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**MANTRA GROUP LIMITED (ASX: MTR) ("Mantra Group")
UPDATE ON TRADING AND GUIDANCE FOR FY15 EARNINGS**

Mantra Group is pleased to announce that it has entered into a contract for the acquisition of the prestigious Soul Surfers Paradise Resort as described in the attached press release.

This acquisition complements the Group's luxury Peppers brand portfolio and is aligned with Mantra Group's strategy to deliver ongoing shareholder value.

Mantra Group also provides an update on expected earnings for the 2015 financial year.

Based on current forecasts and trading expectations for the remainder of FY15, Mantra Group expects to report FY15 EBITDA within the range of \$71m - \$73m and NPAT within the range of \$35m - \$36.5m (before accounting for transaction costs associated with acquisitions). The expected result is above the current FY15 EBITDA and NPAT forecast reported in Mantra Group's prospectus for IPO of \$69.5m and \$32.6m respectively.

Mantra Group also confirms the settlement of two new Tasmanian properties, Mantra Charles Hotel Launceston and Mantra Collins Hotel Hobart, which commenced trading this week.

The FY15 financial result requires trading for the remainder of the FY15 year to be in line with current forecast expectations and is subject to audit.

Mantra Group plans to report its fully audited FY15 financial results on 27 August 2015.

Fiona van Wyk
Company Secretary
Mantra Group Limited



MANTRA GROUP SECURES LANDMARK SOUL SURFERS PARADISE

The prestigious Soul Surfers Paradise management letting rights business has been successfully secured by leading Australian hotel operator, Mantra Group.

In what was one of the most strongly contested acquisition opportunities in Australia this year, Mantra Group, under the luxurious Peppers brand, has secured the management and caretaking rights, and associated real estate for the iconic 77-level Soul residential tower.

Mantra Group has been managing the tower as agents for the receivers and managers since November 2013. The property is currently operated as Soul Surfers Paradise under the management of the premium Peppers brand and is one of the premier luxury holiday apartment resorts in Australia.

Mantra Group CEO, Bob East, said the team was delighted with the acquisition.

“Importantly, our guests will continue to enjoy exceptional five star Peppers service as we consolidate Soul Surfers Paradise as a pre-eminent luxury resort complex in Australia,” he said.

Resort Brokers Australia agents Glenn Millar and Alex Cook handled the sale on behalf of receivers and managers at PwC, running an international Expressions of Interest (EOI) campaign that closed on April 13.

“As anticipated, the campaign drew very strong interest, attracting enquiries from more than 20 parties, including major Australian and international hotel and MLR operators and consortiums,” Mr. Millar said.

“Mantra Group was ultimately the successful bidder in a highly competitive and fiercely contested sales campaign”.

Mr. Cook said the sale underlined the strength of the Gold Coast market and positioned Soul Surfers Paradise in a category that could be termed a “super group” of management rights.

“It shows management rights, which have generally not been targeted, are now a strong asset class for hotel operators, and there is clearly unmet demand.”

The sale of the MLR business of Soul Surfers Paradise is an important milestone in the realisation of the assets of the Soul development project.

Receiver and manager Michael Fung from professional services firm PwC Australia, said the receivers and managers were pleased with the level of interest and price negotiated for the MLR business at Soul Surfers Paradise.

“The strength of interest in this unique opportunity was reflected in the high calibre of participants in the sale process and ultimate sales price that has been achieved”, Mr Fung said.

“Since our appointment in October 2012, the Receivers and Managers have been focused on maximising the value of all components of the Soul development. Following the sale of over 180 luxury apartments in the residential tower and the sale of Soul Surfers Paradise to the Mantra Group, we are now offering Soul’s beachfront retail precinct, Soul Boardwalk for sale.”

Jonathan O’Brien of CBRE and Mark Witheriff of Knight Frank have been appointed to manage the sale of Soul Boardwalk via an International Expressions of Interest campaign closing 4 June 2015.

Soul is an impressive 77-level tower located on the corner of Cavill Avenue and The Esplanade, Surfers Paradise. All two and three-bedroom and penthouse apartments enjoy spectacular uninterrupted ocean views over Surfers Paradise and the Gold Coast hinterland.

Featuring beach frontage just 20 metres walk from Surfers Paradise beach, Soul Surfers Paradise is situated above a brand new retail and dining precinct and offers a world class array of guest facilities, including multiple pool areas surrounded by sun lounges and day beds; spa, sauna and steam rooms; an oasis of tropical gardens and water features; a superbly equipped gymnasium, plus outdoor exercise and recreation facilities. The property also includes Seaduction, an acclaimed fine dining restaurant with a separate wine-tasting room, private dining room and bar.

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ABOUT MANTRA GROUP

Mantra Group is a leading manager and marketer of hotels and resorts in Australia, New Zealand and Indonesia and operates three well-known and trusted brands – Peppers, Mantra and BreakFree. With 116 properties and over 12,500 rooms under management, Mantra Group is the second largest accommodation operator in Australia. The Group is positioned to offer both leisure and business style accommodation ranging from full service city hotels and self-contained apartments to luxury resorts and retreats: www.mantragroup.com.au; www.peppers.com.au; www.mantra.com.au; www.breakfree.com.au

ABOUT RESORT BROKERS AUSTRALIA

Resort Brokers Australia is the nation’s longest established and most experienced specialist agency operating in the accommodation and hospitality sector. Founded in 1985 by Ian Crooks, it was the first broking house to focus exclusively on sales of tourism and accommodation-related businesses. Today Resort Brokers Australia

remains proudly a family business and holds a firm position of industry leadership. Its national network of brokers handles the sale of resorts, management rights, motels, hotels, serviced apartments, backpackers and caravan and holiday parks.
www.resortbrokers.com.au

ABOUT PwC

PwC Australia helps organisations and individuals create the value they're looking for. We're a member firm of network of firms in 157 countries with more than 195,000 people who are committed to delivering quality in assurance, advisory, tax & legal, and private clients services.

PwC is one of Australia's leading professional services firms, bringing the power of our global network of firms to help Australian businesses, not-for-profit organisations and governments assess their performance and improve the way they work. Having grown from a one-man Melbourne accountancy practice in 1874 to the worldwide merger of Price Waterhouse and Coopers & Lybrand in 1998, PwC Australia now employs more than 6,000 people.

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