

**Indoor Skydive Australia Group Limited
Chairman's Address
2016 Annual General Meeting – 18 October 2016**

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Good morning ladies and gentlemen and welcome to the 2016 Annual General Meeting for Indoor Skydive Australia Group Limited.

My name is Ken Gillespie and I am the non-executive chairman of Indoor Skydive Australia Group Limited.

As a quorum is present and the meeting is validly constituted, I formally declare the 2016 Indoor Skydive Australia Group Limited Annual General Meeting open.

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With me today are my fellow Directors:

- Wayne Jones, also Chief Executive Officer, and the remaining non-executive directors;
- David Murray,
- Stephen Baxter, and
- Kirsten Thomson.

Danny Hogan, our Chief Operations Officer and an executive director, is unable to attend today and gives his apologies.

I would like to formally welcome Kirsten to her first Annual General Meeting. She joined our Board in June this year and, as you will have observed from our release at that time, Kirsten brings very valuable skill sets and experience to the Company.

Further information on each of the Directors is detailed in the 2016 Annual Report which have been mailed to you. Additionally, the 2016 Annual Report provides the statutory reporting detail which forms the basis of today's meeting.

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Prior to commencing the formal business of the meeting I will make a brief address relating to the Group's achievements over the last 12 months and to outline key plans for the year ahead. After this address the formal matters of the meeting will be considered before I close the meeting.

As is usual, there will be opportunities for you to ask questions of the Board and executives at certain times during the meeting. The executive team and the Board will also be available at the end of the meeting to meet with shareholders.

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During the 2016 financial year the Group took the significant step of becoming a multi-facility operation. The two now fully operational indoor skydiving facilities, iFLY Downunder at Penrith and iFLY Gold Coast, will shortly be joined by a third facility, iFLY Perth. Perth is on track to open by the end of this calendar year.

With Perth coming on line the Group will enhance its corporate structure and provide for the realisation of greater efficiencies in our corporate overheads. With a three facility operation the Group will reduce market risks and boost the promotion and growth of indoor skydiving as a national sport.

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Since our last meeting our processes and systems have been constantly evolved to support multiple facilities and business entities, and our blue print for operations has been focussed on enhanced customer service and improving the quality of the experience offered in each facility.

To ensure that the Group provides a consistent, personalised and professional experience we have developed and implemented an in-house training capability. All of our instructors are trained and assessed by our own staff, in our own facilities. This capability gives us control of trainee and instructor standards, while saving considerable financial outlays overseas for training. The first of our Australian recruited instructors has now been accredited as a Trainer in accordance with the requirements of the International Body Flight Association and able to undertake training of others. This has been achieved through the Group's commitment to train and develop local employees.

The Group has recently established a national call centre. The centre, which is located in our Gold Coast facility, is designed to enhance customer service by allowing the diversion of sales and booking enquiries away from facility front desks. This has a two-fold effect. It allows our call centre staff to deal exclusively with the sales and booking needs of our future customers while our front desk customer flight crews provide personalised, streamlined and uninterrupted face to face services to customers present in our facilities.

Based on our construction experiences in Penrith and on the Gold Coast we have reviewed our Group construction methodologies. Lessons learned from these reviews have been implemented in our Perth construction we have move from in-house to an outsourced project management model. This new structure and methodology is delivering good results and the Perth facility is on track to be operational by the end of the year.

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The ISA Group continues to deliver on its strategic plan and it is well positioned for further domestic and new international growth. A sound platform for growth is evidenced by our ability to obtain traditional bank debt funding supported by each of our indoor skydiving facilities which are cash flow positive from the commencement of operations.

The Board is currently looking for and evaluating a number of growth opportunities. While these opportunities are not yet at a level of maturity or commercial agreement where market statements are appropriate, I can confirm that they are fully consistent with our strategy for growing our operation in Australia and South East Asia.

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I would like to take this opportunity to formally thank the executive team lead by Wayne Jones and Danny Hogan for their incredibly hard work during the last year. Key executives who will be available to you for discussion with shareholders after the meeting include:

- Stephen Burns, Chief Financial Officer
- Brett Sheridan, Chief Commercial Officer, and
- Fiona Yiend, General Counsel and Company Secretary.