



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

29 July 2016

DVI has executed a binding sale agreement to acquire iBuyNew, announces full year TTV growth of 75%

Disruptive Investment Group Limited (**ASX: DVI**) is pleased to announce that it has completed the signing of documents for its acquisition of the remaining 50% of iBuyNew (**IBN**), one of Australia's leading marketplace for Off The Plan apartments (**OTP**) and House and Land (**H&L**) sales.

It is pleased to provide an update for the quarter ended 30 June 2016, headlined by a:

- **Total transaction value (TTV) of \$84.7m for the full year FY16, a rise of 75% on prior comparable period (PCP); and**
- **165 sales for the full year FY16, a rise of 63% on PCP.**

All PCP comparisons in this announcement are relative to the corresponding period during FY15 on an unaudited basis.

In addition, as at 30 June 2016 the future commissions receivable (subject to settlement) is \$2.6m.

Other Key Highlights

- Pilot launch of new House and Land marketplace. This fulfils IBN's strategy of providing consumers with choice across the entire spectrum of new residential property and diversifies IBN's revenue stream beyond apartment sales;
- 33 sales in 4QFY16 (+6% on PCP 4QFY15);
- \$920k "total revenue from exchange and settlements"¹ recorded for the 4QFY16 quarter;
- The continued optimisation of the website delivered positive website metrics in 4QFY16: page views up 13.5% and website users up 8.8% vs PCP; and
- Strong settlement revenue recorded in 4QFY16, as several projects settled.

¹ "Total revenue from exchange and settlements" comprises both upfront exchange income plus settlement income from past property sales. It does not include any future settlement income commissions owed but not yet paid.

Experienced management team executing on strategy

As previously announced, IBN now has an industry-leading executive team including Founder and CEO Mark Mendel, former Ray White CFO Andrew Jensen, and former Simonds Homes General Manager Sales/Marketing Mr Mark Vujovich.

Mr Vujovich has taken the newly created role of National Sales and Marketing Director. In his first month of employment Mr. Vujovich has already secured over 50 H&L listings, forming the core of the new H&L marketplace that is currently being piloted.

Competitive differentiation delivers growth in more subdued market

In 4QFY16 IBN reinforced its ability to competitively differentiate and drive sales. Sales performance in 4QFY16 grew slightly up 6% when compared to PCP in 4QFY15, despite the market for new apartments experiencing more subdued conditions.

The ability of IBN to continue to drive sales in the current market demonstrates the businesses potential. Sales with higher commission rates delivered a rise in total commissions earned compared to PCP, despite a slight drop (-8%) decreased in TTV over the same period.

Key Financial Highlights for FY16

iBuyNew Results	FY15	FY16	% Change
TTV	\$48.4m	\$84.7m	75%
Sales	101	165	63%
Commissions generated²	\$2.4m	\$4.2m	69%
Total revenue from exchange and settlements¹	\$3.3m*	\$3.4m	3%

* includes a one off intercompany referral fee of \$479k

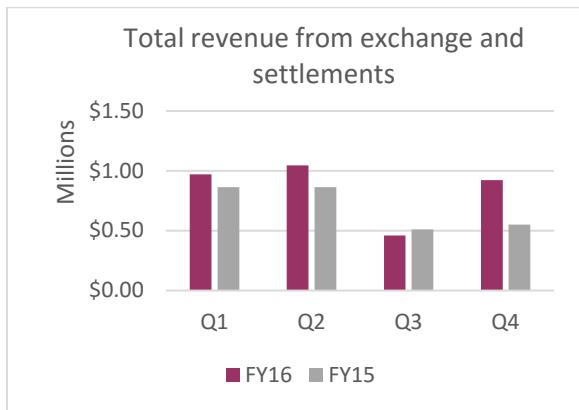
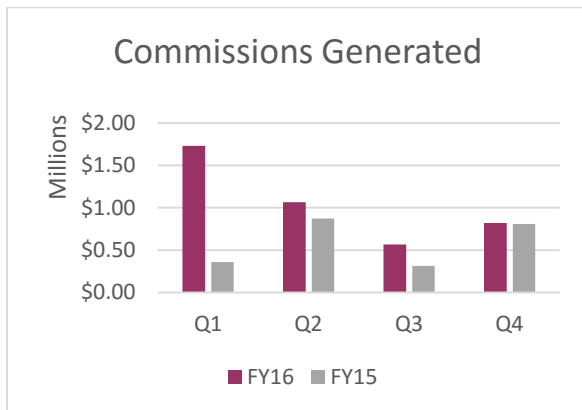
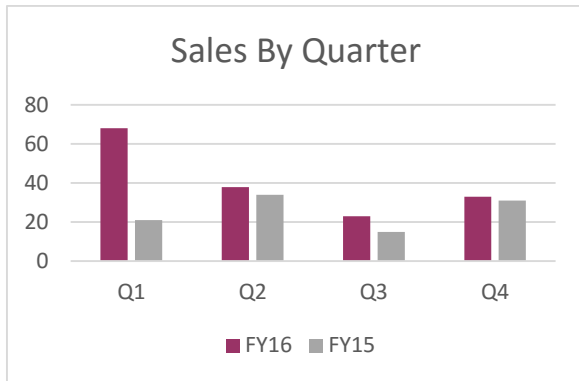
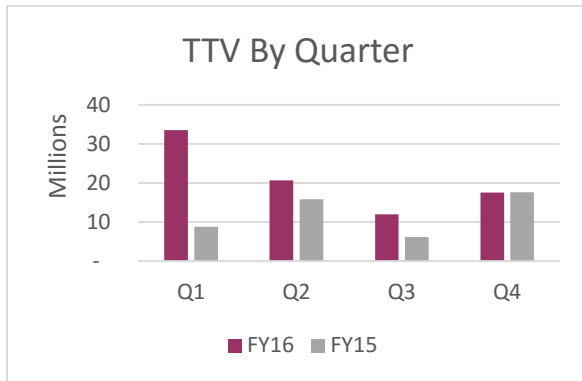
Key Financial Highlights 4Q16

iBuyNew Results	4Q15	4Q16	% Change
TTV	\$17.6m	\$16.1m	-8%
Sales	31	33	6%
Commissions generated²	\$808k	\$819k	1%
Total revenue from exchange and settlements¹	\$554k	\$920k	66%

All financial results are on an unaudited basis.

Note that FSA's cash flow is consolidated into DVI's current Appendix 4C.

² **"Commissions generated"** 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**).



iBuyNew pilots H&L marketplace to expand offering and revenue streams

To date, iBuyNew has been heavily focused on sales of OTP apartments, with the majority of all historical sales falling into that category. However, sales of new H&L packages account for the other 50% (approx.) of the new property market in Australia.

As part of its strategy to provide a more complete offering to prospective buyers as well as diversify its revenue stream, iBuyNew has launched the pilot of its H&L marketplace. Recently appointed senior executive Mr Mark Vujovich is leading the new initiative. His extensive experience in the space has already led to agreements with for over 50 H&L listings.

iBuyNew’s platform now offers over 100 developments translating to more than 3,500 new apartment properties nationally, as well as the addition of over 50 H&L listings across the eastern seaboard of Australia.

Quotes from Senior Management

iBuyNew CEO Mark Mendel said, “Our House and Land marketplace is highly complementary to our business and ultimately fulfils our core goal of delivering a clear and complete experience to consumers. We aspire to be the no.1 destination where Australians and people from all over the globe buy new property and we’re one step closer.”

iBuyNew National Sales and Marketing Director Manager Mark Vujovich said: “We are pleased to have already secured over 50 house and land listings in the pilot stage. We can now deliver a new range of products to the iBuyNew database of 40,000 subscribers.

Binding Documents Executed for iBuyNew Acquisition

Following the completion of an independent expert’s report, legal, financial and technical due diligence investigations the Board of DVI have executed a binding share sale agreement with the vendors of FSA. (being Mark Mendel, the founder of IBN, and entities associated with Mr Mendel).

The Board of DVI and FSA’s vendors have also agreed to amend cash payment terms of tranches 2 and 3 of the deferred cash component of the consideration for the FSA acquisition announced on 29 March 2016. Under the new terms, FSA’s vendors have agreed to give DVI the option to further defer cash payment of tranches 2 and 3 (totalling \$1m) by converting any unpaid amount into a loan. DVI will hold rights to convert tranches 2 and/or 3 into a loan arrangement secured by FSA’s future commissions receivable book (currently \$2.6m). The loan will have a maturity date of 31 December 2017.

Completion of the acquisition remains subject to various conditions precedent including shareholder approval. The indicative timing of the dispatch of the notice of meeting and holding of the shareholder meeting are detailed in the indicative timetable below.

Indicative Timetable

An indicative timetable for the transaction is set out below. DVI notes that the timetable may be subject to change.

Event	Date
Dispatch Notice of Meeting seeking approval for the acquisition of FSA	mid-September 2016
General Meeting to approve the acquisition of FSA	mid-October 2016
Complete acquisition of FSA	mid to late October 2016

Indicative Capital Structure

Following the completion of the acquisition of FSA, the indicative capital structure of DVI is set out below.

DVI	Shares
Current Shareholders	724,560,999
Share consideration being issued to FSA’s vendors to acquire FSA	245,750,000
Deferred share consideration (relating to the initial 50% acquisition of FSA) to be issued to FSA’s vendors	26,670,000
Total number of shares on issue post-acquisition of FSA	996,980,999

Non-Executive Chairman Dr Adir Shiffman stated, “The amended terms of the transaction will enable iBuyNew to accelerate its growth. DVI is excited about the continued operational performance Mr Mark Mendel and his team have delivered year-on-year since DVI’s involvement.

“We are strong believers that strong leadership drives growth and with the recent appointment of iBuyNew’s senior sales director we’re another step closer to delivering our strategic vision”.

For media enquiries please contact:

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ENDS

About DVI

Disruptive Investment Group Limited operates iBuyNew.com.au, a leading Australian online marketplace that helps buyers find, compare and buy new property.

iBuyNew.com.au is where Australians go to buy new property. The platform allows prospective buyers to compare, review and buy more than 3,500 listings across 150+ developments, as well as a range of new house and land packages. A highly experienced iBuyNew consultant is available to provide guidance and clarity.

DVI has a highly experienced board and management team that has a history in technology, corporate finance and sales, which it applies to increase the growth and profitability of its investments. The board is committed to providing management with the assistance and contacts required, in order to take their businesses to the next level.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Disruptive Investment Group Limited

ABN

20 108 958 274

Quarter ended ("current quarter")

30 June 2016

NOTE: Only 50% of FSA's cash flow have been consolidated into DVI's 4Q16 quarterly Appendix 4C report.

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	586	2,029
<i>Less</i> commissions paid to wholesaler	(0)	(0)
Net receipts from customers	586	2,029
1.2 Payments for		
(a) staff costs	Wages (254)	Wages (613)
	Consultant Fees (49)	Consultant Fees (145)
	Directors Fees (81)	Directors Fees (328)
(b) advertising and marketing	(27)	(144)
(c) research and development		
(d) leased assets	(0)	(0)
(e) other working capital*	(421)	(1,192)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	4	14
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	(89)	(108)
1.7 Other – Security deposits		
Net operating cash flows	(331)	(487)

* "other working capital" relates to all other operating costs except for the ones listed from (a) to (d) and movement of restricted cash held on trust.

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(331)	(487)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments	(37)	(848)
(c) intellectual property		
(d) physical non-current assets	(6)	(93)
(e) other non-current assets		
(f) term deposits	(4)	(67) ^a
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	(0)	6
(b) equity investments	(0)	700 ^b
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
(f) term deposits		
1.11 Loans to other entities	(0)	(344) ^c
1.12 Loans repaid by other entities	(0)	344 ^c
1.13 Other (provide details if material)	(0)	(0)
Net investing cash flows	47	302
1.14 Total operating and investing cash flows	(378)	(789)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (provide details if material)		
(a) cost of proposed share issue	(0)	(11) ^d
(b) repayments to shareholders	(0)	(100) ^e
Net financing cash flows	(0)	(111)
Net increase (decrease) in cash held	(378)	(900)
1.21 Cash at beginning of quarter/year to date	1,631	2,153
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	1,253^f	1,253^f

^a "Term deposits" relate to bank guarantee for the new iBuyNew office.

^b \$700,000 was paid by Flight Centre Group Limited ("FLT") as a result of an agreed accelerated sell down of DVI's remaining shares in Professional Performance Systems Pty Ltd ("PPS")

^c \$300,000 was lent to PPS in November 2015. This amount was repaid in full in December 2015 as part of the investment by FLT. In February 2016, PPS reimbursed \$43,852 (incl. GST) for audit fees owed from September 2015.

^d Related to prior capital raise in December 2014

^e Repayments made to vendors of Find Solutions Australia ("FSA") for monies owed prior to DVI's investment in FSA.

^f The cash balance includes \$26,093 restricted cash held on trust

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.2	Aggregate amount of payments to the parties included in item 1.2	138
4		
1.2	Aggregate amount of loans to the parties included in item 1.11	0
5		

1.2 Explanation necessary for an understanding of the transactions

\$52,155 for accounting & tax services rendered by entities partially controlled by John Kolenda and Calvin Ng.

Directors' fees for the quarter ended 31 March 2016: \$38,387

Directors' fees for the quarter ended 30 June 2016: \$35,000

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Reconciliation of cash


Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,253	1,631
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	1,253	1,631

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~* (~~delete one~~) give a true and fair view of the matters disclosed.

Sign here:  Date: 29 July 2016
(Company secretary)

Print name: Anand Sundaraj

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.