



MERGER ANNOUNCEMENT

Competition and Consumer Protection Commission clears acquisition by Dalata Hotel Group p.l.c. of the business and certain parts of the Clarion Hotel, Liffey Valley and certain parts of the Clayton Hotel, Cardiff Lane

29 August 2017

The Competition and Consumer Protection Commission (“CCPC”) has today cleared, subject to binding commitments, the proposed transaction whereby Dalata Hotel Group p.l.c. (“Dalata”) would acquire the business and certain parts of the Clarion Hotel, Liffey Valley, Dublin 22 and certain parts of the Clayton Hotel, Cardiff Lane, Dublin 2. On 17 May 2017, the proposed transaction was notified to the CCPC under section 18(1)(a) of the Competition Act 2002, as amended (the “Act”).

This follows an extended preliminary (Phase 1) investigation by the CCPC, which included a Requirement for Further Information served on Dalata. During the Extended Phase 1 investigation, the CCPC identified a potential competition concern arising from Dalata’s management of hotels on behalf of third parties in the State, namely the potential that such management arrangements may provide Dalata (and the hotels that it currently owns, controls and leases) with access to competitively sensitive information (e.g., room rates) relating to the hotels that Dalata manages.

To address these concerns, Dalata agreed to submit proposals to the CCPC, which included a confidentiality commitment and merger notification commitment. The confidentiality commitment is intended to prevent the exchange of competitively sensitive information between any hotel which Dalata is appointed to manage in the future and any hotel owned, controlled, leased or operated by Dalata in the State which competes with such hotel, which would constitute a breach of section 4(1) of the Act. The merger notification commitment requires Dalata to inform the CCPC of any proposal by Dalata to begin operating a hotel in the State on behalf of a third party, where this would not otherwise be notifiable compulsorily to the CCPC. Furthermore, the CCPC may require the voluntary notification of any such proposal (constituting a merger or acquisition under Part 3 of the Act), even if such proposal would not otherwise be notifiable to the CCPC or to the European Commission.

The CCPC is of the view that the proposals obtained from Dalata are appropriate and effective in addressing its competition concerns. The CCPC has taken these proposals into account and they form part of the basis of its determination. As a result, the proposals have become binding on Dalata.

The CCPC has therefore determined that, in its opinion, the result of the proposed transaction, taking into account the proposals obtained from Dalata, will not substantially lessen competition in any market for goods or services in the State. The CCPC will publish the reasons for its determination on its website no later than 60 working days after the date of the determination and after allowing the parties the opportunity to request that confidential information be removed from the published version.



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Additional Information

Dalata Hotel Group p.l.c. is an Irish incorporated public limited company headquartered in Dublin and listed on the Irish Stock Exchange and the London Stock Exchange. Dalata Hotel Group p.l.c. owns and operates its own hotels and manages hotels on behalf of third parties in the State and in the United Kingdom. In the State, Dalata Hotel Group p.l.c. currently has a portfolio of 29 hotels, of which 18 hotels are owned by Dalata Hotel Group p.l.c., eight hotels are leased by Dalata Hotel Group p.l.c. and three hotels are managed on behalf of third parties by Dalata Hotel Group p.l.c. under management agreements.

The Clarion Hotel, Liffey Valley is a *4 star* hotel with 353 bedrooms, located approximately 11km from Dublin city centre. The facilities offered by the hotel include a bar, restaurant, health and fitness centre and a conference and events centre with 12 conference rooms. The Clayton Hotel, Cardiff Lane is a *4 star* hotel with 304 bedrooms, located approximately 1km from Dublin city centre. The facilities offered by the hotel include a bar, restaurant, leisure centre and five meeting rooms.