



1 July 2016

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

(ASX: SKB)

ASX ANNOUNCEMENT

COMPLETION OF ACQUISITION OF

SKYDIVE WANAKA

Highlights

- Skydive has completed the acquisition of Skydive Wanaka (**Wanaka**), one of New Zealand's leading jump sites
- Materially earnings accretive on an annualised basis
- Enhances Skydive's market leading position with another major established New Zealand growth business
- Significant strategic advantage, synergies and cost savings

Skydive the Beach Group Limited ('SKB', 'the Company', 'Skydive'), Australia and New Zealand's leading skydiving adventure tourism company, is pleased to announce that it has completed the acquisition of Skydive Wanaka (**Wanaka**), one of New Zealand's leading jump sites located on the South Island, a one hour drive from Skydive's 'NZone' at Queenstown, New Zealand's premier skydiving operation.

On 20 June, Skydive announced that it had entered into a conditional contract to acquire 100% of Wanaka for NZ\$10.4 million (A\$9.7 million)¹, representing a multiple of 4.5 times Wanaka's FY16 EBITDA².

The contract was completed today.

Skydive expects the acquisition to be materially earnings accretive on an annualised basis.

Wanaka is growing strongly with 24% 2 year CAGR in tandem skydives, and with 14,511 tandems in FY16.²

Wanaka will enhance Skydive's portfolio of assets and drop zones. It will deliver strategic advantage, cost savings and synergies of scale because it is only an hour's drive from Skydive's NZone operations in Queenstown.

The acquisition was funded by a strongly oversubscribed institutional Placement to sophisticated and institutional investors to raise A\$15 million completed on Friday 17 June.

Skydive Wanaka

Skydive Wanaka was established in 1995 and is a multi award-winning skydiving business having completed more than 100,000 tandem jumps.

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It has:

- strong market position, reputation and brand
- 45 employees
- its own premium aircraft
- long-term airfield and hanger leases
- no debt
- excellent operating culture with quality systems and procedures
- engaged current owners who have strongly grown the business since 2013

¹Exchange rate of AUDNZD of 1.07 used throughout the release

²Wanaka's financial statements are unaudited, EBITDA refers to the Wanaka's 'normalised EBITDA' for FY16, and its FY16 year end was 31 March 2016.

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Skydive the Beach Group Limited ("SKB") is an adventure tourism and leisure company. It provides tandem skydiving experiences in scenic locations across four Australian states. From origins in 1999, it has become a profitable business with a track record of earnings growth. In March 2015, SKB successfully completed an initial public offer (IPO) and listed on the Australian Stock Exchange with 11 drop zones. The offer was oversubscribed and raised \$25 million. The later acquisition of Australia Skydive Pty Ltd added an additional 5 drop zones; and 2 more were added in the NZone Skydive acquisition in October 2015. With Wanaka, Skydive now has 19 drop Zones in Australia and New Zealand.

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