and to the extent that such power is renewed, revoked, or extended prior to such date; provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the power conferred by this Resolution had not expired.

Special Resolutions

Subject to and conditional upon the above resolution being duly passed, pursuant to Sections 1022 and 1023(3) of the Companies Act 2014 the Directors be and are hereby empowered to allot equity securities (within the meaning of Section 1023(1) of the Companies Act 2014) for cash as if Section 1022(1) of the Companies Act 2014 did not apply to any such allotment, such power to be effective from the time of passing of this Resolution and shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution or the date which is 15 calendar months after the date of passing this Resolution (whichever is earlier) unless and to the extent that such power is renewed, revoked, or extended prior to such date; and such power being limited to:

- (a) the allotment of equity securities in connection with any offer of securities, open for a period fixed by the Directors, by way of rights issue, open offer or other invitation to or in favour of the holders of ordinary shares and/or any persons having a right to subscribe for equity securities in the capital of the Company (including, without limitation, any person entitled to options under any of the Company's share option scheme or share incentive plans then in force)

where the equity securities respectively attributable to the interests of such holders are proportional (as nearly as may reasonably be) to the respective number of equity securities held by them and subject thereto by way of placing or otherwise of any securities not taken up in such issue or offer and subject further to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems (including dealing with any fractional entitlements and/or arising in respect of any overseas shareholders) under the laws of, or the requirements of any regulatory body or stock exchange in, any territory; and/or

- (b) the allotment of equity securities up to a maximum aggregate nominal value of €91,483, which represents 5% of the issued share capital of the Company as at the close of business on 25th March 2016.
- 3.6 No share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- 3.7 Save for the issue of shares in respect of the LTIP as set out in section 10 of this Part 10, the Company has no present intention to issue shares either, fully or partially paid up for cash or otherwise any shares in the capital of the Company or any of its subsidiaries.
- 3.8 No persons have preferential subscription rights in respect of any authorised but unissued share or loan capital of the Company or any of its subsidiaries.
- 3.9 The Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue.
- 3.10 The ISIN number of the Company's securities is IE00BJMZDW83.

4. THE ORDINARY SHARES

The principal legislation under which the Ordinary Shares are created is the Companies Act and the regulations made thereunder.

The Ordinary Shares are in registered form and are capable of being held in certificated and uncertificated form. The registrars of the Company are Computershare Investor Services (Ireland) Limited.

The ISIN number of the Ordinary Shares is IE00BJMZDW83.

The Ordinary Shares are denominated in Euro.

A summary of the Articles of Association of the Company including the provisions concerning the rights attaching to the Ordinary Shares, is set out in section 5.2 of this Part 10.

5. CONSTITUTION

The following is a summary of the Constitution of the Company which was adopted by the Company on 27 April 2016. Any Shareholder requiring further detail than that provided in the summary is advised to consult the Constitution of the Company which is available on the Company's website.

(<http://dalatahotelgroup.dalata.hugodev.com/wp-content/uploads/2015/04/Amended-Memorandum-Articles-of-Dalata-Hotel-Group-plc-0415.pdf>)

5.1 *Memorandum of Association*

The Memorandum of Association enables the Company to carry on business of a holding company, and amongst other things the business of hotel operators, managers, contractors, property owners and developers and other associated trades, services and facilities connected with the foregoing. The objects of the Company are set out in clause 3 of the Memorandum of Association.

5.2 *Articles of Association*

Issuing Shares

Subject to the provisions of the Companies Act, and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or as the Directors may determine pursuant to any power conferred on them by the Articles.

Subject to the Articles and to the provisions of the Companies Act, the unissued shares of the Company (whether forming part of the original or any increased capital) are at the disposal of the Board (or any committee thereof). On the allotment and issue of any shares, the Directors may impose restrictions on the transfer or disposal of such shares as may be considered by the Directors to be in the best interests of the Company.

Pre-emption rights in respect of equity offerings for cash under the Companies Act may be disapplied by shareholder resolution. See section 3.3 of this Part 10 in respect of certain shareholder resolutions that have disapplied pre-emption rights for Shareholders in certain circumstances.

5.2.1 *Lien and Forfeiture*

The Company has a first and paramount lien on every share (not being a fully paid share) for all monies payable to the Company (whether presently payable or not) in respect of that share. Subject to the terms of allotment, the Board of the Company may make calls on the Shareholders in respect of any monies unpaid on their shares. The Board may give not less than 14 clear days' notice requiring payment of the amount due. If a payment is not made when due and payable, the person from whom such amount is due shall be liable to pay interest on the amount unpaid from the day it became due until it is paid (at the rate fixed by the terms of the allotment or in the notice of the call, or at an appropriate rate (as defined by the Companies Act) if no such rate is fixed). If that notice is not complied with, a further notice (giving a further 14 clear days' notice) may be sent by the Board. If this further notice is not complied with, any share in respect of which it was sent may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board. The forfeiture shall include all dividends or other monies payable in respect of the forfeited share which are outstanding in respect of the forfeited share.

A forfeited share may be disposed of or sold in such manner as the Director's think fit and at any time before such sale or disposition, the forfeiture may be cancelled. A person whose shares have been forfeited shall cease to be a member in respect of such forfeited shares.

5.2.2 *Variation of Share Capital and Variation of Rights*

The Company from time to time by ordinary resolution may increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

Consolidation, sub-division and cancellation of capital: The Company, by ordinary resolution, may consolidate and divide all or any of its share capital into shares of larger amount; subject to the provisions of the Companies Act, subdivide its shares, or any of them, into shares of smaller amount, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived (and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have, as compared with the others, any such preferred, deferred or other rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares); or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled.

The Company, by special resolution, may reduce its share capital, any capital redemption reserve fund or any share premium account in any manner subject to certain procedures and restrictions set out in legislation. Unless otherwise provided by the terms of issue and without prejudice to the rights attached to any preference share to participate in any return of capital, the rights, privileges, limitations and restrictions attached to any preference share shall be deemed not to be varied, altered or abrogated by a reduction in any share capital ranking as regards participation in the profits and assets of the Company *pari passu* with or after that preference share.

Subject to the provisions of the Companies Act, whenever the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

5.2.3 *Ordinary Shares*

Ordinary Shares carry a right to attend and vote at any general meeting of the Company, a right to participate in a winding up and a right to receive a dividend.

5.2.4 *Preference Shares*

Preference shares may be issued with such rights and privileges (save as for voting rights), and subject to such restrictions and limitations, as the Directors of the Company shall determine in the resolution approving the issue of such Preference Share.

5.2.5 *Redeemable Shares*

Subject to the provisions of the Companies Act, any shares (whether preference shares or otherwise) may be issued on the terms that they are, at the option of Company, liable to be redeemed on such terms and in such manner as the Company may, by special resolution, determine. In addition, subject to the provisions of the Companies Act, the Company is authorised to redeem (on such terms as may be contained in, or be determined pursuant to the Articles or a special resolution of the Company) any share or shares which has or have been converted into a redeemable share or redeemable shares in accordance with the Companies Act.

5.2.6 *Transfer of Shares*

Subject to such of the restrictions of the Articles and to such of the conditions of issue of transfer as may be applicable, the shares of any Shareholder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. Title to any shares in the Company may be evidenced without a share certificate or certificates, and title to any shares in the Company may be transferred by means of a computer-based system and procedure (or any other appropriate system and procedures) which, *inter alia*, enable title to shares to be transferred without a written instrument, in each case in accordance with regulations made from time to time under the 1996 Regulations and the Companies Act or in accordance with any other statutory provisions or regulations having similar effect. The instrument of transfer of any share shall be executed by or on behalf of the transferor. The transferor shall be deemed to remain the Holder of the share until the name of the transferee is entered in the register in respect thereof.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register:

1. any transfer of a share which is not fully paid;

2. any transfer to or by a minor or person who is adjudged by any competent court or tribunal, or determined in accordance with the Articles, not to possess an adequate decision making capacity;
3. any transfer by any person to whom a Transfer Notice (as defined in Article 5(f)(i) of the Articles) has been given under Article 5(f)(i) of the Articles; or
4. any share which is a Restricted Share (as defined in Article 66 of the Articles) under Article 66 of the Articles; or

provided that the refusal to register the transfer does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may decline to recognise any instrument of transfer unless:

1. the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (save where the transferor is a stock exchange nominee (as defined in Article 1 of the Articles));
2. a proper instrument of transfer has been delivered to the Company; or
3. the instrument of transfer is in respect of once class of share only.

The Directors may decline to register any transfer of shares in uncertificated form only in such circumstances as may be permitted or required by the CREST Regulations.

5.2.7 *US Holders*

The Directors may refuse to register a transfer of shares in the capital of the Company if the transfer is in favour of any person, as determined by the Directors (in their absolute discretion), to whom a sale or transfer of shares, or whose direct, indirect or beneficial ownership of shares, may (i) cause the Company to be required to register as an “investment company” under the US Investment Company Act or to lose an exemption or status thereunder to which it might otherwise be entitled; (ii) cause the Company to have to register under the US Exchange Act or any similar legislation; (iii) cause the Company not to be considered a “foreign private issuer” as such term is defined in rule 3b-4(c) under the US Exchange Act; (iv) result in a person holding shares in the Company in violation of the transfer restrictions set forth in any offering memorandum published by the Company, from time to time; or (v) otherwise result in the Company incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar obligation or disadvantage. In addition, if it comes to the notice of the Company that any shares are owned directly, indirectly or beneficially by any Non-Qualified Holder, the Board may, under the Articles, serve a notice upon such Non-Qualified Holder requiring such Non-Qualified Holder to transfer the Ordinary Shares to an eligible transferee within 14 days of such notice; and, if the obligation to transfer is not met, the Company may compulsorily transfer the Ordinary Shares in a manner consistent with the restrictions set forth in the Articles.

5.2.8 *Dividends and other Distributions*

Subject to the provisions of the Companies Act, the Company by ordinary resolution may declare dividends in accordance with the respective rights of the Shareholders, but no dividend shall exceed the amount recommended by the Directors.

Subject to the provisions of the Companies Act, the Directors may, if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of any dividend specified by the ordinary resolution. The additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully-paid

ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend.

The entitlement of each Shareholder to new ordinary shares shall be, as nearly as possible (in the Directors' absolute discretion) equal to (but no greater than) the cash amount of the dividend which each Shareholder agrees to forego.

The Directors may exclude from any offer any Shareholders where the Directors believe that making such an offer would or might contravene the laws of any territory or for any other reason.

Subject to the provisions of the Companies Act, the Directors may declare and pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may declare and pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but subject always to any restrictions for the time being in force (whether under the Articles of Association, under the terms of issue of any shares, or under any agreement to which the Company is a party or otherwise) relating to the application, or the priority of application, of the Company's profits available for distribution or to the declaration or as the case may be the payment of dividends by the Company. Subject as aforesaid, the Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank in priority for dividend as from a particular date, such share shall rank in priority for dividend accordingly. For the purposes of the payment of dividends, no amount paid on a share in advance of calls shall be treated as paid on a share.

If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other monies payable on or in respect of the share.

Any dividend may at the discretion of the Directors and at the sole risk of the person or persons entitled thereto be paid in any currency and in such manner as may be approved by the Directors from time to time.

The Directors may deduct from any dividend or other moneys payable to any member in respect of a share any monies presently payable by him to the Company in respect of that share.

A general meeting declaring a dividend may direct, upon the recommendation of the Directors, that it shall be satisfied wholly or partly by the distribution of assets (and, in particular, of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution.

Any dividend or other moneys payable in respect of any share may be paid (whether in Euro or any other currency) by cheque or warrant sent by post, or by electronic payment method which the Board may from time to time decide, in each case at the risk of the person or persons entitled thereto, to the registered address of the holder or, where there are joint holders, to the registered address of that one of the joint holders who is first named on the Register or to such person and to such address as the holder or joint holders may in writing direct.

No dividend or other moneys payable by the Company on or in respect of any shares shall bear interest against the Company unless otherwise provided by the rights attached to the shares.

The Shareholders at a general meeting may vote to direct, upon the recommendation of the Directors, that dividends be paid wholly or partly by the distribution of assets (and, in particular, of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways).

Subject to a resolution of the Directors, any dividend which has remained unclaimed for 12 years shall too be forfeited and cease to remain owing by the Company. Any dividend, interest or other sum payable which remains unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

Before recommending any dividends, preferential or otherwise, the Directors may carry to reserve out of the profits of the Company such sums as they think proper.

5.2.9 *General Meetings*

The Company shall hold in each year a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. Not more than 15 months shall elapse between the date of one annual general meeting and that of the next. The Directors may convene general meetings. Extraordinary general meetings may also be convened on such requisition, or in default may be convened by such requisitionists, and in such manner as may be provided by the Companies Act. All general meetings of the Company shall be held in Ireland unless otherwise determined by ordinary resolution of the members.

No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy shall be a quorum.

Subject to the provisions of the Companies Act, an annual general meeting or an extraordinary meeting for the passing of a special resolution shall be called on at least 21 clear days' notice whilst all other extraordinary general meetings shall be called by at least 14 clear days' notice.

The business of the annual general meeting shall include amongst other matters (i) the consideration of the Company's financial statements and the reports of the Directors and auditors therein; and (ii) the review by the shareholders of the Company's affairs.

5.2.10 *Voting Rights*

Votes may be given either personally or by proxy. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person and every proxy shall have one vote, so, however, that no individual shall have more than one vote, and on a poll every member shall have one vote for every share carrying voting rights of which he is the holder. The Chairman shall be entitled to a casting vote where there is an equality of votes.

Where there are joint holders of a share, the vote of the senior joint holder shall be accepted to the exclusion of the votes of the other joint holder.

A member who is adjudged by any competent court or tribunal or determined in accordance with the Articles to not possess an adequate decision making capacity or a member who has made an enduring power of attorney or in respect of whom a court order has been made concerning mental disorder may vote by his committee, receiver, guardian, done of an enduring power of attorney or other person appointed by the court. Unless the Directors determine otherwise, no member shall be entitled to vote at a general meeting or any separate meeting of holders of any class of share unless all monies payable in respect of such share have been paid.

Every member entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on their behalf. The appointment of a proxy must be notified to the Company not less than 48 hours before the relevant meeting of the Company.

Resolutions are categorised as either ordinary or special resolutions. The essential difference between an ordinary resolution and a special resolution is that a bare majority of more than 50% of the votes cast by members voting on the relevant resolution is required for the passing of an ordinary resolution, whereas a qualified majority of more than 75% of the votes cast by members voting on the relevant resolution is required in order to pass a special resolution. Matters requiring a special resolution include for example:

- altering the objects of the Company;
- altering the articles of association of the Company and/or the rights attaching to any of its shares; and
- approving a change of the Company's name.

5.2.11 *Distribution of Assets on Winding Up*

In the event that the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up, or credited as paid up, share capital, the assets shall be distributed so that, as nearly as may be, the losses will be borne by the members in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the shares held by them respectively. If, however, the assets available for distribution among the members are more than sufficient to repay the whole of the share capital as paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said share held by them respectively.

5.2.12 *Untraced Shareholders*

The Company may sell any shares in the Company on behalf of a holder of such shares, or person entitled by transmission to such shares, if, during the previous 12 years:

1. at least three cash dividends have become payable on the shares;
2. no cash dividend payable on the shares has been claimed;
3. the Company has not received at any time during the relevant period any communication, so far as the Company at the end of the relevant period is then aware, from the holder of, or person entitled by transmission to, the shares;
4. the Company has caused advertisements giving notice of its intention to sell the shares to be published in a leading daily Irish newspaper and another in a newspaper circulating in the area of the address shown in the register of the holder of, or person entitled by transmission to, the untraced shares, and (in either such case) a period of three months has elapsed from the date of publication of the advertisement; and
5. the relevant stock exchange has been notified of the proposed sale.

5.2.13 *Purchase of Own Shares*

Subject to and in accordance with the provisions of the Companies Act and without prejudice to any relevant special rights attached to any class of shares the Company may purchase all or any of its shares of any class so that any shares so purchased may be selected in any manner whatsoever and cancelled or held by the Company as treasury shares. The Company shall not make a purchase of shares in the company unless the purchase has first been authorised by a special resolution of the Company.

5.2.14 *Directors*

Unless otherwise determined by the Company in a general meeting, the number of Directors shall not be more than ten nor less than two. A Director is not required to hold shares in the Company. Two Directors present at a Directors' meeting shall be a quorum.

As at the date of this Prospectus, the Directors are as set out in Part 3 of this Prospectus. Any further Directors will be appointed pursuant to the Articles.

Under the Articles, at each annual general meeting of the Company one-third of the Directors are required to retire from office, and those required to retire are determined by reference to those longest in office since last re-appointment. Retiring Directors may be re-appointed.

No person other than a retiring Director may be appointed as a Director at any general meeting unless (i) such person has been recommended by the Directors or (ii) notice has been given to the Company by a voting member of the intention to propose a person for appointment as a director stating the particulars required to be included in the Company's register of Directors and the written consent of that person in respect of his willingness to be appointed not less than forty two nor more than sixty clear days before the date appointed for the meeting, provided that such notices are received by the Company in time to include details of the proposed director in the notice of general meeting.

Any Director of the Company who holds any executive office or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

The ordinary remuneration of the Directors shall be determined from time to time by the Board.

The Directors of the Company may provide benefits, whether by way of pensions, gratuities, or otherwise, for any Director, former Director or other officer or former officer of the Company, or to any person who holds or has held any employment with the Company or with any body corporate which is or has been a subsidiary or associated company of the Company or a predecessor in business of the Company or of any such subsidiary or associated company, and to any member of his family or any person who is or was dependent on him and may set up, establish, support, alter, maintain and continue any scheme for providing all or any of such benefits and for such purposes any Director accordingly may be, become or remain a member of, or rejoin, any scheme and receive and retain for his own benefit all benefits to which he may be or become entitled thereunder. The Directors of the Company may pay out of the funds of the Company any premiums, contributions or sums payable by the Company under the provisions of any such scheme in respect of any of the persons or class of persons above referred to who are or may be or become members thereof.

Subject to the provisions of the Companies Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof or in which the Company or any subsidiary or associated company thereof is otherwise interested;
- (b) may be a Director or other officer of, or employed by or provide services to or have an interest in any investment manager to the Company from time to time;
- (c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company or any subsidiary or associated company thereof is otherwise interested; and

- (d) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

A Director shall be entitled (in the absence of some other material interest than is indicated below) to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:

- (e) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
- (f) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (g) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (h) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the Holder of or beneficially interested in 1% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived) any such interest being deemed to be a material interest in all circumstances;
- (i) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval for taxation purposes by the appropriate Revenue authorities;
- (j) any proposal concerning the adoption, modification or operation of any scheme for enabling employees (including full time executive Directors if any) of the Company and/or any subsidiary thereof to acquire shares in the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits or may benefit; or
- (k) any proposal concerning the giving of any indemnity of the type referred to under the heading "Indemnity of Officers" in this section 6 of this Part 10 or the discharge of the cost of any insurance cover which the Directors propose to purchase or maintain for the benefit of persons (including Directors) pursuant to the Articles.

In the event of any question arising as to the entitlement of any Director to vote at a board meeting, the matter shall be decided by the chairman of the meeting.

The Company, by ordinary resolution of which extended notice of at least 28 days has been given in accordance with the provisions of the Companies Act, may remove any Director before the expiry of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director. This does not prevent such a person from claiming compensation or damages in respect of the termination.

5.2.15 Borrowing Powers

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof and, subject to the Companies Act, to issue debentures, debenture stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, without any limitation as to amount.

5.2.16 Indemnity of Officers

Subject to the provisions of, and so far as may be permitted by the Companies Act, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

5.2.17 Disclosure of Shareholder Interests

In addition to any other right or power under the Companies Act, the Directors may at any time and from time to time if, in their absolute discretion, they consider it to be in the interests of the Company to do so, give a notice to any member requiring such person(s) to notify the Company in writing within such period as may be specified in such notice of full and accurate particulars of his/its interest in Ordinary Shares held by the member and the nature of such interest. The Directors may (before or after the receipt of any written particulars) require any such particulars to be verified by statutory declaration.

If any member is in default in supplying to the Company the information required by the Company within the prescribed period or if the Company determines that the member has not complied with his obligations, the Directors in their absolute discretion may at any time following 14 days from the expiry of the prescribed period serve a restriction notice on the member. The restriction notice shall direct that in respect of the Ordinary Shares in respect of which the default has occurred, the member shall not be entitled to attend, speak or vote either personally, by representative or by proxy at any general meeting of the Company or at any separate general meeting of the class of shares concerned or to exercise any other right conferred by membership in relation to any such meeting. Where the shares in respect of which there has been a default represent at least 0.25 per cent. of the class of shares concerned, the restriction notice shall additionally direct that dividends or other amount payable on such shares will be withheld by the Company and that no transfer of those shares shall be registered until the default is rectified. A restriction notice may be cancelled in certain circumstances by the Directors.

Separately from the provisions in the Articles, the Companies Act makes provision for the disclosure of interests in shares in Irish public limited companies. The Companies Act requires notification of interests in, and changes in interests of, 3 per cent or more of the relevant share capital (or of any class of relevant share capital) of an Irish public limited company. The

notification obligation arises where there is a change in the percentage of shares in which a person has an interest from below to above the three per cent threshold, or from above to below that threshold, or where 3 per cent is exceeded both before and after the transaction but the percentage level, in whole numbers, changes (fractions of a percentage being rounded down to the next whole number). “Relevant share capital” is defined, broadly, as issued share capital carrying full voting rights.

The obligation to notify must be performed within the period of five clear business days from the date upon which the obligation arises. The notification to the relevant company must be in writing and must specify the share capital to which it relates; the number of shares comprised in that share capital in which the person making the notification knows he was interested immediately after the time when the obligation arose, or in a case where the person no longer has a notifiable interest in shares comprised in the share capital, state that he no longer has an interest; identify the notifier and give his address and, except where the notice is stating that the notifier no longer has a notifiable interest in the shares, give details of the registered holder of the shares and the number of shares held by such holder. Where a person fails to comply with the notification requirements described above, no right or interest of any kind whatsoever in respect of the shares concerned, held by such person, shall be enforceable by such person, whether directly or indirectly, by action or legal proceeding. However, such person may apply to the High Court of Ireland to have the rights attaching to the shares concerned reinstated.

The Listing Rules require a company whose shares are listed on the Main Markets to issue a notification without delay and in any event by then end of the business day following receipt of the information, of any information: (i) disclosed to it in respect of any relevant changes, being changes to the legal or beneficial interest, whether direct or indirect, to the holding of a significant shareholder (being a shareholder with 3 per cent. or more of the nominal value of any class of capital carrying voting rights to vote in all circumstances at general meetings of the company); and (ii) obtained by it or where it is apparent that an interest exists or has been increased or reduced or ceased to exist and should have been disclosed to the company but has not previously been disclosed.

6. DIRECTORS AND SENIOR MANAGEMENT

6.1 Directors

The Board comprises of the following non-executive and executive directors:

John Hennessy (Age 59) (*Non Executive Chairman*)

John Hennessy SC is a practising barrister, specialising in commercial, insolvency and company law and professional negligence.

He is a Chartered Director and is non-executive Chairman of CPL Resources p.l.c. He is also a non-executive director of H&K International Limited and sits on the boards of a number of voluntary and non-profit making organisations. John is a fellow of Chartered Accountants Ireland and of the Chartered Institute of Arbitrators. He is also an accredited mediator.

Pat McCann (Age 64) (*Chief Executive Officer*)

Pat started his career in the hotel business in 1969 with Ryan Hotels p.l.c. Having worked with Ryans Hotels p.l.c. in both Ireland and the UK he left the company in 1989 to join Jurys as General Manager of its flagship hotel in Dublin. He progressed within Jurys to become Operations Director of the company in 1994 and subsequently, had responsibility for the integration of the Doyle Hotel Group following the acquisition of that company by Jurys in 1999. In 2000, he became chief executive of Jurys Doyle, a position he held until 2006 when that company was acquired by a private consortium. Pat then worked as an independent hospitality and leisure consultant until August 2007 when the opportunity arose to become an initial promoter of Dalata.

Pat has held a number of non-executive positions within the hospitality and other industries, including state and public company entities. He was formerly a director of EBS Building Society and Greencore

Group p.l.c. In April 2011 he was appointed a director of Quinn International Property Management Limited by the share receiver. In July 2011 he was appointed a Director of Euro Care Healthcare Limited (private hospital) by the share receiver.

He has served as National President of the Irish Hotels Federation, was a Member of the National Tourism Council (Ireland) from 1996 to 1998, and a Member of the Irish Tourism Review Group (2003).

Stephen McNally (*Age 51*) (*Deputy Chief Executive Officer*)

Stephen completed his hotel studies in Rockwell Hotel and Catering School. He has extensive hotel experience having worked with Ramada Hotels in the UK and Germany, completing the Ramada management development programme, before joining Jurys in 1989. During his seventeen years with the company, which subsequently became Jurys Doyle, he managed the company's hotels in the UK and Ireland, and ultimately headed up operations for the entire hotel group, including its properties in the United States of America – a total of thirty-three properties. In August 2007 he became director and deputy chief executive of Dalata where he has overall responsibility for the Group's hotel operations.

Stephen served as National President of the Irish Hotels Federation from February 2014 to 2016.

Dermot Crowley (*Age 49*) (*Deputy Chief Executive Officer, Business Development and Finance*)

Dermot joined Dalata in 2012 where he has overall responsibility for business development and finance. He led the acquisition of the Moran Bewley's Hotel Group in February 2015. He also played a leading role in the IPO of the Company in March 2014 and the equity fundraising in September 2015. He is a fellow of Chartered Accountants Ireland. He previously worked with PricewaterhouseCoopers, Procter & Gamble, Forte Hotels and Renault Ireland, before joining Jurys Doyle Hotel Group p.l.c. as Head of Development from 2000 to 2006. From 2006 to 2012 he worked at Ion Equity on a number of transactions which included the establishment of Pillo Hotels.

Alf Smiddy (*Age 54*) (*Senior Independent Director*)

Alf is a chartered accountant by profession, having worked with PricewaterhouseCoopers in Cork and Dublin, and also in the Irish and international beverage and hospitality sector for over 25 years. He was Chairman & Managing Director of Beamish & Crawford p.l.c. in Ireland, and on the board of the UK division of its parent company, Scottish & Newcastle p.l.c. (a FTSE 100 company) until the takeover of the group for €12 billion by an international beverage conglomerate in 2008. He also served as a non executive director at T&S Taverns Ltd between 2009 and 2013.

He was Chairman of the CLGR in 2015. He is a director of a number of businesses across a range of sectors including financial services, marketing and technology, tourism and hospitality, agriculture and food, health and safety, and retail. He also runs his own company and works with leadership teams and boards in the private and public sectors in Ireland on organisational strategy, marketing and business development, financial management and human resource leadership.

He is a fellow of Chartered Accountants Ireland, a Fellow of the Irish Marketing Institute, and has a Masters in Executive Leadership from the University of Ulster and Boston College.

Robert Dix (*Age 63*) (*Non Executive Director*)

Robert was a partner in KPMG Ireland where he headed up the Transaction Services division until his retirement from the firm in 2008. He is currently a board director of a number of companies including a number of companies within the Quinn Finance Group, Allianz p.l.c., Actavo Group Limited and Bank of Ireland Private Bank. He also runs his own company Sopal Limited, where he provides advice to organisations on capital markets, corporate governance and strategic planning issues.

He is a graduate of Trinity College Dublin and is a fellow of Chartered Accountants Ireland.

Margaret Sweeney (Age 55) (*Non Executive Director*)

Margaret qualified as a Chartered Accountant with KPMG in 1985 and worked with the firm for 15 years. She has held a number of senior positions including CEO of Dublin Airport Authority p.l.c. and Postbank Ireland Limited and has worked in Ireland and overseas with international shareholders, business partners and funders. She has been a non executive director on a number of boards in Ireland and internationally including Aer Rianta International p.l.c., Flughafen Dusseldorf GmbH, Birmingham International Airport, Hamburg Airport, Shannon College of Hotel Management and Teagasc (Irish Agriculture and Food Development Authority).

She is currently a non executive director on the boards of a number of companies in the financial services, technology and property sectors and sits on the Governing Authority of Dublin City University and the Council of the Institute of Chartered Accountants Ireland. She is a Fellow of Chartered Accountants Ireland and holds the Diploma in Company Direction from the Institute of Directors. Margaret served as President of Dublin Chamber of Commerce from 2008 to 2009.

6.2 Senior Management

The following persons are employed in senior management positions in the Group (“Senior Management” or “Senior Managers”):

Sean McKeon (Age 49) (*Chief Financial Officer/Company Secretary*)

Sean joined the Group as Chief Financial Officer and Company Secretary in 2007 having developed his career in retail and FMCG distribution. He played a central role in Dalata’s 2014 IPO and the equity fundraising in September 2015. As Company Secretary he plays a leading role in the implementation of the corporate governance practices determined by the Board. He is a fellow of Chartered Accountants Ireland and an MBA graduate of the UCD Michael Smurfit Graduate Business School. He previously worked with Roches Stores, Dunnes Stores, Diageo p.l.c., Keelings, Aer Rianta International and CLC World Resorts and Hotels.

Shane Casserly (Age 48) (*Head of Development and Strategy*)

Shane joined the Group from Ion Equity in February 2014. He joined Ion in 2007 from Jurys Doyle where he was primarily responsible for identifying new sites for Jurys Inn in the UK. He took over as head of development in 2006. Prior to this he had held a number of senior positions within Microsoft Europe and also worked for Supervalu/Centra. Within Ion Equity he worked closely with Topaz Energy on network development. Since joining the Group, Shane has managed and/or executed the acquisition of twenty one hotels. Shane is a fellow Chartered Accountants Ireland and a graduate from University College Cork.

Conal O’Neill (Age 46) (*Group General Manager – Maldron Hotels*)

Conal joined the Group from Ion Equity in February 2014. At Ion, he worked on a number of hotel related initiatives, including serving as CEO of Pillo Hotels. Prior to joining Ion Equity, Conal worked with Jurys Doyle for fifteen years. He was appointed Group General Manager (UK North) in 2003, heading up the Jurys Doyle hotel operations in the north of England, Scotland and Northern Ireland.

During this time he oversaw the successful opening of Jurys Inn properties in Newcastle, Glasgow, Leeds, Nottingham and Milton Keynes. His experience also includes Dromoland Castle Hotel and the Ramada Renaissance Hotel, Geneva.

Joe Quinn (Age 58) (*Group General Manager – Clayton Hotels*)

Joe joined the Group in January 2015 and has responsibility for the integration and operations of the Clayton Hotel portfolio. He held the role of Chief Operations Officer at Jurys Inn since 2007. During his 25 years with Jurys Hotels he also held numerous positions including General Manager, Construction Projects Manager, and Group General Manager. Joe gained further experience during his time with international groups such as IHG, Ramada and Hilton (UK). He also held management positions in Industrial Catering Institutions such as Lloyds of London and the Army & Navy Club,

Pall Mall. He is a graduate of Galway Mayo Institute of Technology (GMIT) and Ashridge Business School (UK). He is a Fellow of the Irish Hospitality Institute.

Patrice Lennon (Age 38) (*Head of Sales and Marketing*)

Patrice joined the Group from Clayton Hotel Cardiff Lane, having worked as Sales and Marketing Manager with that hotel since opening in 2005. She previously worked with Jurys Doyle in a variety of roles in Jurys Hotel Ballsbridge, the Towers Hotel and the Burlington Hotel. Patrice now heads up the Group Sales and Marketing team with key responsibility for all marketing and e-commerce activity, tour operator contracting and strategic planning with the hotels in completing the necessary sales and marketing activities to achieve revenues across all business segments. Patrice is a graduate of Dublin Institute of Technology and University College Dublin.

Carol Phelan (Age 37) (*Group Finance Manager*)

Carol joined Dalata in November 2014. She has extensive experience in corporate finance, strategy development, financial reporting and controls from previous senior roles in Ion Equity and KPMG, and is a member of Chartered Accountants Ireland. Carol holds a First Class Honours Masters of Accounting from the Michael Smurfit Graduate School of Business.

Martha Mannion (Age 37) (*Head of Rooms Revenue and Distribution*)

Martha joined the Group in January 2008 and has responsibility for all aspects of room revenue management within the Group, including distribution, yield and rate management, as well as leisure club sales activity. She previously worked with Jurys Doyle in the UK and Ireland, progressing to Deputy General Manager of Jurys Inn Manchester and subsequently General Manager of Jurys Inn Galway. Martha is a graduate from Galway-Mayo Institute of Technology.

Stephen Clarke (Age 40) (*Group Financial Controller*)

Stephen joined the Group in April 2008 as Group Financial Controller. He has a B.Comm (International) from UCD and MBS from the Michael Smurfit Graduate School of Business. On leaving college he joined AIB on the Graduate training programme and after this progressed to various finance roles in Roches Stores and Campus Oil. He is primarily involved in the day-to-day management of the finance resources and controls in all properties with particular emphasis on setting and achieving targets at local and regional level.

Directors' Other Directorships

The Directors hold or have held, outside the Dalata Group, the following directorships, and/or are or were members of the following partnerships, within the five years prior to the date of this Prospectus:

<i>Director</i>	<i>Current</i>	<i>Previous</i>
John Hennessy	CPL Resources Public Limited Company The Institute of Accounting Technicians in Ireland Limited H&K International Limited	New Era Equity Release Company 2 Limited H&K Global Systems Limited
Pat McCann	Sanjay Limited Citywest Resort Limited Quinn International Property Management Limited Quinn Group Hotels Limited Slieve Russell Hotel Limited Slieve Russell Hotel Property Limited Quinn Group Properties Limited C.R.D. Catering (City) Limited Quinn Hotels Praha, a.s. Shamrock Investment Properties Praha, a.s.	Greencore Group p.l.c. Irish Heart Foundation (Foras Croi na h-Eireann) Palms Consulting Limited (Dissolved) EBS Building Society Barge Public House Limited (Dissolved) Messers Maguire Property Limited (Dissolved) Messers Maguire Public House Limited (Dissolved)

<i>Director</i>	<i>Current</i>	<i>Previous</i>
Pat McCann (continued)	Quinn Group Luxembourg Hotels Sarl Quinn Group Luxembourg Property Sarl Quinn Hospitality Ireland Limited Quinn Hospitality Ireland Operations 1 Limited Quinn Hospitality Ireland Operations 2 Limited Quinn Hospitality Ireland Operations 3 Limited Quinn Hospitality Ireland Operations 4 Limited Quinn Hospitality Ireland Operations 5 Limited Quinn Finance Holding Quinn Finance Euro Care Healthcare Limited Euro Care Infrastructure Limited Mentrída Limited PBN Headford Estate Limited Waterford Oncology Associates Limited P2P s.r.o. DC Property s.r.o. Komorga Demesne Investments Limited	Molesworth Street Hotel Limited (Dissolved) Quinn Group Family Properties Limited (Dissolved) Quinn's Drumcondra Property Limited (Dissolved) Quinn's Q Bar Property Limited (Dissolved) Quinns Cat & Cage Public House Limited (Dissolved) Joe, McCann Menswear Limited (Dissolved) Quinns Public House Drumcondra Limited (Dissolved) Quinns Q Bar Limited (Dissolved) Whitfield Property Management Company Limited (Dissolved) Euro Care Developments Limited (Dissolved) Euro Care Property Management Limited
Stephen McNally	Sanjay Limited Citywest Resort Limited PBN Headford Estate Limited	Irish Tourist Industry Confederation
Dermot Crowley	Dermot Crowley Coatings Ltd PBN Headford Estate Limited Felcom Limited	Duvet 1 Property Management Limited
Alf Smiddy	Alf Smiddy & Co. Limited Professional Granite Consulting Limited BTS Hospitality Limited Cumann Trachtala Corcaighe (The Cork Chamber of Commerce) Whites Cross Eggs Limited Riverview Eggs Limited Chris Mee Holdings Limited Carrigaline Hotels Limited Into The Future (Thiar) Limited Lowflow Ltd	T & S Taverns Limited Comhlacht Eolas International Limited Cork Airport Authority Public Limited Company React Energy Public Limited Company (formerly Kedco Public Limited Company) Clydaville Investments Limited Leitra Investments Limited (Dissolved) LDS Holdings Limited
Robert Dix	Barkett Limited B.S.C. Management Limited Ballybrit Clayton Management Company Limited Cesium Limited Crestor Limited Dellacourt Limited Demesne Investments Limited	Telos Capitals Advisors Limited Tangerier Limited Tapp Apps Limited Tapp Apps Holdings Limited Inchcape Finance (Ireland) Limited Lets Do It Global Limited Allglass Windscreen Southside Limited (in Liquidation)

<i>Director</i>	<i>Current</i>	<i>Previous</i>
Robert Dix (continued)	Domare Limited Dunkathel Investment and Agency Company Glaisin Lamada Limited Zareta Limited Irish Sailing Association Allglass Windscreen Nationwide Limited Allglass Windscreen Replacement Limited Opportune Capital Limited Proudful Trading Limited Jelton Limited Zindol Quinn Finance Quinn Finance Holding Quinn Energy (Ballakelly) Quinn Energy (Cashla) Limited Quinn Energy Supply Limited Quinn Hospitality Ireland Limited Quinn Hospitality Ireland Operations 1 Limited Quinn Hospitality Ireland Operations 2 Limited Quinn Hospitality Ireland Operations 3 Limited Quinn Hospitality Ireland Operations 4 Limited Quinn Hospitality Ireland Operations 5 Limited Allianz Public Limited Company Allianz – Irish life Holdings Public Limited Company Actavo Group Limited Auto Claim Solutions Limited Allglass Windscreen Services Limited Quinn Group Hotels Limited Slieve Russell Hotel Limited Slieve Russell Hotel Property Limited Fullside Limited South Bank Properties Limited Bank of Ireland Private Banking Limited Aut Even Hospital Limited St. Joseph's Hospital Sligo Limited Avid Asset Management Limited Blackhall Green Homes Limited Aut Even MRI Limited Carbon Finance Limited Carbon Construction (Curraheen) Limited	Siteserv Public Limited Company O'Flynn Construction (Granary Hall) O'Flynn Construction (Rochestown) The Working Capital Company Limited Vulture Yacht Charters Limited Echo Water Limited Echo Water Holdings Limited Pure Private Equity Limited Siteserv plc

<i>Director</i>	<i>Current</i>	<i>Previous</i>
Robert Dix (continued)	Carbon Construction (Dunkathel) Limited Carbon Construction (Lapps Quay) Limited Carbon Construction (Technology Park) Limited Carbon Developments Limited Carbon Developments Europe Limited Center Parcs Ireland Limited Trant Holdings Limited Trelote Limited Carbon Elysian Limited Carbon Construction (B.T.C) unlimited Carbon Construction Holdings Limited Carbon Madden's Limited Blarney Wollen Mills Group Nationwide Auto Claims Services DAC Irish Sailing Foundation Company Limited by Guarantee	
Margaret Sweeney	Irish Residential Properties (REIT) p.l.c. Fire Financial Services Limited Invention Investment Fund III Ireco 2 Intermede Management Limited Derrylahan Limited The Airports App Company Limited The Dublin Neurological Institute Governing Authority of Dublin City University Council of the Institute of Chartered Accountants Ireland Bramshott Europe Fund Public Limited Company (in liquidation) Bramshott Management Limited (in liquidation)	Women for Election Limited Bramshott General Partners Inc Teagasc FAS

6.3 *Other Matters*

Other than as stated above, none of the Directors has held any directorships, or been a member of any partnerships, within the five years preceding the date of this Prospectus.

Within the period of five years preceding the date of this Prospectus none of the Directors or senior managers of the Company:

- has had any convictions in relation to fraudulent offences;
- has been associated with any bankruptcy, receivership or liquidation whilst acting in the capacity as a director or senior manager (who is relevant to establishing that a company has the appropriate expertise and experience for the management of that company) save that: (i) Margaret Sweeney was a director of Bramshott Europe Fund plc (in liquidation) and Bramshott Management Limited (in liquidation) at the time that these two companies initiated a members voluntary liquidation; and (ii) Patrick McCann was a director of Palms Consulting Limited (Dissolved), Barge Public House Limited (Dissolved), Messers Maguire Property Limited (Dissolved), Messers Maguire Public House Limited (Dissolved), Molesworth Street Hotel

Limited (Dissolved), Quinn Group Family Properties Limited (Dissolved), Quinn's Drumcondra Property Limited (Dissolved), Quinn's Q Bar Property Limited (Dissolved), Quinns Cat & Cage Public House Limited (Dissolved), Quinns Public House Drumcondra Limited (Dissolved), Quinns Q Bar Limited (Dissolved) at the time that these eleven companies initiated a members voluntary liquidation; or

- has received any official public incrimination and/or sanction by any statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

6.4 **Directors' Interests**

- (a) As at close of business on the Latest Practicable Date, the interests (all of which are beneficial unless otherwise stated) of the Directors in the Existing Issued Share Capital which have been notified by each Director to the Company pursuant to the Companies Act or which are required pursuant to the Companies Act be entered into the register referred to therein were:

<i>Name</i>	<i>Ordinary Shares at the date of Prospectus</i>	<i>% of Share Capital Issued</i>
Patrick McCann	889,927	0.49%
Dermot Crowley	264,727	0.14%
Stephen McNally	282,611	0.15%
John Hennessy	100,000	0.05%
Alf Smiddy	66,646	0.04%
Robert Dix	67,858	0.04%
Margaret Sweeney	46,787	0.03%

As described in section 10 of this Part 10, the Company has made awards in respect of 2,034,500 Ordinary Shares pursuant to the terms of the LTIP. Details of the nil cost LTIP awards granted to certain of the Directors and Senior Management are set out below:

<i>Name</i>	<i>Job Title</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>Total number of Ordinary Shares</i>
Pat McCann	Chief Executive Officer	128,000	88,889	101,279	318,168
Dermot Crowley	Deputy CEO – Business Development and Finance	80,000	55,556	58,635	194,191
Stephen McNally	Deputy CEO	80,000	55,556	58,635	194,191
Seán McKeon	Chief Financial Officer and Company Secretary	51,000	35,417	32,623	119,040
Shane Casserly	Head of Development and Strategy	45,000	31,250	24,956	101,206
Conal O'Neill	Group General Manager – Maldron Hotels	45,000	31,250	24,956	101,206
Joe Quinn	Group General Manager – Clayton Hotels	–	31,250	24,467	55,717
Stephen Clarke	Group Financial Controller	33,000	22,917	18,301	74,218
Carol Phelan	Group Finance Manager	–	12,500	16,311	28,811
Patrice Lennon	Head of Sales and Marketing	17,000	11,806	10,661	39,467
Martha Mannion	Head of Rooms Revenue and Distribution	13,500	10,417	8,319	32,236

Save as disclosed in section 6.4 of this Part 10, no Director has any interest in the Company's share capital. No Director or member of a Director's family has a related financial product referenced to the Company's share capital.

As at 24 June 2016 (being the last practicable date prior to publication of this Prospectus), the Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

There are no outstanding loans granted or guarantees provided by any company in the Group to or for the benefit of any of the Directors.

Save as disclosed in section 6.4 of this Part 10, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company or any other member of the Group during the current or immediately preceding financial year, or during any earlier financial year which remains in any respect outstanding or unperformed.

In so far as is known to the Company there are no arrangements the operation of which may, at a date subsequent to the date of this Prospectus, result in a change of control of the Company.

6.5 *Directors' Remuneration*

The following table shows the amount of remuneration paid and benefits in kind granted to the Directors by the Group for services in all capacities to the Group during the last full financial year, being the year ended 31 December 2015:

€'000	<i>Base Salary/Fees</i>	<i>Pension</i>	<i>Benefits in Kind</i>	<i>Bonus</i>	<i>Total</i>
<i>Executive Director</i>					
Pat McCann	420	–	–	420	840
Stephen McNally	250	38	3	250	541
Dermot Crowley	250	38	12	250	550
	<u>920</u>	<u>76</u>	<u>15</u>	<u>920</u>	<u>1,931</u>
<i>Non-Executive Director</i>					
John Hennessy	100	–	–	–	100
Robert Dix	60	–	–	–	60
Alf Smiddy	60	–	–	–	60
Margaret Sweeney	60	–	–	–	60
	<u>280</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>280</u>

7. SUBSTANTIAL SHAREHOLDERS

As of the Latest Practicable Date, in so far as is known to the Company, the following persons have notified the Company of an interest which represents three per cent. or more of the Issued Share Capital of the Company:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Issued Share Capital</i>
Franklin Templeton Institutional, LLC	18,062,433	9.87%
FMR LLC	12,358,703	6.76%
FIL Limited	11,232,141	6.14%
Ameriprise Financial	8,445,856	4.62%
Pioneer Asset Management S.A.	7,936,156	4.34%
Schroders plc	7,512,731	4.11%
I. G. International Limited	6,867,668	3.75%
Zurich Life	5,988,700	3.27%
Artemis Investment Management LLP	5,757,441	3.15%
Allianz Global Investors GmbH	5,755,071	3.15%
Prudential plc	5,662,144	3.10%

Notes:

None of the Company's major shareholders, as listed above, have different voting rights attaching to shares held by them in the Company.

The Company is not aware of any person, who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

In so far as is known to the Company, there are no arrangements the operation of which may, at a date subsequent to the date of this Prospectus, result in a change of control of the Company.

8. DIRECTORS SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

8.1 *Executive Directors' service contracts*

At the date of this Prospectus, there are 3 Executive Directors, each of whom is employed by the Company or a Group Company. The terms of the Executive Director's service contracts are summarised below:

<i>Name</i>	<i>Title</i>	<i>Contract Date</i>	<i>Salary</i>	<i>Notice by Company</i>
Pat McCann	Chief Executive Officer	9 August 2007	€475,000	24 weeks except as below
Stephen McNally	Deputy Chief Executive Officer	9 August 2007	€275,000	24 weeks except as below
Dermot Crowley	Deputy Chief Executive Officer, Business Development and Finance	24 October 2013	€275,000	6 months except as below

Service contracts

A service agreement was entered into between the Group and Mr. McCann on 9 August 2007 pursuant to which Mr. McCann was appointed Group Chief Executive Officer. Employment is terminable by either party giving 24 weeks' notice. From 1 January 2016, Mr. McCann is entitled to a base salary of €475,000 per annum and is eligible to be paid a discretionary annual bonus as determined by the Remuneration Committee and subject to terms and conditions imposed by the Company. The service agreement allows the Company to terminate Mr. McCann's employment by making a lump sum payment in lieu of notice consisting of the base salary that would have been payable during his contractual notice period. Standard 'cause' provisions are included which allow the Company to terminate without notice or the obligation to make a payment in lieu of notice. Mr. McCann's service agreement includes post-termination restrictions on competing activity and on solicitation of customers or employees which are effective for a period of 12 months after termination.

A service agreement was entered into between the Group and Mr. McNally on 9 August 2007 pursuant to which Mr. McNally was appointed Deputy Chief Executive. Employment is terminable by either party giving 24 weeks' notice. From 1 January 2016, Mr. McNally is entitled to a base salary of €275,000 per annum and is eligible to be paid a discretionary annual bonus as determined by the Remuneration Committee and subject to terms and conditions imposed by the Company. The service agreement allows the Company to terminate Mr. McNally's employment by making a lump sum payment in lieu of notice consisting of the base salary that would have been payable during his contractual notice period. Standard 'cause' provisions are included which allow the Company to terminate without notice or the obligation to make a payment in lieu of notice. Mr. McNally's service agreement includes post-termination restrictions on competing activity and on solicitation of customers or employees which are effective for a period of 12 months after termination.

A service agreement was entered into between the Group and Mr. Crowley on 24 October 2013 pursuant to which Mr. Crowley was appointed Deputy Chief Executive, Business Development and Finance. Employment is terminable by either party giving 6 months' notice. From 1 January 2016, Mr. Crowley is entitled to a base salary of €275,000 per annum and is eligible to be paid a discretionary annual bonus as determined by the Remuneration Committee and subject to terms and conditions imposed by the Company. The service agreement allows the Company to terminate Mr. Crowley's employment by making a lump sum payment in lieu of notice consisting of the base salary that would have been payable during his contractual notice period. Standard 'cause' provisions are included which allow the Company to terminate without notice or the obligation to make a payment in lieu of notice. Mr. Crowley's service agreement includes post-termination restrictions on competing activity and on solicitation of customers or employees which are effective for a period of six months after termination.

From 2016 onwards, any discretionary annual bonus payable to the executive directors shall be payable in a manner to be determined by the Remuneration Committee and will be subject to clawback in certain circumstances.

Termination provisions

Other than entitlement to notice and a payment in lieu of notice, the Executive Directors are not entitled to compensation on termination of their respective contracts.

Benefits

Under the terms of the service contracts with each of the Executive Directors (with the exception of Pat McCann, in respect of whom no contribution is made by the Group), the Group must pay an amount equivalent to 15 per cent. of the relevant Director's annual basic salary into the Group pension scheme. Each of the Executive Directors is entitled to benefits under the group risk benefit scheme which includes death in service cover of 4 times salary and disability benefit of 66.67% of salary (less social welfare disability benefit).

Restrictive Covenants

The Executive Directors' service contracts contain 12 month (6 month in the case of Dermot Crowley) post termination restrictive covenants against (i) competing with the Company or any Group Company; and (ii) against soliciting, employing or engaging (or seeking to employ or engage) any person who has at any time during the period of one year immediately preceding the date of termination of his employment been an officer, executive, manager, or consultant to the Group or any Group Company.

8.2 *Non-Executive Directors' letters of appointment*

At the date of this Prospectus, there are 4 Non-Executive Directors, each of whom was appointed with effect from 27 February 2014. The terms of the Non-Executive Director's appointment letters are summarised below:

<i>Name</i>	<i>Appointment Date</i>	<i>Fee</i>	<i>Notice by Company</i>
John Hennessy	27 February 2014	€100,000	One month except as below
Alf Smiddy	27 February 2014	€60,000	One month except as below
Margaret Sweeney	27 February 2014	€60,000	One month except as below
Robert Dix	27 February 2014	€60,000	One month except as below

Service contracts

Each of the Non-Executive Directors has been appointed pursuant to the terms of a "Letter of Non-Executive Director Appointment" dated 27 February 2014. Appointment is for an initial term of three years, upon and subject to the articles of association, and continuation of appointment is contingent on satisfactory performance. Appointment is terminable by either party giving one month's written notice. Standard 'cause' provisions are included which allow the Company to terminate without notice. From 1 January 2015, the Chairman is paid a fee of €100,000 per annum and each of the other Non Executive Directors are paid a fee of €60,000 per annum. In addition, the Company will reimburse all reasonable and documented expenses incurred in the performance of the Non-Executive Directors' duties.

8.3 *Benefits on termination*

Other than entitlement to notice and a payment in lieu of notice, the Executive Directors are not entitled to compensation on termination of their respective contracts.

8.4 *Arrangements with Major Shareholders/Conflicts of Interests*

There are no arrangements or understandings with major shareholders, members, suppliers or others pursuant to which any Director was selected.

There are no potential conflicts of interest between each of the Directors' duties to the Group and their respective private interests and any other duties. No director or officer has a family relationship with any other director or officer.

There is no interest, including any conflicting interest, that is material to Admission.

9. **CORPORATE GOVERNANCE**

9.1 As an ESM/AIM listed Company, the Company is not required to comply with the UK Corporate Governance Code (September 2014) published by the Financial Reporting Council in the UK, and the Irish Corporate Governance Annex published by the Irish Stock Exchange (together the "Codes") in respect of its corporate governance practices. However, the Company has committed to comply on a voluntary basis with the Codes since its initial admission. Following Admission, the Board intends to continue to comply with the requirements of the Codes, as required under the Listing Rules for companies admitted to the primary listing segment of the Official List of the ISE and the standard listing segment of the Official List of the FCA.

9.2 The Board comprises of 7 Directors, including 3 executive Directors and 4 non-executive Directors including the Chairman. Each of the non-executive Directors (including the Chairman) is regarded as independent. The Board meets regularly to consider strategy, performance and the framework of internal controls.

9.3 The audit and risk committee is chaired by Robert Dix and also includes Alf Smiddy. The Group's chief financial officer may also be invited to attend meetings of the committee. It meets at least three times each year and is responsible for ensuring that the financial performance of the Group is properly

monitored and reported on and for meeting with the auditors and reviewing findings of the audit with the external auditor. It is also responsible for reviewing the findings of the internal auditor. It is authorised to seek any information it properly requires from any service provider of the Company and may ask questions of any such service provider. It meets with the auditors at least once a year and is also responsible for considering and making recommendations regarding the identity and remuneration of such auditors.

The audit and risk committee also considers the Group's approach to health, safety and operational risk and, in particular, has recommended a health and safety policy to the Board which has been adopted. The audit and risk committee also verifies that procedures are in place to comply with applicable health and safety legislation and considers health and safety issues that may have strategic, business and reputational implications for the Company and the Group.

- 9.4 The remuneration committee is chaired by Margaret Sweeney and also includes John Hennessy and Robert Dix. Its function is to consider and recommend to the Board the framework for the remuneration of the chief executive officer, chairman, company secretary, chief financial officer, executive Directors and such other officers as it is designated to consider and, within the terms of the agreed policy will, consider and recommend to the Board the total individual remuneration package of each executive director including bonuses, incentive payments and share options or other share awards. It reviews the design of all incentive plans for approval by the Board and Shareholders and, for each such plan, recommends whether awards are made and, if so, the overall amount of such awards, the individual awards to executive Directors and the performance targets to be used. No Director will be involved in decisions concerning his/her own remuneration.
- 9.5 The nomination committee is chaired by Alf Smiddy and also includes Margaret Sweeney, John Hennessy and Pat McCann. The nomination committee considers the selection and re-appointment of Directors. It identifies and nominates candidates for all Board vacancies and reviews regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and makes recommendations to the Board with regard to any changes.

10. SHARE OPTION SCHEMES

LONG TERM INCENTIVE PLAN (LTIP)

10.1 Overview

10.1.1 The LTIP was approved by a duly appointed committee of the Board of Directors on 3 March 2014 and approved by the Company's existing shareholders on 14 March 2014. It allows the Company to grant equity awards over its Ordinary Shares to full-time executive directors and employees of the Group, (known as the Participants). Vesting of awards is generally conditional on the Company attaining specified performance targets over a period of at least three financial years. Those targets are and will be aligned with the Company's long term business strategy.

10.1.2 The LTIP is designed to reward, retain and incentivise full-time executive directors and employees of the Group and to align the interests of Participants in the LTIP with those of shareholders and in so doing, to focus attention on long term growth in shareholder value of Dalata.

10.2 Administration

The remuneration committee of the Board ("the Remuneration Committee") administers the LTIP. It selects the individuals who are to receive awards under the LTIP and the terms of each award.

10.3 Eligibility

The Remuneration Committee may grant awards to Full Time Executive Directors, and employees of the Group. An individual to whom an award is granted is referred to in this summary as a "Participant".

10.4 *Awards*

Awards made under the LTIP are in the form of a conditional right to acquire Ordinary Shares pursuant to the LTIP. Such rights to acquire Ordinary Shares are not subject to pre-emption entitlements of other Shareholders.

10.5 *Timing of Award Grants*

Awards may not be granted during a period in which directors and other insiders of Dalata are restricted from dealing in Dalata securities.

10.6 *Overall Share Limits*

No more than 5% of the issued ordinary share capital of Dalata may be issued or reserved for issuance under the LTIP and any other executive or discretionary share scheme operated by Dalata over any ten year period.

10.7 *Individual Annual Limit*

No individual may be granted awards having a market value as at the award date in excess of 100% of his or her remuneration in any 12 month period.

10.8 *Vesting/Performance Conditions*

- (a) For each award, the Remuneration Committee determines Dalata's performance conditions that must be satisfied in order for the award to vest. Performance conditions are measured over a period of three financial years. Awards will normally vest no earlier than the third anniversary of the award grant date.
- (b) For all awards granted during the first three years of the LTIP, only total shareholder return performance conditions will apply. For all subsequent awards granted, the performance conditions will be based on 50% total shareholder return and 50% earnings per share performance conditions.
- (c) In relation to the earnings per share performance conditions, 25% of an award shall vest on earnings per share growth of an increase in CPI plus 3% per annum over the relevant performance period. 100% of an award shall vest on an earnings per share growth of an increase in CPI plus 7% per annum over the relevant performance period. For earnings per share performance between these thresholds an award shall vest increasing on a linear scale.
- (d) In relation to the total shareholder return performance conditions, 25% of an award shall vest for total shareholder return performance equal to the median total shareholder return of certain comparative companies measured over the performance period. 100% of an award shall vest for total shareholder return performance equal to the 75th percentile or greater per annum of the median total shareholder return performance of certain comparative companies measured over the performance period. For total shareholder return performance between these thresholds, an award shall vest increasing on a linear scale. The comparative companies are determined by the Remuneration Committee and shall be no fewer than 10 and selected for the reason that these companies all operate in Europe and are engaged in businesses that either have similarities or are related to Dalata's business.
- (e) The Remuneration Committee may adopt different or vary the existing performance conditions without shareholder approval where the new performance conditions will, in the reasonable opinion of the Remuneration Committee, be no less challenging having regard to the circumstances prevailing at the time, than the performance conditions described above.

10.9 *Clawback of Awards*

In respect of awards to the senior executive management team, if at any time in the three year period after an award is made, the Company is required to restate its accounts to a material extent or the

Remuneration Committee becomes aware of any serious misconduct on the part of the Participant that would have entitled the Company to terminate the Participant's employment in accordance with his or her employment contract, then the Remuneration Committee shall be entitled to recalculate the number of Ordinary Shares subject to the award to reflect the number of Ordinary Shares that it would have granted to the Participant had such facts been known at the time the award was granted.

10.10 *Lapse of Awards*

An award shall lapse when a Participant ceases to be a director or employee of any member of the Group, on the bankruptcy of the Participant, on a winding-up of the Company, on the expiry of the relevant performance period without the performance conditions having been satisfied or the date on which it becomes apparent that any such condition has become incapable of being satisfied, or on such earlier date as the Remuneration Committee may prescribe when granting an award under the LTIP.

10.11 *Cessation of Employment*

Generally, an award will lapse immediately if the Participant's employment with the Group ends. However, if the reason for the employment ending is death, injury or disability, redundancy, the company by which the Participant is employed ceasing to be a member of the group, the transfer of the undertaking or part undertaking in which the Participant is employed to an entity other than a member of the Group, cessation of service in accordance with contractual requirements, or any other circumstances at the discretion of the Remuneration Committee, the award will vest on the date it would have vested if a Participant had not ceased employment subject to the Performance Conditions being satisfied at the end of the performance period and the pro rating of the award to reflect the reduced period of time between the commencement of the performance period and the Participant's cessation of employment as a proportion of the total performance period. Alternatively, the Remuneration Committee may determine the number of award shares to vest at the time of the Participant's cessation of employment, based on the satisfaction of the applicable performance conditions as of that date.

10.12 *Takeover*

If there is a takeover of the Company, all awards will automatically become vested in proportion to the time elapsed in the performance period to reflect the reduced period of time between the commencement of the performance period and the accelerated vesting date and vesting will be subject to the fulfilment of the performance conditions, but in the event of a change of control, only the total shareholder return performance conditions shall apply. The Remuneration Committee can decide not to pro rate an award if it regards it as inappropriate to do so in the particular circumstances.

10.13 *Reconstruction or Winding Up*

If there is a voluntary winding up or reconstruction of the Company, any award held by a Participant may at the discretion of the Remuneration Committee become unconditional, and vest on a pro rata basis subject to any conditions or limitations as the Remuneration Committee may at its discretion determine. In the event that no such determination is made, the award shall lapse.

10.14 *Variation of share capital*

In the event of any variation in the ordinary share capital of the Company by way of capitalisation of profits or reserves or by way of rights or any consolidation or sub-division or reduction of capital or otherwise, the LTIP limit, the definition of Shares and the number and the nominal value of Ordinary Shares subject to an award may be adjusted in such manner as the Remuneration Committee determines is appropriate.

10.15 *Voting, dividend and other rights*

10.15.1 Awardholders will have no voting or dividend rights in respect of the Ordinary Shares subject to Awards until the awards vest.

10.15.2 Ordinary Shares allotted under the LTIP will rank *pari passu* with the existing Ordinary Shares with the exception of rights attaching by reference to a record date prior to the date of issue or vesting of the relevant award. Applications will be made to the relevant Stock Exchange for all such Ordinary Shares to be admitted to trading.

10.16 *Awards not Transferable*

Awards are generally not transferable.

10.17 *Alternative Award Structures*

The Board may establish or otherwise further plans based on the LTIP, but modified to take account of local tax, exchange control or securities laws in overseas territories.

10.18 *Tax Withholding*

The Company may recover tax and social security from Participants in such manner as the Remuneration Committee thinks fit including withholding Shares when the award vests and selling same, deducting the necessary amount from the Participant's remuneration or requiring the Participant to account directly to the Company for such tax and social security.

10.19 *Amending the LTIP*

10.19.1 The Board may amend the LTIP in such manner as may be thought fit, provided that no amendment may be made if it would adversely affect in any material way rights already acquired by awardholders without the approval of the majority of the awardholders affected, and no amendment to the material advantage of awardholders may be made to the LTIP without the approval of the Shareholder by way of ordinary resolution.

10.19.2 The Board may however make minor amendments to benefit the administration of the LTIP, to take account of a change in the applicable legislation in any country or territory or to obtain or maintain favourable tax, exchange control or regulatory treatment for awardholders or any Group company.

10.20 *Awards Made to Date*

The Company has made awards in respect of 2,034,500 Ordinary Shares pursuant to the terms of the LTIP.

11. RELATED PARTY TRANSACTIONS

There are no related party transactions entered into by the Group in the three financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 or in 2016 up to the Latest Practicable Date save as disclosed in the financial information incorporated by reference in this Prospectus (see note 25 to the financial statements for Dalata the year ended 31 December 2015, note 24 to the financial statements for Dalata for the year ended 31 December 2014 and note 21 to the financial statements for DHGL Limited for the year ended 31 December 2013).

12. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts that have been entered into by the Company and its subsidiaries in the two years immediately preceding the date of this Prospectus and which are, or may be, material to Group, or are all of the contracts which have been entered into by the Company and its subsidiaries and contain any provisions under which any member of the Group has any entitlement which is material to the Group.

12.1 *Nominated Adviser, ESM Adviser and Broker Agreement*

On 14 March 2014, the Company and Davy entered into a Nominated Adviser, ESM Adviser and Broker Agreement pursuant to which Davy agreed to act as Nominated Adviser, ESM Adviser and

Broker to the Company for the purposes of the AIM Rules, the ESM Rules and following the initial admission. Pursuant to the agreement, it was agreed that Davy would receive a retainer fee of €35,000 per annum (exclusive of VAT) and that the Company would be entitled to terminate the agreement if Davy shall cease to be registered as a nominated adviser or broker or if Davy were to commit a material breach of its obligations thereunder.

12.2 *Registrar Agreement*

Pursuant to the Registrar Agreement dated 11 March 2014, Computershare Investor Services (Ireland) Limited (the “Registrar”) was appointed to act as the Company’s registrar and to perform various services in connection with the registration of the Ordinary Shareholders and certain related matters. Under the Registrar Agreement, it was agreed that the Registrar would be entitled to a set fee per shareholder account subject to a minimum annual fee of €5,000 which the Company considers to be market-standard and to additional fees in respect of other services, including processing transfers, allotments and dividends and attending at shareholder meetings. There is no maximum amount payable under the Registrar Agreement. The Registrar will also be entitled to recover reasonable disbursement costs. The Registrar Agreement is for a fixed term of three years, and thereafter will continue until terminated by either party giving not less than 6 months’ notice.

12.3 *Moran Bewley’s Hotel Group Reorganisation*

Prior to the acquisition of the Moran Bewley’s Hotel Group by Dalata, a reorganization of the Moran Bewley’s Hotel Group was implemented in December 2014 which involved, in consideration for the assumption of certain liabilities, certain transfers of the business and assets of each of the Moran Bewley Hotels, which included the underlying property interests, plant and equipment (including vehicles) associated with the MB Hotels, the book debts (together with the benefit of all securities, guarantees indemnities and rights relating thereto), all hotel stock, all hotel records and, in respect of certain identified contracts, and the entirety of the benefits and obligations/liabilities under those contracts, were transferred to the MB Transferees and post-acquisition the MB Transferees will accept the transfer of further contracts. Certain liabilities associated with the MB Transferors were excluded from the transfer of the business and activities of the MB Hotels to the MB Transferees as part of the reorganisation, including any ongoing litigation and claims against the MB Transferors and tax liabilities.

The terms of the MB Asset and Undertaking Transfer Agreements provided that the consideration payable by each of the Irish MB Transferees for the transfer of the business and assets of the Irish MB Hotels was the assumption by the relevant Irish MB Transferees of certain assumed liabilities and, depending on the Irish MB Hotel being transferred, a combination of the issue of fully paid up shares in the Irish MB Transferee to Swintron Limited and T&S Taverns Limited or the issue of a promissory note to the MB Transferor.

Following assumption of certain liabilities by the UK MB Transferees, the balance of the consideration owed by each of the UK MB Transferees under the UK MB Asset and Undertaking Transfer Agreements was satisfied by the issue of a promissory note to the relevant MB Transferor.

12.4 *Facility Agreement*

On 17 December 2014 the Company (as borrower and guarantor) entered into a multicurrency term and revolving credit facilities agreement 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) (the **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 **Original Lenders**) (as acceded to by the Moran Group Companies on 3 February 2015) (the **Original Facilities Agreement**). Pursuant to the terms of the Original Facilities Agreement the Original Lenders agreed to provide:

- (a) a five year term loan facility of an amount up to €84,000,000 (**Facility A**) to be used to part finance the MB Acquisition to be repaid by way of quarterly instalments;

- (b) a five year term loan facility of an amount up to €198,000,000 (made up of £132,352,000 loan and a €22,000,000 loan) (**Facility B**) to be used to part finance the MB Acquisition to be repaid by way of one repayment on 3 February 2020;
- (c) a bridging loan facility of an amount up to €16,000,000 which is available up to 30 June 2015 (**Facility C**) to be used to part finance the MB Acquisition to be repaid by way of one repayment on 30 June 2015; and
- (d) a three year revolving loan facility of an amount up to €20,000,000 (**Revolving Facility**) to be used for general working capital purposes.

On 6 May 2016 the Group entered into an amendment and restatement agreement to amend and restate the Original Facilities Agreement with each member of the Group (as guarantor), 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) (the Security Agent) and each of The Governor and Company of the Bank of Ireland, Allied Irish Banks, p.l.c., Ulster Bank Ireland Limited and Barclays Bank Ireland p.l.c. (as lenders) (the Lenders) whereby pursuant to the terms of the amendment and restatement agreement:

- (a) each of the subsidiaries not already a party to the Original Facilities Agreement acceded thereto as guarantors;
- (b) the Lenders provided a new four year term facility in an amount up to €80,000,000 to the Company which is available for drawdown up to January 2020 and is to be used to fund permitted acquisitions and/or investment capital expenditure (**Facility D**); and
- (c) the Lenders increased the monies made available under the Revolving Facility by €10,000,000 and extended the term to 3 February 2020.

To date the Company has drawn down Facility A and Facility B in full. Facility C was cancelled by the Company on 30 March 2015 and the Company has recently drawn down part of Facility D however, the Company has not drawn down any part of the Revolving Facility to date.

Interest payable under Facility A, Facility B, Facility D and the Revolving Facility is at a rate of a 3% margin (subject to certain conditions set out in the Facilities Agreement) and EURIBOR or in relation to any Sterling Loan LIBOR and is payable in arrears on each interest period (to be determined pursuant to the terms of the Facilities Agreement). In the event of a default in payment/repayment break costs will apply.

The Facilities are being secured by way of:

- (a) a fixed and floating charge over all of the Group's present and future assets and undertakings in favour of the Security Agent including a first fixed charge over its owned and leased hotels; and
- (b) an Intercompany Guarantee and Indemnity from each member of the Group.

The Company has also entered into hedging arrangements with each of Ulster Bank Ireland Limited, The Governor and Company of the Bank of Ireland and Allied Irish Banks p.l.c. for the purpose of hedging any interest rate risks pursuant to the Facilities A and B.

12.5 ***MB Acquisition Agreement***

On 17 December 2014, the Company, the MB Vendors, GNL and the MB Group Shareholders entered into the MB Acquisition Agreement which completed on 3 February 2015.

The MB Group Shareholders provided limited warranties to the Company in respect of the MB Group Shareholders' and the MB Vendors' capacity to enter into the MB Acquisition Agreement and the title of the MB Vendors (or a Moran Bewley's Hotel Company) to the shares in each of the Moran Bewley's Hotel Companies. The warranties were given subject to various warranty limitations

including an overall cap on the liability of the MB Group Shareholders equal to their proportionate interest in the MB Group. The Company also gave warranties (subject to certain limitations) in relation to the Buyer's capacity to enter into and perform its obligations, including as to the payment of the consideration for the Moran Bewley's Hotel Companies.

The consideration for the acquisition was €453,152,100 payable in cash and the MB Cash Placed Shares and included 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 parties agreed pursuant to the terms of a side letter dated 19 May 2015 that the MB Vendors shall pay the sum of €900,000 to Dalata in full and final settlement of the completion accounts consideration adjustment under the terms of the MB Acquisition Agreement.

The MB Acquisition Agreement is governed by the laws of Ireland.

12.6 *MB Placing Agreement*

On 17 December 2014 the Company entered into the MB Placing Agreement with Davy, the Executive Directors, Borua Holdings Limited (one of Vendor's under the MB Acquisition Agreement) and DHG Derry Commercial Limited in respect of the MB Cash Placing and the MB Vendor Placing. The Company, Borua Holdings Limited and the Executive Directors gave warranties and representations to Davy subject to limitations as to the time in which claims may be brought and the amount that can be recovered. Under the MB Cash Placing, Davy agreed as agent of the Company to use reasonable endeavours to procure subscribers for the MB Cash Placed Shares. The MB Cash Placing was not underwritten. Under the MB Vendor Placing, Davy agreed as agent of Borua Holdings Limited to use reasonable endeavours to procure purchasers of the MB Vendor Placed Shares (being the Ordinary Shares issued to Borua Holdings Limited pursuant to the terms of the MB Acquisition Agreement) at the Placing Price, failing which Davy or another member of the Davy group would purchase at the Placing Price any MB Vendor Placed Shares not so purchased. Under the MB Placing Agreement, Davy received (i) a commission equal to 2.25 per cent. of the gross proceeds of the MB Cash Placing, payable by the Company and (ii) a commission equal to 2.25 per cent. of the gross proceeds of the MB Vendor Placing payable by DHG Derry Commercial Limited. Save for any stamp duty relating to the Vendor Placing which was payable by DHG Derry Commercial Limited, the Company agreed to pay all other costs, charges, fees and expenses of, or incidental to, the satisfaction of the conditions under the MB Placing Agreement, the MB Cash Placing, the application for admission of the newly issued Ordinary Shares to AIM and ESM, the issue of the MB Cash Placed Shares, and related arrangements (together with any VAT chargeable thereon).

12.7 *Placing and Open Offer Agreement*

On 9 September 2015, the Placing and Open Offer Agreement was entered into between the Company, Davy and the Executive Directors.

Subject to the terms and conditions of the Placing and Open Offer Agreement, Davy agreed as agent of the Company, to use its reasonable endeavours to procure placees for the Firm Placed Shares and for the Placing Shares.

In respect of its services in connection with the Capital Raise, the Company agreed to pay to Davy a commission of 2.2 per cent. of the gross proceeds of the Capital Raise and an advisory commission of €325,000. In addition, in respect of the Placing and Open Offer, the Company agreed to pay the placees a commission of 1 per cent. of their participation (subject to clawback to satisfy valid applications under the Open Offer) being the product of the Issue Price and the number of New Ordinary Shares in the placee's participation. For the avoidance of doubt, no commission was paid to placees in the Firm Placing.

The Placing and Open Offer Agreement was conditional, amongst other things, on:

- (a) the prospectus being approved by the Central Bank and published in accordance with the Prospectus Directive;
- (b) the passing of the resolutions at the EGM (and not, except with the prior written agreement of Davy, at any adjournment of such meeting);
- (c) admission of the newly issued Ordinary Shares to AIM and ESM occurring not later than 8.00 a.m. on 6 October 2015 or such later time and/or date as the Company and Davy may agree (being not later than 8.00 a.m. on 30 October 2015);
- (d) the performance by the Company and the Executive Directors of their respective obligations under the Placing and Open Offer Agreement;
- (e) none of the warranties given by the Company or the Executive Directors under the Placing and Open Offer Agreement being untrue or inaccurate in any material respect between the date of the prospectus and admission of the newly issued Ordinary Shares to AIM and ESM; and
- (f) there being no event requiring publication of a supplementary prospectus between the date of the prospectus and admission of the newly issued Ordinary Shares to AIM and ESM.

The Placing and Open Offer Agreement also contained:

- (a) certain customary warranties by the Company and the Executive Directors that the information in the offer documents relating to the Capital Raise (including, but not limited to, the prospectus, the application form, the Circular and the form of proxy) is accurate and in relation to other matters relating to the Group and its business for example including but not limited to financial records, taxation and corporate matters, licences, insurance and litigation, pensions, intellectual property, data protection and properties of the Group;
- (b) customary indemnities from the Company in favour of Davy including but not limited to losses arising for a breach of the warranties of other regulations, losses arising in relation to the despatch of the prospectus, Circular and related documents and losses arising by virtue of information omitted or false information contained in the prospectus and related documents; and
- (c) certain undertakings from the Company relating, amongst other things, to consultations with, and the provision of information to Davy.

12.8 *Moran Warranty and Co-operation Deed*

The Moran Deed provided for transitional assistance from the Moran family but also contains branding provisions to allow use of the Moran name and the Moran community trademark as part of a general brand transition period until 30 April 2015 or if later the last day of a three-month period starting on the date of completion of the MB Acquisition and in respect of certain domain names, until 31 July 2015 or if later, the last day of a six-month period starting on the date of completion of the MB Acquisition.

12.9 *Sponsor Agreement*

The Sponsor Agreement has been entered into between the Company and Davy. The Sponsor Agreement sets out the terms on which the Company has appointed Davy as sponsor under the listing rules in connection with the Admission and otherwise for the purposes of the Listing Rules.

The Sponsor's Agreement contains:

- (a) certain customary warranties by the Company in favour of Davy that the information in the documents relating to the Admission (including, but not limited to, this Prospectus) is accurate and in relation to other matters relating to the Group and its business, for example including,

but not limited to, financial records, taxation and corporate matters, licences, insurance and litigation, pensions, intellectual property, data protection and properties of the Group;

- (b) customary indemnities from the Company in favour of Davy including, but not limited to, losses arising for a breach of the warranties, losses arising in relation to the despatch of this Prospectus and related documents and losses arising by virtue of information omitted or false information contained in this Prospectus and related documents; and
- (c) certain undertakings from the Company relating, amongst other things, to consultations with, and the provision of information to Davy.

13. LITIGATION

No member of the Group is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened, of which the Board is aware), during the 12 months preceding the date of this Prospectus, which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Group.

14. WORKING CAPITAL

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Group will be sufficient for its present requirements, that is, for at least twelve months from the date of this Prospectus.

15. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 31 December 2015, being the date to which the last audited financial information has been published, except as set out below:

- On 6 June 2016, the Group acquired the freehold interest in the Clarion Hotel Limerick for a consideration of €8.5 million.
- On 3 June 2016, the Group acquired a development site on Kevin Street, Dublin for a consideration of €8.1 million.
- On 3 June 2016, the Group acquired a part-completed hotel property on Beasley Street, Cork for a consideration of €10.2 million.
- On 6 May 2016, the Group agreed an extension to its existing Facilities Agreement which provided for an additional €80 million of term loan finance (known as Facility D) and an additional €10 million revolving credit facility. On 9th June 2016, the Group drew down €30.8 million of Facility D to fund permitted acquisitions and/or investment capital expenditure by the Company.
- On 15 April 2016, the Group signed a contract for a development site at Brunswick Street, Belfast for a consideration of £21 million.
- On 18 March 2016, the Group acquired the Clarion Hotel Sligo for a consideration of €13.1 million.
- On 11 March 2016, the Group acquired the leasehold interest of four hotels, The Gibson Hotel Dublin, the Croydon Park Hotel in Croydon, London, the Clarion Hotel Cork and the Clarion Hotel Limerick, and the management contract of the Clarion Liffey Valley Hotel for a consideration of €40 million.
- On 15 February 2016, the Group acquired DS Charlemont Limited (the former Charlemont Clinic Site) for a consideration of €11.9 million.
- On 15 January 2016, the Group acquired the Tara Towers Hotel for a consideration of €13.2 million.

16. EMPLOYEES

16.1 *Employees of the Group*

As at 24 June 2016 being the Latest Practicable Date, the Group had 1,117 full time employees (including the Executive Directors) and 2,600 temporary employees. This data includes direct employees of the Group and does not include employees of managed hotels. The breakdown of the employees by activity for each of the financial years ended 31 December 2013, 31 December 2014, 31 December 2015 and on 24 June 2016 (being the Latest Practicable Date) was as follows:

<i>By activity</i>	<i>Average Number of Employees</i>			<i>24 June</i>
	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Administrative	113	139	277	333
Other	596	1,056	2,455	3,384
	<u>709</u>	<u>1,195</u>	<u>2,732</u>	<u>3,717</u>

<i>By status</i>	<i>Average Number of Employees</i>			<i>24 June</i>
	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Full time	390	385	952	1,117
Temporary	319	810	1,780	2,600
	<u>709</u>	<u>1,195</u>	<u>2,732</u>	<u>3,717</u>

17. PROPERTY, PLANT AND EQUIPMENT

Save as set out in section 5 of Part 5 the Company does not own or occupy any premises and does not own any material plant or equipment as at the date of this Prospectus.

There are no known environmental issues which may affect the Company's utilisation of the tangible fixed assets.

18. CAPITALISATION AND INDEBTEDNESS OF THE GROUP

As at 30 April 2016, the Group had no guaranteed or unguaranteed/unsecured debt and no indirect or contingent indebtedness.

The following table sets out the Group's unaudited gross indebtedness as at 30 April 2016, extracted without material adjustment from the Group's unaudited accounting records.

Current debt remains unchanged as twelve monthly repayments remain 'current' at 30 April 2016, while non-current debt has reduced due to repayments made in the period from 1 January 2016 to 30 April 2016.

€'000

Indebtedness at 30 April 2016 (unaudited)

Total current debt

Guaranteed	—
Secured	15,970
Unguaranteed/unsecured	—

Total non-current debt

Guaranteed	—
Secured	235,394
Unguaranteed/unsecured	—

Total Indebtedness	<u>251,364</u>
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The following table shows the capitalisation of the Group at 30 April 2016, extracted without material adjustment from the Group's unaudited accounting records:

Capitalisation at 30 April 2016 (unaudited)

Equity

Share capital	1,830
Share premium	503,113
Capital contribution	25,724
Merger reserve	(10,337)
Share-based payment reserve	1,271
Revaluation reserve	47,510
Translation reserve	(3,532)
Retained earnings	(24,072)
Hedging reserve	(2,736)
Total equity	538,771

Net indebtedness as at 30 April 2016

Cash	67,452
Cash equivalents	—
Liquidity	67,452
Total current debt	(15,970)
Total non-current debt	(235,394)
Net financial (indebtedness)/surplus	(183,912)

The Group's hedging reserve has moved from €(888,000) at 31 December 2015 (being the date of the Group's most recently published financial information, incorporated by reference in Part 6 of this Prospectus) to €(2,736,000) at 30 April 2016 due to movements in the valuation of the underlying hedging instruments.

Cash reserves have reduced between 1 January 2016 and 30 April 2016 due primarily to the completion of a number of acquisitions as set out in Part 5 of this Prospectus, partially offset by cash generated in that period.

The Group's share-based payment reserve has increased from €912,000 at 31 December 2015 (being the date of the Group's most recently published financial information, incorporated by reference in Part 6 of this Prospectus) to €1.27 million at 30 April 2016 due to additional share based payments charges being incurred in the intervening period in line with the Group's accounts policy.

The Group's translation reserve has moved from €880,000 at 31 December 2015 (being the date of the Group's most recently published financial information, incorporated by reference in Part 6 of this Prospectus) to (€3.5 million) due to currency movements in the intervening period.

As set out in Part 5 of this Prospectus, the Group completed three acquisitions between 3 June 2016 and 6 June 2016 for a total consideration of €26.8 million. These acquisitions were funded using existing cash reserves.

Additionally, as set out in Part 5 of this Prospectus, the Group drew down €30.8 million of its available banking facilities on 9 June 2016.

19. DIVIDEND POLICY

No dividend was declared by the Group for the year ended 31 December 2015, year ended 31 December 2014 or by DHGL limited for the year ended 31 December 2013.

The 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 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. Dividends may be declared in accordance with the respective rights of members, but no dividend shall exceed the amount recommended by the Directors. All dividends declared shall be paid in accordance with the terms of the Company's Articles of Association and no restrictions apply to the payment of dividends to non-resident members.

20. CONSENTS

KPMG, 1 Stokes Place, St Stephen's Green, Dublin 2, Ireland, a firm authorised and regulated by, and whose partners include members of, Chartered Accountants Ireland, has given and has not withdrawn its consent to the issue of this Prospectus and the inclusion herein of its reports incorporated by reference into Part 6 of this Prospectus and the references to such reports and to its name in the form and context in which they appear.

Davy, Davy House, 49 Dawson Street, Dublin 2, Ireland which is regulated by the Central Bank of Ireland, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the references to its name in the form and context in which it appears.

Savills Advisory Services (Ireland) Limited, Chartered Surveyors, 33 Molesworth Street, Dublin 2, Ireland has given and not withdrawn its consent to the issue of this Prospectus and the inclusion herein of its valuation report in Part 8 of this Prospectus and the references to such reports and to its name in the form and context in which it appears. With the exception of the valuation report in Part 8 of this Prospectus, Savills Advisory Services (Ireland) Limited does not accept any liability in relation to the information contained in this Prospectus.

21. COSTS AND EXPENSES

The total costs and expenses (exclusive of VAT) of, or incidental to, Admission are estimated to be approximately €1.15 million.

22. THIRD PARTY INFORMATION

Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

There are no patents, intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are or may be material to the Company's business or profitability. There have been no interruptions in the business of the Company, which may have or have had in the period since incorporation to the date of the publication of this Prospectus a significant effect on the financial position of the Company or which are likely to have a material effect on the prospects of the Company for the next 12 months.

Save as disclosed in section 3 of Part 5 the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Company for at least the current financial year.

23. DOCUMENTS ON DISPLAY

Copies of the documents referred to below will be available for inspection in physical form between the hours of 9.30 a.m. and 5.30 p.m. on any weekday (Saturday, Sundays and public holidays excepted) at the Company's registered office up to and including Admission:

- (a) the Constitution of the Company;
- (b) the annual report and financial statements of the Company for the year ended 31 December 2015;
- (c) the annual report and financial statements of the Company for the year ended 31 December 2014;

- (d) the director's report, independent auditor's report and financial statements for DHGL Limited for the year ended 31 December 2013;
- (e) the Dalata Hotel Group p.l.c. Firm Placing and Placing and Open Offer prospectus dated 10 September 2015;
- (f) the written consent from KPMG referred to in section 20 of this Part 10;
- (g) the written consent from Davy referred to in section 20 of this Part 10;
- (h) the written consent from Savills referred to in section 20 of this Part 10;
- (i) the valuation report of Savills set out in Part 8 of this Prospectus; and
- (j) this Prospectus.

Dated: 27 June 2016.

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

the “1996 Regulations” or the “CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No 68 of 1996);
“Adjusted EBITDA”	EBITDA excluding acquisition costs, impairment charges and non-recurring income;
“Admission”	the admission of the Ordinary Shares to the primary listing segment of the Official List of the Irish Stock Exchange, the standard listing segment of the Official List of the FCA and to trading on the Main Markets;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the rules for AIM companies and their nominated advisers, issued by the London Stock Exchange in relation to AIM traded securities;
“ADR”	average daily rate per room;
“ARR”	average room rate;
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time;
“Brexit Referendum”	the results of the referendum that took place on 23 June 2016 in the UK whereby the citizens of the UK voted in favour of the UK leaving the European Union;
“Business Day” or “business day”	any day (other than a Saturday or Sunday) on which lending banks in Dublin and London are open for business;
“Buyer”	the Company;
“Capital Raise” or “Firm Placing and Placing and Open Offer”	the Firm Placing and Placing and Open Offer described in Section 1 of Part 5 of this Prospectus;
“CAT”	Irish capital acquisitions tax;
“CCPC”	the Irish Competition and Consumer Protection Commission;
“Central Bank”	the Central Bank of Ireland;
“certificated” or “certificated form”	in relation to a share or security, a share or security which is not in uncertificated form (that is, not in CREST);
“Chairman”	the chairman of the Board, being, at the date of this Prospectus, John Hennessy;
“Choice Hotel Group”	the Clarion Hotel, Cork, the Clarion Hotel Limerick, the Gibson Hotel, Dublin and the Croydon Park Hotel, London which were acquired by the Company on 11 March 2016;
“Choice Portfolio”	the portfolio of 11 hotels acquired from Choice Hotels Ireland in 2007;
“Circular”	the document dated 10 September 2015, including a notice convening the EGM in relation to the Firm Placing and Placing and Open Offer;

“CLGR”	Cork local government review committee;
“Closing Price”	the official price of an Ordinary Share as derived from the Irish Stock Exchange;
“Company” or “Dalata”	Dalata Hotel Group p.l.c.;
“Companies Act”	the Companies Act 2014 and all Acts of the Oireachtas and statutory instruments which are to be read as one with, or construed or read together as one with, the Act and every statutory modification or re-enactment thereof for the time being in force (or, where the context so admits or requires, any one or more of the Acts of the Oireachtas);
“Company’s Registrars”, “Registrars” or “Receiving Agent”	the Company’s registrars, being Computershare Investor Services (Ireland) Limited, at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18;
“Constitution”	the constitution of the Company which includes the Articles and the Memorandum;
“CPI”	the Consumer Price Index;
“CPO”	compulsory purchase orders;
“CREST”	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“Dalata Hotel Group p.l.c. Firm Placing and Placing and Open Offer prospectus dated 10 September 2015”	the prospectus dated 10 September 2015 issued by the Company in connection with the Capital Raise and the admission to trading of the Firm Placing and Placing and Open Offer shares and approved and filed by the Central Bank in accordance with the Prospectus Directive and the Irish Prospectus Regulations;
“Davy”	J&E Davy, an unlimited company incorporated in Ireland (registered number 106680) and whose registered address is at Davy House, 49 Dawson Street, Dublin 2, Ireland, trading as Davy or, as the context so requires, any affiliate thereof or company within the Davy group;
“Davycrest Nominees”	the company registered as Davycrest Nominees Limited with a registered office address of Davy House, 49 Dawson Street, Dublin 2;
“DHGL Limited”	a company incorporated in Ireland with registration number 493548;
“Directors” or “Board”	members of the Board, from time to time, whose names and functions, as of the date of this Prospectus, are set out in Part 3 of this Prospectus;
“DMS Limited”	Dalata Management Services Limited, a company incorporated in Ireland with registration number 493548;
“DWT”	dividend withholding tax, as provided for in Section 172 of the Taxes Consolidation Act 1997;
“EBITDA”	earnings before interest, tax, depreciation and amortisation;

“EBITDAR”	earnings before interest, tax, depreciation, amortization and hotel rental expenses;
“EHS”	European Union, national and local laws and regulations concerning environmental and/or health and safety matters;
“ESM”	the Enterprise Securities Market operated and regulated by the Irish Stock Exchange;
“ESM Rules”	the rules for ESM companies and their ESM advisers, issued by the Irish Stock Exchange;
“EU”	European Union;
“EURIBOR”	European Interbank Offered Rate;
“EU Prospectus Regulation”	Commission Regulation (EC) No. 809/2004, including the annexes thereto, of 29 April 2004 implementing Directive 2003/71/EC (as amended);
“Euro” or “€”	the single currency of member states of the European Communities that adopt or have adopted the euro as their currency in accordance with legislation of the European Union relating to European Economic and Monetary Union;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“European Economic Area” or “EEA”	each of the Member States, Norway, Iceland and Liechtenstein;
“Excluded Territories” or “Excluded Territory”	the United States, Canada, Australia, New Zealand, the Republic of South Africa, Switzerland and Japan, and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law, or any one of them as the context requires;
“Excluded Territory Shareholder”	a shareholder who is located in, or whose registered address is in an Excluded Territory;
“Executive Directors”	Pat McCann, Dermot Crowley and Stephen McNally;
“Existing Issued Share Capital” or “Existing Ordinary Shares” or “Existing Shares”	182,966,666 Ordinary Shares in issue as at the Latest Practicable Date;
“Existing Shareholders”	holders of Existing Ordinary Shares;
“Existing Shareholder and Board/SMT Offer”	means an offer made by the Company dated 5 March 2014 to existing shareholders, the Board and certain members of the senior management team to subscribe for Ordinary Shares at that time at the Initial Placing Price;
“Facilities Agreement”	the facilities agreement dated 17 December 2014 between the Company, Allied Irish Banks p.l.c., The Governor and Company of the Bank of Ireland and Ulster Bank Ireland Limited as amended and restated by an amendment and restatement agreement dated 6 May 2016;
“FCA”	the Financial Conduct Authority of the UK;
“FPP”	full planning permission;
“Freehold Equivalent”	a lease for a term of 35 years or more;

“freehold interest”	the interest nearest to absolute ownership of real property/land;
“FSMA”	the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
“FY 2013”	in relation to the Company, the financial year ended 31 December 2013;
“FY 2014”	in relation to the Company, the financial year ended 31 December 2014;
“FY 2015”	in relation to the Company, the financial year ended 31 December 2015;
“GDP”	Gross Domestic Product;
“GNL”	Glin Naofa, an unlimited company incorporated in Ireland with registration number 532661 and who was the indirect holding company of the MB Vendors, namely, Borua Holdings Limited, Chiswick Moran Hotel Limited, Segal Trading Limited, Ringway Hotels Limited and Sweet St Hotel Limited;
“Group”	the Company and its subsidiaries and shall include for the avoidance of doubt, all subsidiary companies purchased by the Company from time to time;
“Governance Code”	the UK Corporate Governance Code, published by the Financial Reporting Council in September 2014 (as amended) and the related Irish Corporate Governance Annex;
“IAS 24”	the requirement under IFRS for the disclosure of transactions and outstanding balances with a Group’s related parties;
“IFRS”	International Financial Reporting Standards;
“initial admission”	admission of the Ordinary Shares to AIM and ESM on 19 March 2014;
“Initial Placing”	the placing of the Initial Placing Shares on 19 March 2014 described in section 12 of Part 10 of this Prospectus;
“Initial Placing Agreement”	the conditional agreement dated 14 March 2014 between Davy, the directors and the Company, relating to, <i>inter alia</i> , the Initial Placing, details of which are set out in section 12 of Part 10 of this Prospectus;
“Initial Placing Price”	means €2.50 per Ordinary Share;
“Initial Placing Shares”	the 106,000,000 ordinary shares of €0.01 each allotted and issued pursuant to the Initial Placing;
“IPO”	the initial admission of the Company’s shares to ESM and AIM on 19 March 2014;
“Ireland”	the island of Ireland, and the word “Irish” shall be construed accordingly;
“Irish Prospectus Regulations”	the Prospectus (Directive 2003/71/EC) Regulations 2005 (SI No. 324 of 2005) (as amended);
“Irish Stock Exchange” or “ISE”	The Irish Stock Exchange p.l.c.;

“Irish MB Hotels”	Bewley’s Hotel Ballsbridge, Bewley’s Hotel Leopardstown, Bewley’s Hotel Newlands Cross, Bewley’s Hotel Dublin Airport and the Silver Springs Moran Hotel;
“Irish MB Transferees”	means Heartside Limited, Palaceglen Limited, Pondglen Limited, Candlevale Limited and Songdale Limited;
“ISIN”	International Security Identification Number;
“Jurys” or “Jurys Hotel Group”	Jurys Hotel Group p.l.c.;
“Jurys Doyle”	Jurys Doyle Hotel Group p.l.c.;
“Latest Practicable Date”	the latest practicable date prior to the publication of this Prospectus, being 24 June 2016 (unless otherwise stated);
“Listing Rules”	the listing rules of the Irish Stock Exchange and/or where appropriate the Listing Rules of the UKLA;
“Listing Rules of the UKLA”	the listing rules made by the Listing Authority under section 73A of the FSMA;
“London Stock Exchange” or “LSE”	the London Stock Exchange p.l.c.;
“LTIP”	the Dalata Hotel Group p.l.c. Long Term Incentive Plan 2014;
“MB Acquisition”	the acquisition by the Company of the shares in each of Swintron Limited, Crescentbrook Limited, Hallowbridge Limited, Islandvale Limited and Trackdale Limited;
“MB Acquisition Agreement”	the agreement entered into on 17 December 2014 between the Company, the MB Vendors, GNL and the MB Group Shareholders in relation to the acquisition of the Moran Group Companies;
“MB Asset and Undertaking Transfer Agreements”	the agreements entered into between each of the Irish MB transferees and Swintron Limited in relation to the re-organization of the MB Group;
“MB Cash Placed Shares”	the 6,100,000 placing shares that were the subject of the MB Cash Placing in connection with the MB Acquisition;
“MB Cash Placees”	those persons with whom the MB Cash Placed Shares were placed;
“MB Cash Placing”	the placing of the MB Cash Placed Shares in connection with the MB Acquisition;
“MB Group”	the group of companies of which Toureen Group was the holding company prior to the MB Acquisition;
“MB Group Shareholders”	Tom Moran, Sheila Moran, Allied Irish Banks p.l.c., The Governor and Company of the Bank of Ireland and Canyon Finance Ireland Limited;
“MB Placing Agreement”	the conditional agreement dated 17 December 2014 between Davy, the Executive Directors, the Company, Borua Holdings Limited and DHG Derry Commercial Limited relating to, <i>inter alia</i> , the MB Cash Placing and the MB Vendor Placing, details of which are set out in section 12 of Part 10 of this Prospectus;
“MB Transferees”	Heartside Limited, Palaceglen Limited, Pondglen Limited, Candlevale Limited, Songdale Limited, Trackdale Limited,

	Islandvale Limited, Crescentbrook Limited and Hallowbridge Limited;
“MB Transferors”	Borua Holding Limited, Thomas Prior Ballsbridge, Thomas Prior Hotel, Newlands Cross Hotel, Silver Springs Moran Hotel Limited, Morans Hotel Ireland Limited, T&S Taverns Limited, Chiswick Moran Hotels Limited, Segal Trading Limited, Sweet ST Hotel Limited and Ringway Hotels Limited;
“MB Vendors”	Borua Holdings Limited, Chiswick Moran Hotel Limited, Segal Trading Limited, Ringway Hotels Limited and Sweet St Hotel Limited;
“MB Vendor Placed Shares”	the 12,200,000 placing shares that were the subject of the MB Vendor Placing in connection with the MB Acquisition;
“MB Vendor Placees”	those persons with whom the MB Vendor Placed Shares were placed;
“MB Vendor Placing”	the placing of the MB Vendor Placed Shares by Davy in connection with the MB Acquisition;
“Member States”	the member states of the EU;
“Memorandum”	the memorandum of association of the Company;
“Moran Bewley’s Hotel Group” or “MBHG” or “MB Hotels”	the portfolio of nine hotels acquired by the Company pursuant to the MB Acquisition Agreement;
“Moran Group Companies”	Swintron Limited, Crescentbrook Limited, Hallowbridge Limited, Islandvale Limited and Trackdale Limited;
“Moran Bewley’s Hotel Companies”	Heartside Limited, Palaceglen Limited, Pondglen Limited, Candlevale Limited, Songdale Limited, Trackdale Limited; Islandvale Limited; Crescentbrook Limited and Hallowbridge Limited;
“NAMA”	the National Asset Management Agency;
“net debt”	the short term and long term debt net of cash and cash equivalents;
“Nominated Advisor, ESM Advisor and Broker Agreement”	the agreement entered into between Davy and the Company on 14 March 2014;
“Non-Qualified Holder”	any person whose direct, indirect or beneficial ownership of shares in the Company may, in the determination of the Directors (in their absolute discretion), (i) cause the Company to be required to register as an “investment company” under the US Investment Company Act or to lose an exemption or status thereunder to which it might otherwise be entitled; (ii) cause the Company to have to register under the US Exchange Act or any similar legislation; (iii) cause the Company not to be considered a “foreign private issuer” as such term is defined in rule 3b-4(c) under the US Exchange Act; (iv) result in a person holding shares in the Company in violation of the transfer restrictions set forth in any offering memorandum published by the Company, from time to time; or (v) otherwise result in the Company incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar obligation or disadvantage;

“Official Lists”	the official list of the Irish Stock Exchange and/or, as appropriate, the official list of the UK Financial Conduct Authority, pursuant to Part VI of FSMA;
“Ordinary Shares” or “Shares”	the ordinary shares of nominal value €0.01 each in the capital of the Company;
“Overseas Shareholder(s)”	Shareholders who are resident in, or citizens of, or who have registered addresses in territories other than Ireland or the United Kingdom;
“Placing and Open Offer Agreement”	the conditional agreement dated 9 September, 2015 between the Company, Davy and the Executive Directors further details of which are set out in section 12 of Part 10 of this Prospectus;
“Primary Listing”	a listing by the ISE by virtue of which an issuer is subject to the full requirements of the listing rules of the ISE relating to the Official List of the ISE;
“Project View”	the acquisition of the Moran Bewley’s Hotel Group;
“Prospectus”	this document dated 27 June 2016, comprising a prospectus for the purposes of the Prospectus Directive;
“Prospectus Directive”	Prospectus Directive 2003/71EC;
“Prospectus Rules”	the rules issued by the Central Bank under section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005;
“Registrar Agreement”	the agreement entered into between Computershare Investor Services (Ireland) Limited and the Company dated 11 March 2014;
“Regulatory Information Service” or “RIS”	one of the regulatory information services authorised by the Irish Stock Exchange and/or the UKLA to receive, process and disseminate regulated information from listed companies;
“Remuneration Committee”	a duly constituted committee of the Board comprising non-executive directors of the Company, and which is constituted to consider and review the remuneration and compensation of executive directors and employees of the Company and the Group;
“RevPAR”	revenue per available room;
“Rothschild”	Rothschild Global Advisory;
“SDRT”	UK stamp duty reserve tax;
“SEC”	the United States Securities and Exchange Commission;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Standard Listing”	a listing that is not a premium listing under the rules relating to admission to the Official List of the FCA;
“Sterling” or “£”	official currency of the United Kingdom;
“STR”	global provider of competitive benchmarking, information services and research to the hotel industry;

“Shareholder(s)” or “Dalata Shareholder(s)”	a holder or holders of Ordinary Shares;
“subsidiary”	shall be construed in accordance with the Companies Act;
“subsidiary undertakings”	shall have the meaning given by the European Communities (Companies: Group Accounts) Regulations 1992;
“Toureen Group”	Toureen Group Limited a company incorporated in the Isle of Man with registration number 010198V;
“Trending.ie”	hospitality industry experts, specialising in analytical tools for the hotel and restaurant industries;
“uncertificated” or in “uncertificated form”	Ordinary Shares recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK MB Transferees”	Trackdale Limited, Islandvale Limited, Crescentbrook Limited and Hallowridge Limited;
“UK MB Transferors”	Chiswick Moran Hotel Limited, Segal Trading Limited, Ringway Hotels Limited and Sweet St Hotel Limited;
“UK MB Asset and Undertaking Transfer Agreement”	the Asset and Undertaking Transfer Agreement dated 11 December 2014 between the Crown Seller and the Crown Target in respect of the transfer of the business and undertaking of Crown Moran Hotel located at 152 Cricklewood Broadway, London NW2 3ED, U.K; Asset and Undertaking Transfer Agreement dated 11 December 2014 between the Chiswick Seller and the Chiswick Target in respect of the transfer of the business and undertaking of Chiswick Moran Hotel located at 626 Chiswick High Road, London W4 5RY, U.K; Asset and Undertaking Transfer Agreement dated 11 December 2014 between the Manchester Seller and the Manchester Target in respect of the transfer of the business and undertaking of Bewley’s Hotel Manchester Airport located at Outwood Lane, Manchester Airport, Manchester M90 4HL, U.K.; and Asset and Undertaking Transfer Agreement dated 11 December 2014 between the Leeds Seller and the Leeds Target in respect of the transfer of the business and undertaking of Bewley’s Hotel Leeds located at City Walk, Sweet Street, Leeds LS11 9AT, U.K.
“United States”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America;
“US Exchange Act”	the Securities Exchange Act of 1934;
“US Investment Company Act”	the US Company Investment Act of 1940; and
“US Securities Act”	the United States Securities Act 1933 as amended.

Notes:

- (i) Unless otherwise stated in this Prospectus, all reference to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.
- (ii) The symbols “€” and “c” refer to euro and euro cent respectively, the lawful currency of Ireland pursuant to the provisions of the Economic & Monetary Union Act 1998. The symbols “Stg£” or “£” or p refer to sterling, the symbols “US\$” or “\$” refer to US dollars.
- (iii) Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neuter gender.
- (iv) Expressions defined in the manual published by Euroclear from time to time in connection with the operation of CREST bear the same meaning when used in this Prospectus.

CHECKLIST OF DOCUMENTATION INCORPORATED BY REFERENCE

The table below sets out the various sections of such documents which are incorporated by reference into this Prospectus, and which have been filed with the Central Bank, so as to provide the information required under the Irish Prospectus Regulations and to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Company and of the Ordinary Shares, is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the Ordinary Shares.

These documents are also available on the Company's website at www.dalatahotelgroup.com/

<i>Document</i>	<i>Section</i>	<i>Page numbers</i>
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2013 DHGL Limited (formerly Dalata Hotel Group Limited) Directors' Report and financial statements	Independent auditor's report	8-9
	Consolidated statement of comprehensive income	10
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Dalata Hotel Group p.l.c. Firm Placing and Placing and Open Offer prospectus dated 10 September 2015	Historical Financial Information on the Moran Bewley's Hotel Group	90-109
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	Operating and Financial Review – Moran Bewley's Hotel Group	144-155

The information which is incorporated by reference throughout this Prospectus is so incorporated in compliance with Regulations 27 and 28 of the Irish Prospectus Regulations. The parts of the documents other than those incorporated by reference (as per the table above) are either not relevant or are covered elsewhere in this Prospectus.

