



The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000
By E-Lodgement

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Disruptive Investment Group (ASX: DVI)

Quarterly Update: March 2015

KEY HIGHLIGHTS

- **Professional Performance Systems Pty Ltd (“PPS”) owner and operator of BYOjet Group achieves March quarter profit¹;**
- Record quarterly Total Transaction Value (“TTV”) of approx. \$23.5 million² in March quarter and record monthly TTV of approx. \$8.41 million³ achieved in March 2015;
- DVI elected to invest a further \$525,000 via senior secured convertible note investment in PPS bringing its total investment to \$1.425 million⁴;
- JETMAX marketing initiatives commenced and continues to expand with 18 live sites, six being commissioned and 25 in contractual negotiations;
- BYOjet nominated for eight industry awards;
- Due diligence on Find Solutions Australia (“FSA”), owner and operator of leading online off-the-plan property marketplace iBuynew.com.au complete;
- FSA transaction documents are in their final stages⁵;
- FSA record revenue and commissions receivable in FY15 YTD⁶; and

¹ Figures are provided by management and are on an unaudited basis

² Figures are provided by management and are on an unaudited basis

³ Figures are provided by management and are on an unaudited basis

⁴ DVI has agreed to invest up to \$1.5m in cash in PPS by way of a senior secured convertible security with an initial drawdown of \$700,000 funded in Sept 14, and a second drawdown of \$200,000 funded in Dec 14. In respect of the balance of \$600,000, DVI has elected to fund the PPS (taking the total amount loaned under the senior secured convertible note to \$1.425m at the end of March 2015). In addition, DVI has agreed to fund the balance of the \$1.5m in cash in PPS.

⁵ The proposed investment in FSA remains subject to final documentation and the satisfaction of various conditions precedent.

⁶ Figures are provided by management and are on an unaudited basis

- DVI completed a \$1.0 million capital raising (before costs) via a placement of 83.3 million new shares to new and existing institutional and sophisticated investors in February 2015.

BUSINESS UPDATE

In the March 2015 quarter Disruptive Investment Group (“DVI” or “the Company”) continued executing its previously outlined strategy.

DVI’s investment in PPS and proposed investment in FSA represents a material stake in both businesses, in line with DVI’s overall strategy. PPS and FSA continued to perform strongly, generating material revenues and growth by using technology as a core differentiator to disrupt legacy business models. Both PPS and FSA traded profitably during the March quarter.

During the quarter, DVI also successfully completed a \$1.0 million capital raising (before costs) via a placement of 83.3 million new shares to new and existing institutional and sophisticated investors. DVI also elected to invest a further \$525,000 via senior secured convertible note investment in PPS bringing its total investment to \$1.425 million.

Consistent with DVI’s investment strategy, DVI has the ability to convert its interest to a majority stake in PPS and, if the investment in FSA proceeds, DVI will have the ability to reach 100% ownership (subject to further funding)⁷.

BYOjet UPDATE

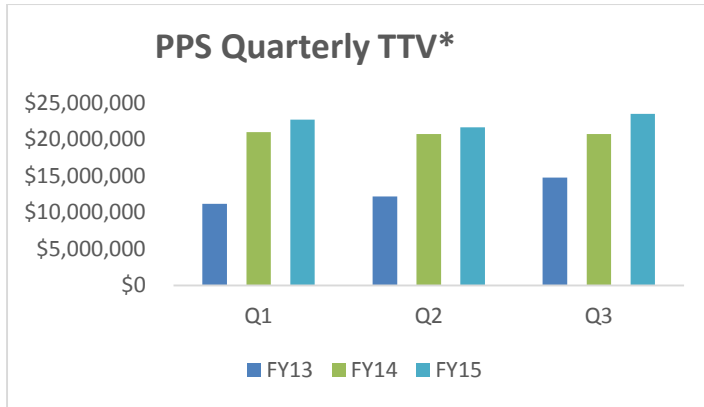
The Directors of DVI and PPS management are pleased to announce a quarterly profit for the PPS Group for the quarter ending 31 March 2015. After previously investing significant amounts in R&D, technical integrations and expanding in to offshore markets (New Zealand and Singapore), PPS is now achieving strong TTV growth and modest profitability on a monthly basis.

PPS is the owner and operator of the BYOjet business, one of Australia’s largest online travel agents (“OTA”) that also includes businesses in New Zealand and Singapore. PPS also owns the proprietary white-label online platform for travel agents, JETMAX. As previously stated, as a condition of DVI’s investment in PPS, PPS management refocused the business online and discontinued Australian retail operations. The business has been focusing on key growth initiatives outlined in the market of 6 February 2015.

The recent initiative to integrate Scoot bookings delivered a 111% increase in Scoot sales, International Air Transport Association accredited Singaporean operations experienced 76% TTV growth, and corporate sales increased by 52% compared to the previous quarter (albeit off low starting bases in all three cases).

Quarterly TTV was approx. \$23.5 million, a strong result that included an all-time record monthly TTV of approx. \$8.41 million achieved in March 2015.

⁷ The existing shareholders of FSA will grant DVI an option to acquire the remainder of the equity in FSA in 4 years.



* FY14 and prior does not include Disruptive Opportunities No.1 Pty Ltd TTV the owner of the Check-In group and is on an unaudited basis.

According to Founder and CEO of PPS, Lenny Padowitz, the increased TTV that drove profitability was due to a number of key strategic initiatives that are now beginning to flow through to company sales.

Note that PPS cashflow is not consolidated into the DVI quarterly 4C reporting.

On the B2B platform side, JETMAX continued to expand on the back of increased marketing initiatives. JETMAX now has 18 live sites, with six being commissioned and 25 in contractual negotiations. JETMAX offers 'high street' travel agents and large membership groups a turn-key online booking solution so they can instantly provide flights, hotels, and other travel services to their customers, staff or members through a white label website.

JETMAX Pipeline

JETMAX	31 Dec 14	31 Mar 15
Live Partnerships	10	18
Deployment Phase	6	6
Contractual Discussions	17	25
TOTAL	33	49

BYOjet has also been nominated for a number of significant industry awards such as:

- World Travel Awards - Australasia's Leading Travel Agency 2015
- World Travel Awards - Australia's Leading Travel Agency 2015
- World Travel Awards - World's Leading Online Travel Agency (OTA) Website 2015
- World Travel Awards - Asia's Leading Travel Technology Provider 2015
- World Travel Awards - World's Leading Booking Engine Technology Provider 2015
- National Travel Industry Awards – Best OTA
- Australian Business Awards – Technology 2015
- Australian Business Awards – Best Technology Product 2015

BYOjet remains focused on signing further direct partnerships with both flight and hotel providers, to provide its clients with unique offerings and improved sales margins with little incremental costs. Check-In.com.au, the online accommodation website owned by PPS, currently has over 2,100 direct

hotel partnerships globally and recently entered into a direct agreement to market properties owned by one of Australia's leading hotel operators with over 70 locations globally. Direct partnerships significantly improve hotel booking margins, and provide a better experience by allowing customers to pay an initial 15% deposit to secure a room.

Proposed Investment in iBuyNew.com.au

The Directors of DVI have completed due diligence on FSA, the owner and operator of leading online off-the-plan property marketplace iBuynew.com.au (IBN) and are now in the final stages of completing the transaction documents. In the March 2015 quarter FSA achieved a number of milestones including:

- Record revenue for the FY15 year to date relative to prior comparable periods;
- Record commissions receivable in relation to properties sold for the FY15 year to date relative to prior comparable periods; and
- Opening of a Melbourne office and growth in Melbourne listings;

IBN's performance continues to be strong recording a solid sales growth compared to prior comparable periods. In the nine months ending March 2015, IBN recorded approx. \$1.92 million in gross sales, surpassing total FY14 gross sales. In addition, IBN sold 77 properties in the 9 months ended March 2015, exceeding total FY13 sales and almost matching FY14 sales (approx. 95%). Commissions receivable on these sales are higher than past financial years despite only 9 months of performance⁸.

FSA - selected financial metrics⁹

FSA Key Operating Metrics			
	FY13	FY14	YTD15
Properties sold ¹⁰	69	81	77
Commissions receivable (\$000s) ¹¹	1,477	1,692	1,760

FSA Pro Forma Financial Performance			
(\$000s)	FY13	FY14	YTD15
Gross sales ¹²	1,361	2,120	1,923

⁸ Figures are provided by management and are on an unaudited basis

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¹⁰ Properties sold refer to the number of properties that IBN facilitated a contract exchange on during the period.

¹¹ Commissions receivable refers to the commissions payable on properties sold during the period and includes an amount paid immediately upon contract exchange (exchange income) and an amount expected to be payable in the future when the property is completed and the contract is settled (settlement income) which usually occurs in a future period.

¹² Gross sales refers to exchange income and settlement income received during the period.

According to FSA Founder and CEO Mark Mendel, the Directors of DVI and in particular John Kolenda have been providing material value to the business over the past quarter and both parties are committed to continue delivering on the remaining terms of the agreement.

FSA now has over 1,400 properties online and is focused on delivering a strong final quarter.

Appendix 4C

As announced to the market on 24 September 2014 and as part of the PPS transaction, DVI disposed of the Disruptive Opportunities No.1 Pty Ltd shares (owner of the Check-In group) on 24 September 2014 in return for PPS shares.

Following this transaction all operating revenue and expenses for the Check-In group are now reported at the PPS corporate level, and no longer consolidated into the DVI cash flow statement.

This is reflected in the Appendix 4C.

For further information, please contact Dr Adir Shiffman on (02) 9248 6988.

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About the BYOjet Group

Established in 2010 by technology entrepreneur Lenny Padowitz and built on the proprietary JETMAX International platform, BYOjet has grown to become one of Australia's most visited online travel agents. Based in Brisbane, Australia and an associate member of helloworld, BYOjet operates in the Australian, New Zealand and now Singapore markets through a range of brands and white label offerings.

BYOjet is a global multichannel travel agency offering the convenience and value of booking online, with a focus on personalised service excellence for their customers. Innovative technologies and a cutting edge global support team fortify BYOjet as an industry leader in travel, and now one of the largest online travel businesses in Australia.

The business recorded an impressive 126% compound average total transaction value (TTV) growth rate between FY12 and FY14, as TTV rose from less than \$20m to close to approximately \$83m in FY14.

BYOjet.com.au has been powered by its own proprietary platform, JETMAX, for more than three years. JETMAX technology was developed in-house by the BYOjet technology team, and the success of BYOjet showcases the potential of the system to be a highly successful white label technology product offering integration of a range of effective search engines into existing agencies' websites. Agencies can choose to integrate some or all JETMAX services including flights, hotels, car hire, attractions and insurance. The JETMAX technology can also be supported with an optional full ticketing and customer service back office.

About Disruptive Investment Group Limited (ASX:DVI)

Disruptive Investment Group Limited is an owner, developer and operator of retail, franchise and e-commerce brands, listed on the Australian Securities Exchange trading under the ASX Code: DVI.

DVI is a significant investor in one of Australia's leading online travel agencies ("OTA") BYOjet. The BYOjet Group comprises an OTA that processed \$91m worth of transactions in CY2014, as well as hotel booking websites of the Check-In group, comprising Check-In.com.au and Cheapotels.com.au, and a customer database in excess of 480,000 members. BYOjet also owns the proprietary JETMAX platform, a technology that enables offline travel agents to quickly and easily offer a full service branded online travel service to their customers.

DVI's stated growth initiatives also include pursuing targeted acquisitions both within the retail, franchise and e-commerce sectors, particularly where its existing digital platform and expertise can provide a meaningful benefit to any acquisition.