1 OCTOBER 2015

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

(ASX: SKB)

ASX ANNOUNCEMENT

ADDITIONAL FY2016 GUIDANCE
flowing from the
INTEGRATION OF AUSTRALIA SKYDIVE

Skydive the Beach Group Limited's (Skydive) FY2015 Annual Report lodged with ASX on 30 September 2015 dealt with information available to 30 June 2015 on the savings and synergies flowing from the integration of Australia Skydive Pty Ltd (ASG).

ASG was acquired on 31 March 2015 following Skydive's Initial Public Offering on 27 March 2015. Skydive has acquired ASG's 5 drop zones in excellent locations in New South Wales and Queensland and now has 16 drop zones around Australia, primarily at the most popular East Coast tourist sites.

Skydive's Annual Report dealt with the effects of the acquisition of ASG for the final quarter of FY2015 during which it was owned by Skydive.

On this basis, Skydive's FY2016 forecasts were reaffirmed as follows:

- 112,827 tandem skydives
- Revenue of $47.5m
- EBITDA* of $10.9m

Management recently established an internal task force to better quantify the savings and synergies likely to flow to Skydive during FY2016.

Integration has produced a number of areas of savings and synergies, including:

- merging of call centre and administration activities,
- rationalisation of flight operations,
- marketing and sales efficiencies, and
- aircraft utilisation.

Management estimates that these integration savings and synergies will aggregate approximately $1m on an annualised basis, and that approximately $600,000 should accrue in FY2016.

If this amount is fully captured, Skydive's FY2016 guidance EBITDA* should increase from $10.9 million to $11.5 million.

* EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of Skydive.

Forward Looking Statements

Management's estimates are forward looking statements.

Investors should never place undue reliance on forward looking statements.

Forward looking statements are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in the statements contained in this announcement.

Statements about future events and outcomes are by their nature uncertain and may be materially inaccurate because they relate to future events and outcomes that may or may not occur as expected, and because they are necessarily based on assumptions that may prove inaccurate or unwarranted.

The statements and the assumptions in this announcement are based on current expectations; some anticipated on the basis of historical trends. They are therefore subject to various risks and uncertainties.

Management has used its best judgment and knowledge of Skydive's current operations and expected outcomes in providing the financial and other information contained in this announcement and believes that there is a reasonable basis for them.

Nonetheless, Investors must understand that a variety of factors, most of which are outside Skydive's control, affect and will continue to affect Skydive's operations, performance, business strategy and results and could cause Skydive's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by the forward-looking statements in this announcement.

Management's main operating assumptions are that:

- the regulatory and policy environment in which Skydive currently operates will continue;
- the Australian Dollar will continue at an exchange rate of about 70 cents to the US Dollar;
- tourism growth will continue as mentioned in the Annual Report;
- tandem jumps will be booked at the rates expected; and
- weather patterns at Skydive's main sites will be normal.

CONTACT

ANTHONY RITTER

COMPANY SECRETARY

T 1300 663 634

E COMPANYSECRETARY@SKYDIVE.COM.AU