

Indoor Skydive Australia Group Limited
ACN 154 103 607

ASX/Media Release
Sydney, Australia – 1 June 2015

Operations and Construction Update

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group) continues to deliver its Australian Roll Out Plan and provides the following update.

Penrith Operations

The Penrith indoor skydiving facility, iFLY Downunder, recently celebrated its first anniversary since opening to the public on 26 April 2014. The milestone was celebrated with two separate events; one recognising the strong ongoing patronage received from the professional skydiving community and the other confirming the role the facility plays as an entertainment and leisure centre for the local community and Greater Western Sydney.

The first 12 months of operations have validated ISA Group's business model based on promoting utilisation with low fixed costs. The experience to date has confirmed the trend of high utilisation during school holidays with the highest utilisation hitting 98% in the April school holidays. The military and professional skydiver markets have been early adopters of the Penrith facility and provide a consistent level of tunnel usage with peaks during the early part of the calendar year in line with key traditional skydiving events.

We continue to focus on growing the corporate and group market for the Penrith facility and controlling costs to drive performance.

Gold Coast Construction Update

The construction of the Gold Coast indoor skydiving facility is progressing within expectations. In-ground works continue, with piling and benching nearing completion. The refurbishment works within the existing building has commenced.

To drive the build efficiently and control the program ISA Group has implemented a staged approach to the construction. This approach has been integrated into the procurement program and the delivery of the specialised vertical wind tunnel componentry. The first 3 containers of componentry are expected to be received in early June with the remaining 7 containers to be delivered in stages in line with the construction program.

The focus to date has been on works within the existing building and in ground works for the facility. The next stage of construction is now being implemented which involves shotcreting the contiguous piling, pouring the basement slab and extending the plenum walls above ground. These works are undertaken in parallel with the integration of the specialised vertical wind tunnel componentry into the building structure. This is a different construction methodology than that used on the Penrith build and the result of additional value engineering and utilising lessons learned from experience.

iFLY Gold Coast recruitment and staff training is progressing in line with the expected opening date.

Perth Project Update

ISA Group has now taken possession of the Perth indoor skydiving facility site located at 143 Great Eastern Highway Rivervale. Prior to taking possession, the landlord removed all structures and material from the site which included the demolition of the existing warehouse on the site and the removal of in ground footings and foundations.

ISA Group is currently working on the detailed design development, initiating tender processes to identify key contractors, and preparing the necessary permit applications in anticipation of works commencing on the site in July. The initial works will focus on drainage and earth works required to prepare the site for the indoor skydiving facility.

Corporate Update

ISA Group's strong management team continues to drive our aggressive growth strategy. The Project Management Office continues to maximise potential efficiencies and controlling the construction of new facilities. These actions have positioned ISA Group to deliver the Australian roll out plan earlier than initially expected and enabled senior management to progress investigations into Asian opportunities.

ISA Group anticipates financial metrics for the full financial year ending 30 June 2015 to be broadly in line with company expectations and the December 2014 half year results.

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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 the ASX on 18 January 2013 under the code IDZ.

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