

Indoor Skydive Australia Group Limited

ACN 154 103 607

ASX/Media Release

Sydney, Australia – 18 February 2015

OPERATIONS UPDATE

Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group) is pleased to announce that the seasonal high utilisation expected during the Christmas Holidays delivered record sales and revenue for ISA Group in the December/January period.

Operations

In December 2014, ISA Group set a new record for sales which exceeded \$1 million for the month. The high performance continued into January 2015 where the Group recognised revenue in excess of \$700,000.

Performance was driven by high utilisation rates together with significant gift voucher sales during the school holiday period. Gift voucher sales are recognised as revenue on redemption and as such will provide a pipeline of revenue for the coming months.

The trend of high utilisation during school holidays has been confirmed with peak utilisation during the period exceeding 93% over 15 hours of daily operations and an average utilisation of 74%. Since the completion of the school holiday period the facility has returned to more normalised utilisation levels, although professional use of the facility, including international skydiving bodies, have triggered the requirement to operate the facility beyond normal hours of operation.

Australian Tunnel Roll Out Update

The Australian tunnel roll out continues in line with expectations:

- Construction of our second facility, iFLY Gold Coast has commenced with benching and contiguous piling underway. The sewer relocation has been completed, subject to connection, with all other early works completed. The selection of builders is entering the final stages with the preferred tenderer to be on site in March 2015. Initial preparations have commenced to identify instructors and senior managers for the Gold Coast facility and ancillary services (retail) are being explored. iFLY Gold Coast is expected to be operational mid to late this year, in time for peak tourism season and events which contribute to the 12 million visitors annually.
- A development application has been submitted for our third indoor skydiving facility with Belmont City Council, Western Australia. The facility will be located at 143 Great Eastern Highway, Rivervale and comprise a 14ft diameter vertical wind tunnel and ancillary services. An Offer to Lease has been entered into with the site owner which will become unconditional as soon as acceptable development approval is

received. Subject to approval times, iFLY Perth is expected to be operational by mid 2016.

- Our fourth indoor skydiving facility, iFLY Adelaide will be developed with Commercial & General Funds Management Pty Ltd (Commercial & General) at the Kings Point Shopping and Entertainment Complex. Under the terms of the agreement, Commercial & General will fund construction of the base building and indoor skydiving facility within the Kings Point Complex and ISA Group will be responsible for the design and the ongoing operations of the facility. Under the current proposed timelines, construction will commence in late 2015 with completion expected in November 2016.

Corporate Update

ISA Group has recently celebrated its second anniversary since listing on the ASX.

Subsequent to the recent capital raise and after repaying the Convertible Note facility, ISA Group has a debt free balance sheet with sufficient funding, together with expected free cash flow, to support the completion of the Gold Coast and Perth projects based on current assumptions.

The project management team is now fully operational with the ability to design, construct and deliver multiple projects simultaneously.

“Over the past two years ISA Group has grown from a company seeking to build its first vertical wind tunnel to a fully operating indoor skydiving company. 2015 is a year for growth, with 3 new facilities at various levels of development as we enter the year. Our strategic plan of expansion into Asia continues and the company will continue to apply its meticulous planning and execution of it’s strategic plan, therefore delivering further value to our loyal shareholders.” said Ken Gillespie, ISA Group Chairman.

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

ENDS

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.

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

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