



3 APRIL 2017

SKYDIVE THE BEACH GROUP LIMITED (ACN 167 320 470)

(ASX: SKB)

ASX ANNOUNCEMENT

SKYDIVE ANNOUNCES ACQUISITION OF REEF MAGIC CRUISES

Skydive the Beach Group Limited ('**SKB**', 'the **Company**', '**Skydive**'), Australia and New Zealand's leading adventure tourism company, is pleased to announce the acquisition of Reef Magic Cruises in Cairns, Far North Queensland.

Summary:

- Skydive the Beach Group (**ASX: SKB**) has executed an agreement to purchase Reef Magic Cruises Pty Ltd (**RMC**)
- RMC is one of Far North Queensland's leading Great Barrier Reef outer-reef operators
- The RMC transaction is expected to be earnings accretive from completion
- Under the agreement SKB will acquire 100% of the shares in RMC for a consideration of AUD\$15m which includes the acquisition of the business, vessels, all other assets and repayment of loans, representing a multiple of 4.8x RMC's FY16 normalised EBITDA
- The acquisition is part of SKB's strategy ultimately to become the largest and most respected adventure tourism company in the world
- The acquisition is expected to improve SKB's annualised EBITDA by \$3.1m
- The acquisition will be 100% funded by a bank finance facility through National Australia Bank Limited (**NAB**)
- The transaction is expected to complete by 1st May 2017

About RMC

RMC was founded in 1997. Its primary product is the Marine World Outer Reef Cruise, which travels to the outer reef, and it includes snorkelling equipment, glass bottom boat and semi-submersible tours and catering. RMC offers a diverse range of marine tourism products, many unique to the region and each providing specific services and experiences. Additional activities include marine biologist guided snorkel tour and safari, introductory diving, certified diving, helmet diving, reef scenic helicopter flights, SeaBob, remedial massages and whale watching.

In addition, RMC employs a marine biologist in the role of Reef Education Co-ordinator who is responsible for the Reef Education programme in more than 30 local schools.

RMC website can be found at www.reefmagiccruises.com

Funding

The transaction will be funded 100% by NAB. NAB will provide SKB a \$15m line of credit in order to make the acquisition, and they had provided confirmation of the funding before the company executed the agreement.

Strategic Rationale

RMC is a strong strategic fit for SKB, and the acquisition delivers on three of SKB's four strategic priorities: acquisitions, diversification and efficiencies.



Investor Presentation

For further information on the RMC acquisition, please see SKB's Investor Presentation in a separate ASX Announcement made today.

Conference Call

Investors and analysts are invited to participate in a conference call at 11.00am AEST on Monday 3rd April 2017 to be hosted by SKB's Managing Director Anthony Boucaut and Chief Executive Officer Anthony Ritter.

The details are as follows:

Location	Local Number
Australia	+61 2 8038 5221
Australia (toll free)	1800 123 296
New Zealand	0800 452 782

Please quote the conference ID: **1888 025**

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CONTACT INFORMATION

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ABOUT SKYDIVE THE BEACH GROUP LIMITED

Skydive the Beach Group Limited ("SKB") is an adventure tourism leisure company. From its origins in Wollongong NSW in 1999, SKB now provides tandem skydiving experiences in 18 locations in Australia and in 3 locations in New Zealand. SKB also provides activities of white water rafting, hot air ballooning, canyoning and boat tours to the Great Barrier Reef in North Queensland, Australia. Since successfully completing an initial public offer (IPO) in March 2015, SKB has acquired Australia Skydive (March 2015) NZone Skydive (October 2015), Skydive Wanaka (July 2016) and Raging Thunder Adventures (October 2016).

For more information visit www.skydive.com.au

Experience specific information can be found at www.skydivethebeach.com, www.nzoneskydive.com, www.skydivewanaka.com, www.skydiveparadise.com, www.ragingthunder.com, www.ragingthunderadventures.com, www.cairnshotairballoonco.com and www.reefmagiccruises.com