

Indoor Skydive Australia Group Limited

ACN 154 103 607

ASX/Media Release

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PENRITH OPERATIONS UPDATE

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group) is pleased to announce that iFLY Downunder's performance during its first full quarter of operations was in line with expectations and supportive of the ISA Group business model.

Revenue from the tunnel operations for the period was \$1.6m with an average occupancy over the period of 69.8%. Weekend occupancy was high throughout the period with an average of 85%. Midweek occupancy averaged 63.8% which was in line with expectations. The aim now is to steadily grow the mid-week market through the implementation of special educational and mid-week programs and corporate packages. A feature of the period was the school holiday occupancy rates which exceeded our expectations peaking at 97.6%.

The technical operations and performance of the facility during the period has exceeded management expectations. Of particular note, the average electricity kWh consumption per hour is lower than anticipated. All operations at Penrith are undergoing constant improvement as we listen more to customers leading to enhancements in team training, professional marketing and IT.

Target group markets have been confirmed. The popularity of the indoor skydiving facility with first time flyers has been greater than expected. The largest age group of flyers is the 11 to 15 year old group. This validated our investment in Junior iFlyer programs.

Military and other professional flyer utilisation of the tunnel has been strong. We have established contracts with the Defence Force's Parachute Training School. We have also established Tunnel Camp agreements with the New Zealand Parachute Federation and other professional organisations. These agreements compliment the partnering agreement entered into in August 2013 with the Australian Parachute Federation. These contracts and agreements validate our business proposition that the Penrith facility is a safe, professional and extremely cost effective way to increase an individual's freefall flight skills within a short period of time.

The media interest in, and coverage of, the facility has been strong and very positive in both traditional and new media markets. Social media coverage of the iFly Downunder experience has grown exponentially. There is now a thriving facebook and social media community and search engine listings are excellent.

“We are extremely happy with the first full quarter of operations at iFLY Downunder” said Wayne Jones, ISA Group CEO. “Building Australia’s first world class indoor skydiving facility has been a challenging experience, but we have risen to the challenge, built an outstanding facility and delivered an operating performance in line with, or exceeding, our expectations. There is still a long way to go, but the Penrith experience has given us great confidence in our growth expectations.”

Further information on ISA Group is available at www.indoorskydiveaustralia.com.au.

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About Indoor Skydive Australia Group Limited (ACN: 154 103 607)

Indoor Skydive Australia Group Limited is a visionary leisure company established in 2011 to build and operate a portfolio of world class indoor skydiving facilities across our region. These facilities, allowing human flight within a safe environment, are currently used by tourists, skydiving enthusiasts and military throughout the world. Our business plan is based on proven technology, flexible operating hours and low overheads. The Company listed on ASX on 18 January 2013 under the code IDZ.

For further information visit: www.indoorskydiveaustralia.com.au

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