

## **Indoor Skydive Australia Group Limited**

**ACN 154 103 607**

### **ASX/Media Release**

**Sydney, Australia – 2 April 2014**

## **Construction Update**

Following the latest information received from the builder and projecting forward to final completion, **Indoor Skydive Australia Group Limited (ASX:IDZ) (ISA Group)** has estimated the total project costs of the construction of the Penrith Indoor Skydiving Facility which commenced operations on 24 March 2014.

ISA Group estimates the final construction costs as \$8.7 million (including retentions), the SkyVenture equipment costs were \$3.3 million, and other project costs totalling \$1.1 million, giving total project costs of \$13.1 million.

The estimate includes the costs incurred in relation to the late electricity design changes, changes resulting from implementing alternative construction methods and re-engineering of mechanical systems for improved operating cost efficiencies. It also includes costs incurred over the course of the project which are being negotiated in the normal course of construction contracts and in some cases may be disputed.

The majority of the variance from the initial estimate relates to costs associated with acceleration of the facility's completion. The remainder of the variance relates to other factors normally incurred in the course of large infrastructure projects.

ISA Group decided to accelerate works to honour its forward commitments to customers and shareholders. This was preferred because of considerable presales activity, to commence early cash flow and to continue to build the marketing momentum for Australia's first Indoor Skydiving Facility.

The marketing program continues to progress as planned with "word of mouth" brand recognition growing following the early use of the tunnel outside of construction hours by professional users, including skydivers and military training.

### **Construction Financing**

ISA Group has financed the additional construction costs and costs incurred for future sites by drawing down \$1 million under the convertible note facility provided by Birkdale Holdings (QLD) Pty Ltd (a company associated with ISA Group Director, Steve Baxter). The Company intends to seek alternative financing to replace the convertible note facility as previously announced.

Further information is available on the Company's website  
[www.indoorskydiveaustralia.com.au](http://www.indoorskydiveaustralia.com.au) and at [www.iflydownunder.com.au](http://www.iflydownunder.com.au).

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### **About Indoor Skydive Australia Group Limited (ACN: 154 103 607)**

Indoor Skydive Australia Group Limited was established in 2011 to build and operate a number of 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. Flexible operating hours, low overheads and proven technology are just a few of the highlights that support the company's business model. The Company listed on ASX on 18 January 2013 under the code IDZ.

For further information visit: [www.indoorskydiveaustralia.com.au](http://www.indoorskydiveaustralia.com.au)

Telephone: +61 2 9325 5900 fax +61 2 9325 5950

Wayne Jones, CEO, +61 2 9325 5900 or [wayne@indoorskydiveaustralia.com.au](mailto:wayne@indoorskydiveaustralia.com.au)

Fiona Yiend, Company Secretary, +61 2 9325 5900 or [fiona@indoorskydiveaustralia.com.au](mailto:fiona@indoorskydiveaustralia.com.au)