

## MANTRA GROUP ANNOUNCES RESULTS FOR THE YEAR ENDED 30 JUNE 2014

### HIGHLIGHTS

- Revenue and Profit forecasts were in line with or slightly ahead of Prospectus forecasts
- Statutory total revenue of \$454.7m, was up 5.7% on FY2013
- Pro forma revenue of \$452.6m, was up 4.9% on FY2013
- Statutory NPAT was (\$0.3m), higher than prospectus forecasts of (\$2.2m)
- Pro forma EBITDA of \$62.4m, consistent with the full year Prospectus forecast of \$62m
- Pro forma NPATA of \$31.2m, consistent with the full year Prospectus forecast of \$30.1m
- Pro forma adjusted EPS of 12.6 cents per share, consistent with the full year Prospectus forecast of 12.1 cents per share
- Reconfirm Prospectus FY2015 forecasts
- Strong pipeline of development opportunities
- 8 hotels joined the network in FY14 and 2 have joined in FY15 to date

Mantra Group Limited (Mantra Group) today announced its results for the year ended 30 June 2014.

Mantra Group Chief Executive Officer Bob East said, "I am pleased to report that for the year ended 30 June 2014, the Group achieved its Prospectus forecast in terms of revenue, profitability and cash flow. The Group delivered total revenue of \$454.7 million representing a 5.7% increase on FY2013. This result reflects improved occupancy levels and average room rates as well as a focus by Management on cost control and improved efficiencies in key areas of the business. The Group is in a good financial position with total assets of \$516 million, net assets of \$257 million and a strong cash flow, and is well placed to deliver shareholder value in FY2015."

The Group achieved year-on-year growth in each of its operating segments and delivered results consistent with forecasts outlined in the Prospectus:

- CBD delivered revenue of \$236.2 million and EBITDAI of \$42.9 million representing a year-on-year increase in revenue of 4.2% and was in line with the EBITDAI forecast in the Prospectus. Among other factors, improved business sentiment drove corporate demand and a number of special events held in capital cities contributed to leisure demand in CBD properties resulting in increased occupancy levels.
- Resorts delivered revenue of \$177.3 million and EBITDAI of \$22.6 million representing increases on FY2013 of 4.3% and 8.1% respectively. This sector benefitted from growth in both domestic and international visitors.
- Central Revenue and Distribution (CRD) delivered revenue of \$36.9 million and EBITDAI of \$25.3 million representing increases on FY2013 of 30.4% and 9.1% respectively. Fees from new properties under management in Bali and Wollongong coupled with an increase in on-line booking volumes through the Group's online channels contributed to this solid performance.

### **Network Growth**

Between January and June 2014 Mantra Group added five new hotels to its network – two in Brisbane; one in Melbourne; one in Wollongong and the first Peppers property in Bali, Indonesia.

Since listing on the ASX on 20 June 2014, another hotel has joined the Brisbane network bringing the total number of properties in the Brisbane region to five; and the first Peppers capital city property opened in Canberra. Property Pipeline is strong with a sixth hotel scheduled to join the Brisbane network in September. Further new properties are expected to enter the portfolio in FY2015 with future new build developments awaiting construction.

## Strategy and FY2015 Outlook

Mr East said that Mantra Group is committed to driving growth and delivering shareholder value in FY2015 through the following strategies:

- Building Mantra Group brands through continued use of strategic partnerships, improved quality of room inventory via a targeted refurbishment program and improved service delivery and guest experiences across each of the brands;
- Grow RevPAR (revenue per available room) and improve yield management by targeting higher yielding corporate accounts and by increasing sales, marketing and distribution initiatives aimed at securing corporate contracts and managing average room rates to optimise positive RevPAR outcomes;
- Optimise distribution channels by increasing the proportion of bookings via direct channels as well as increasing mobile capability, social media and website optimisation.
- Expand via the acquisition of properties in targeted key CBD and leisure destinations in Australia, New Zealand and the South-East Asia region.

“As outlined in the Prospectus, in FY2015 the accommodation industry is forecast to grow in RevPAR in line with favourable supply/demand factors,” said Mr East.

“Based on the Group’s earning capability and strong cash flow position, Mr East said that the Mantra Group is well placed to take advantage of growth opportunities and deliver year-on-year shareholder value.”

“We continue to strengthen our platforms and we are taking advantage of leading distribution capabilities and brand appeal. These factors are also aiding our development team as they continue to sign new properties into the portfolio”.

As indicated at the time of the IPO the Board currently anticipates that the first dividend to Shareholders will be determined in respect of the period from 1 July 2014 to 31 December 2014.

## **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 114 properties and over 11,400 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](http://www.mantragroup.com.au); [www.peppers.com.au](http://www.peppers.com.au); [www.mantra.com.au](http://www.mantra.com.au); [www.breakfree.com.au](http://www.breakfree.com.au)*