

9 October 2017

ASX Market Announcements
Australian Securities Exchange

Dear Sir/Madam

Response to press speculation

We refer to recent press speculation regarding Mantra Group Limited (ASX:MTR) ("**Mantra**").

Mantra confirms it has received an indicative and non-binding proposal from Accor S.A. ("**Accor**") in relation to a potential control transaction ("**Proposal**"), to be implemented by way of a Mantra scheme of arrangement, at \$3.96 cash per share (on a fully diluted basis), being \$4.02 per share less the final FY17 dividend that has already been paid, and including a potential special dividend. Mantra has granted Accor access to due diligence to determine if a transaction can be agreed and recommended unanimously by the Mantra Board.

The discussions are incomplete and any entry by the parties into binding transaction documents remains subject to a number of conditions, including (without limitation) the approval of both the Mantra and Accor Boards and agreement on documentation. If any Proposal is agreed, the Proposal will be subject to regulatory approvals and other conditions to be determined. There is no certainty that an agreement will be reached or that the Proposal will be implemented.

Mantra will keep investors informed in accordance with its continuous disclosure obligations.

At this stage shareholders do not need to take any action in relation to the Proposal.

Mantra has retained Highbury Partnership as financial adviser and Baker McKenzie as legal adviser to assist it in responding to the Proposal.

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