



14 OCTOBER 2015

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

ASX ANNOUNCEMENT

INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER COMPLETE

WITH STRONG INSTITUTIONAL SHAREHOLDER & INVESTOR SUPPORT

Highlights:

- \$18.6m raised in a strongly supported institutional share placement
- Offer well supported by existing shareholders, with strong interest from new institutions,
- We welcome Perpetual Investments as a substantial shareholder,
- Funds raised will primarily be used to acquire Skydive Queenstown Limited ("SQ"), trading as Nzone, New Zealand's leading tandem skydiving business, and
- SKB continues to pursue growth opportunities in FY16 and beyond

Skydive the Beach Group Limited (**SKB or "the Company"**) announces the successful completion of the Institutional Offer component of a fully underwritten 2 for 9 pro-rata accelerated non-renounceable Entitlement offer at a price of \$0.30 per share ("**Entitlement Offer**") to raise \$19,581,980 before costs.

The issue price of \$0.30 per new share represents a discount of 3.93% to the TERP (Theoretical ex-rights price) and a 4.76% to last closing price of SKB on the ASX on Friday 9 October 2015.

The institutional component of the Entitlement Offer raised \$18,612,850 from institutional and sophisticated investors in the Company for the issue of 62,042,836 New Shares. The Offer was well supported by existing Institutional shareholders, with strong interest from new institutions.

The funds raised from the Entitlement Issue will be used to acquire 100% of **Skydive Queenstown Limited** trading as Nzone, New Zealand's leading tandem skydiving company, details of which were set out in the ASX Release made on Monday 12 October 2015. The funds raised will also cover the acquisition cost of 2 additional aircraft, to enhance operational capacity at two existing Australian drop zones, the costs of the Entitlement Issue and provide general working capital to the Company.

Mr Bill Beerworth, SKB Chairman said, "We are very pleased with the support we have received from our existing institutional shareholders and would like to welcome Perpetual as a new substantial shareholder. As over 95% of the Entitlement Offer has now been placed through the Institutional Offer, I would commend the Retail Offer to the Eligible Retail Shareholders and encourage them to read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer.

I would also add that the acquisition of Skydive Queenstown is an excellent one for the Company. It executed on SKB's strategic growth plans and will greatly enhance the operations and future profitability of the Company."

An offer document relating to the retail component of the Entitlement Offer ("**Retail Offer Booklet**") will be released to the ASX on Monday 19 October 2015, and will be mailed to Eligible Retail Shareholders, together with a personalised Entitlement and Acceptance Form.

Eligible Retail Shareholders with a registered address in Australia and New Zealand on the **Record Date of 7:00pm (Sydney Time) on Thursday 15th October 2015** will be invited to participate in the Retail Entitlement Offer and are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. The dates and times in the timetable mentioned above and included in the Retail Offer Booklet are indicative only and may be subject to change.

The Retail Entitlement Offer, as with the Institutional Offer, is fully underwritten by Veritas Securities Limited. Eligible Retail Shareholders who take up all of their Entitlement may apply for up to 100% of their Entitlement, in addition to their Entitlement as Additional New Shares, should there be a Shortfall

in the Retail Entitlement Offer, however, there is no guarantee that there will be a Shortfall, nor whether Eligible Retail Shareholders who apply for New Shares will receive any Additional New Shares. Further details of the Retail Entitlement Issue will be provided to Eligible Retail Shareholders in the Retail Offer Booklet to be released on Monday 19 October 2015.

Defined terms have the same meaning as set out in the Retail Offer Booklet.

ENDS

CONTACT

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ABOUT SKYDIVE THE BEACH GROUP (ASX:SKB)

Skydive the Beach is an Australian based company operating skydiving experiences to the public since its establishment in 1999 by founder and CEO Anthony Boucaut. The company operates 16 drop zones across 4 states and has grown to become the largest tandem skydive operation the Southern Hemisphere, forecasting over 112,000 skydives in FY2016. The company offers a complete range of skydiving services to the public, agents and media including tandem skydiving, night skydiving, and helicopter jumps as well as courses and skills development courses. The company utilise more than 300 staff and contractors and owns a fleet of 21 aircraft throughout Australia. Since inception, the company has experienced considerable growth with an average CAGR of tandems of 35% and delivering \$26.3m revenues and \$6.0m EBITDA in FY2015.

For further information www.skydive.com.au