A young man with dark hair and a wide smile is leaning on the edge of a swimming pool. He is wearing swimming goggles on his head. The background shows the blue water of the pool and a dark wooden structure above. The overall mood is bright and positive.

**Results for the Year  
ended 30 June 2012  
Blackmores Limited  
ASX:BKL**

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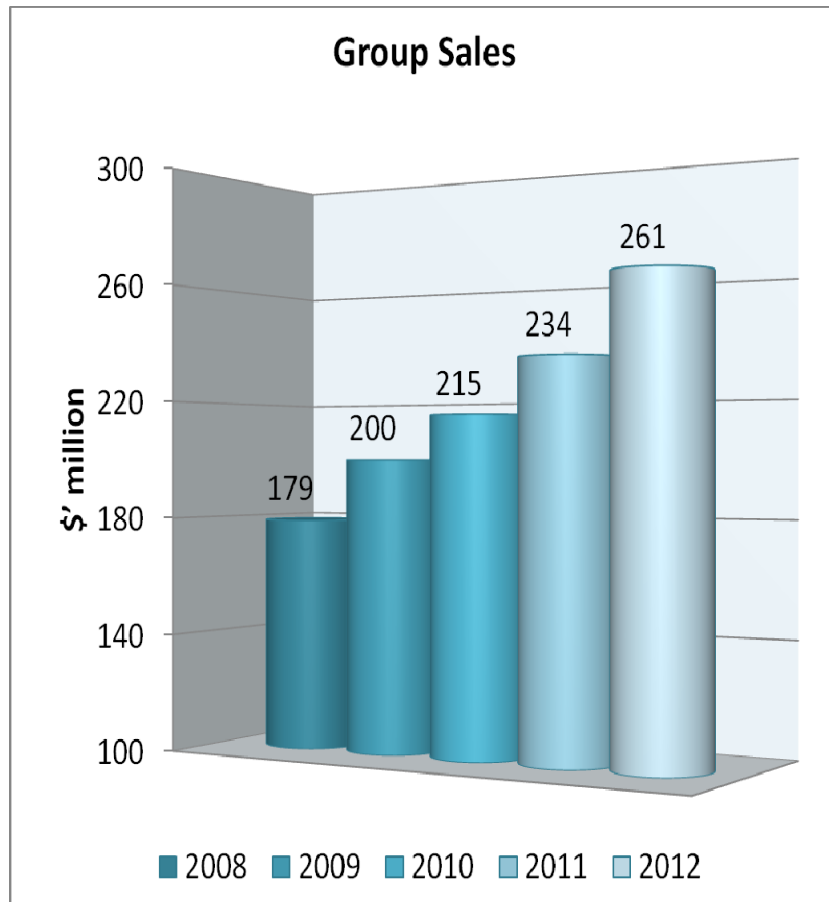
# 10<sup>th</sup> year of record sales and profit



- Group Sales up 11% to \$261m
- Fourth Quarter record sales quarter - \$75m
- Another record profit year - \$27.8m
- Earnings per share growth of 1.6% to 165.8 cents
- Dividends of 127 cents, up 2.5%, resulting in payout ratio of 76.6%
- Awarded Most Trusted Brand in Australia, Thailand & Malaysia
- 102 new product launches and 43 product renovations
- Progressed launch in China
- Acquired BioCeuticals for up to \$40m



# Group sales performance

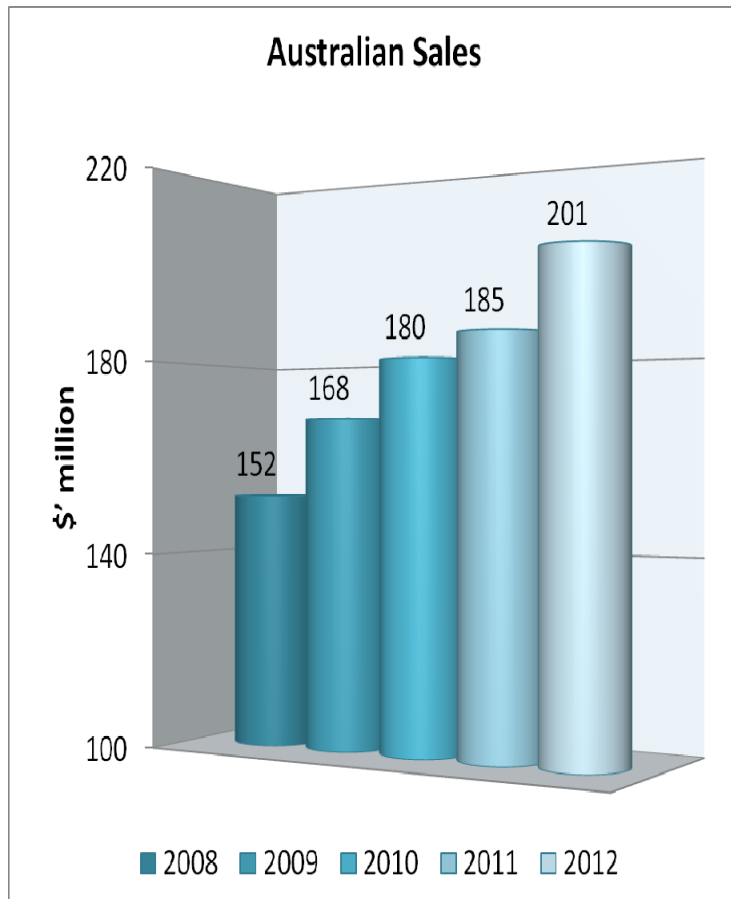


- Group sales increased by 11% to \$261m
- Australian sales of \$201m, +9% growth
- Asian sales of \$53m in AUD, +20% growth
- NZ sales of AU\$4.3m\*
- PAW sales up 129% on prior year to \$3.2m

\*New operating model commenced May 2012



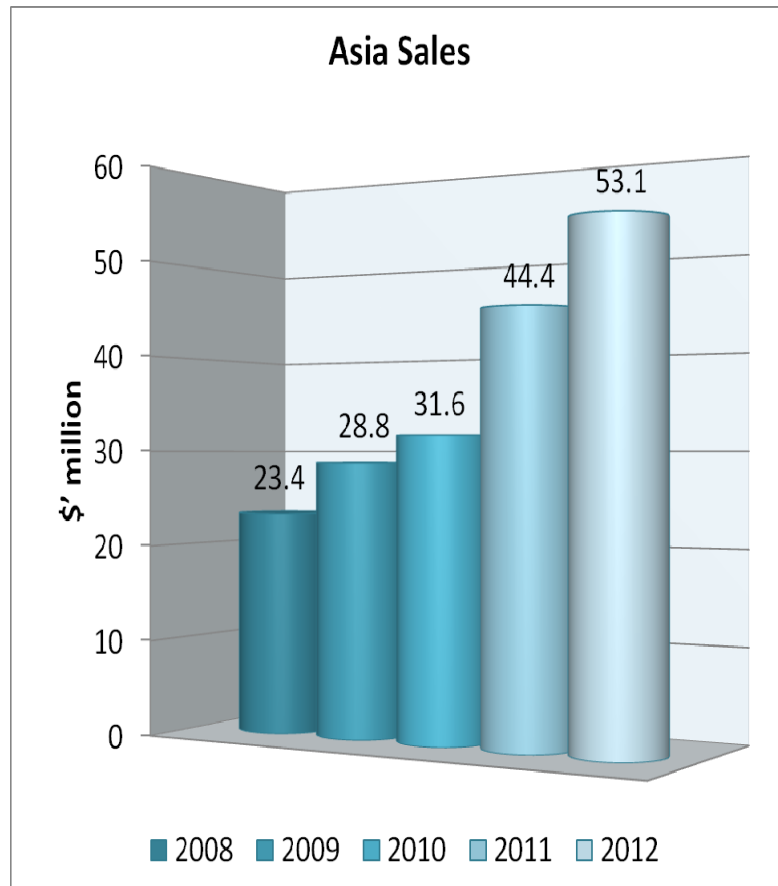
# Australian sales performance



- Sales of \$201m, +9% growth
- Solid result given challenging Australian retail market and changes in channel mix
- Investment in advertising and channel promotions
- Launched into new categories – natural pain cream, sports supplements and meal replacement smoothies
- Launched Blackmores Eco Krill, the only sustainably sourced krill oil which is certified by the Marine Stewardship Council
- Drove digital presence for engagement: launched MyBlackmores & App, 400k members to Blackmores Online
- Rolled out innovative new merchandising units into community pharmacies
- Awarded Most Trusted Brand, Employer of Choice and NSW Business of the Year



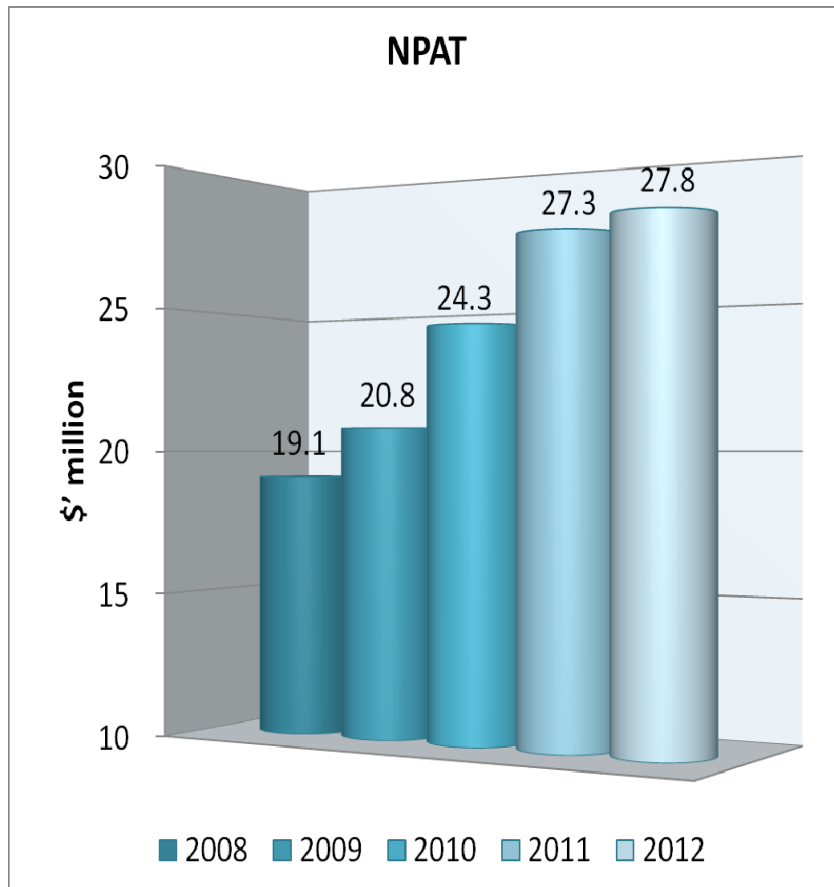
# Asia growth continues



- Asia now represents 20% of Group sales and 26% of Group profit. Sales growth of 20% in AUD (23% in constant currency)
- Increased investment to support business development
- Tripled points of distribution
- Strong growth in key markets:
  - Thailand +26% in local currency even with extensive flooding
  - Malaysia +17% in local currency
- New websites in Chinese, Korean & Thai with 65,000 Facebook fans in Asia
- Solid growth in smaller markets:
  - Korea +33%
  - Singapore +18% in local currency
  - Hong Kong +27% in local currency
  - Taiwan +6% in local currency
- Launched into China in Q4 through a number of retail channels



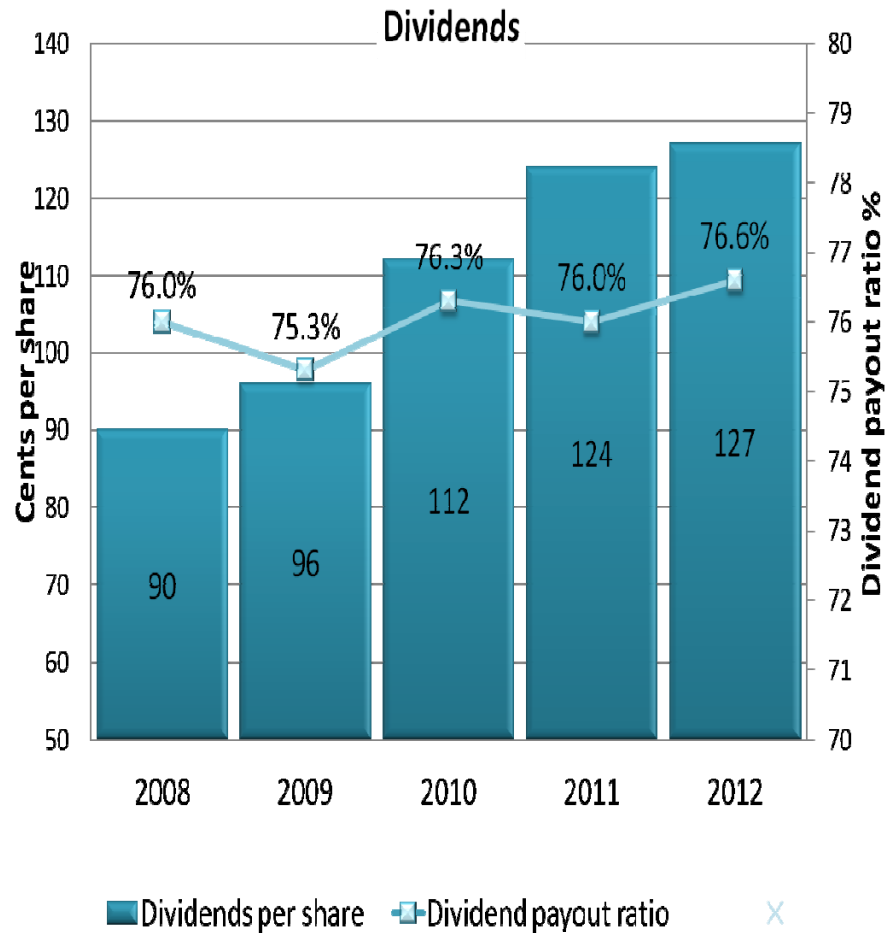
# Profit performance



- Group NPAT increased by 2% to \$27.8m
  - Asia now contributes 26% of group NPAT (up from 20% in FY11 and 10% in FY10)
- EBIT margin of 16.1%, solid performance considering:
  - Challenging retail environment putting pressure on margins
  - Investment in growth opportunities particularly in Asia and supporting BioCeuticals acquisition
  - One-off expenses including legal fees and costs associated with supporting new organisation structure
  - Profitability of Australia includes one-off expenses in addition to costs of supporting the BioCeuticals acquisition



# Dividends



- Final dividend of 83¢ fully franked
- Total dividends for the year 127¢, up 2.5% on FY11
- Payable on 16 October 2012
- Dividend payout ratio of 76.6%
- Dividend Reinvestment Plan reactivated with a 5% discount



# Strong finish to FY12 - Fourth Quarter

- Group sales up 19%
- Australian Q4 sales up 17%
- Asian Q4 sales up 21%
- Strong Q4 profit result driven by a strong sales performance across all markets

| Quarter 4 Segment Sales | 2012<br>\$m | 2011<br>\$m | Change      |
|-------------------------|-------------|-------------|-------------|
| Australia               | 57.5        | 49.3        | +17%        |
| Asia                    | 14.5        | 12.0        | +21%        |
| Other                   | 2.6         | 1.3         | +102%       |
| <b>Group sales</b>      | <b>74.6</b> | <b>62.6</b> | <b>+19%</b> |

| Quarter 4 P&L | 2012<br>\$m | 2011<br>\$m | Change |
|---------------|-------------|-------------|--------|
| Group sales   | 74.6        | 62.6        | +19%   |
| EBITDA        | 13.2        | 12.1        | +9%    |
| NPAT          | 7.8         | 7.1         | +11%   |



# Blackmores acquisition of FIT-BioCeuticals



- In July 2012, Blackmores acquired 100% of the share capital of FIT-BioCeuticals Limited, the leading brand of practitioner-only supplements in Australia
- FIT-BioCeuticals develops and markets a range of nutritional supplements to integrative medicine practitioners, natural health professionals, pharmacists and health food stores primarily in Australia and New Zealand
- Purchase price was up to \$40 million and was fully debt funded from additional bank facilities
- In the 2011 financial year, the BioCeuticals group delivered sales of \$38 million and EBITDA of \$4.6 million

# About BioCeuticals

- Founded in 1993 - an Australian-owned, family company
- BioCeuticals - a practitioner-only, nutraceutical brand (75%+ Sales)
- PharmaFoods Professional - a pharmacy-only, nutraceutical brand
- IsoWhey - a retail range of weight-loss products
- Hall Drug Technologies (HDT) – development of ethical prescription-only products
- D'jeunesse - a professional skincare range
- FIT-BioCeuticals boasts a team of 100+ employees with more than 50 qualified health practitioners including naturopaths, biochemists and medical doctors.



# Strategic rationale for acquisition

- Underpins our growth strategy – recognising the importance of the Practitioner market in advising consumers
- The Practitioner market is a growing segment with strong margins, effective participation allows us to grow profitably close to our core.
- Unique cultural alignment
- Builds a Powerhouse of Natural Health Expertise – 200 healthcare professionals in Group
- Opportunity to leverage combined resources & knowledge
- Number One brand in retail market acquiring leading brand in practitioner market affirms Blackmores' position as the clear market leader in natural health in Australia.



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# Estimated Blackmores and BioCeuticals FY12 sales - together over \$300m



| \$ million | Blackmores | BioCeuticals | Pro Forma |
|------------|------------|--------------|-----------|
| Revenue    | 260.8      | 40.5         | 301       |
| EBITDA     | 46.9       | 4.7*         | 52        |
| Net Debt   | 33         | -            | 73        |

\*Final results awaiting audit confirmation



# Blackmores announces Blackmores Institute

Blackmores Institute will be established with the purpose of becoming a centre of excellence in the field of natural health research and education.

This includes:

- Research funding
- Systematic reviews on natural medicines
- Prescribing guidelines
- Research symposia and conferences
- Research updates
- Education programs



# Summary

- Exciting new acquisition of BioCeuticals
- Blackmores well positioned as world leader in Natural Health
- Despite challenges in the Australian retail market, our confidence in Blackmores is strong
- Asia continues to be a strategic area of growth, with significant opportunities
- On track in the delivery of our Group strategy



# Questions



# Key ratios

| Profit & Loss Ratios       | June 2012 | June 2011 |
|----------------------------|-----------|-----------|
| EBIT/Sales                 | 16.1%     | 17.9%     |
| Net interest cover (times) | 15.2      | 15.4      |

| Balance Sheet Ratios                         | June 2012 | June 2011 |
|--|-----------|-----------|
| Gearing ratio (Net debt/(Net debt + equity)) | 27.7%     | 27.4%     |
| Return on shareholders' equity               | 32.2%     | 34.5%     |
| Return on assets                             | 25.6%     | 27.4%     |
| Net tangible assets per share                | \$4.75    | \$4.43    |



# Balance sheet

|  | June 2012<br>\$m   | June 2011<br>\$m   | % Change     |
|--|--------------------|--------------------|--------------|
| Current Assets                           | 100.0              | 78.5               |              |
| Non-Current Assets                       | <u>74.8</u>        | <u>74.6</u>        |              |
| <b>Total Assets</b>                      | <b>174.8</b>       | <b>153.1</b>       | <b>+14.1</b> |
| Current Liabilities                      | 41.5               | 33.2               |              |
| Non Current Liabilities                  | <u>46.9</u>        | <u>40.8</u>        |              |
| <b>Total Liabilities</b>                 | <b><u>88.5</u></b> | <b><u>74.0</u></b> | <b>+19.6</b> |
| <b>Net Assets / Shareholders' Equity</b> | <b><u>86.3</u></b> | <b><u>79.1</u></b> | <b>+9.1</b>  |
| Net debt <sup>1</sup>                    | 33.0               | 29.8               |              |

1. Gross debt as balance date was June 2012: \$45m (June 2011: \$40m)

# Cash flows

|   | 2012<br>\$'000  | 2011<br>\$'000  | % Change |
|---|-----------------|-----------------|----------|
| Cash Flows from Operating Activities *                      | 20,846          | 21,635          | -3.6     |
| Cash Flows from Investing Activities                        | (3,399)         | (5,187)         |          |
| FX Impact on Foreign Cash Reserves                          | 352             | (1,189)         |          |
| Dividends paid and other financing                          | <u>(21,007)</u> | <u>(19,242)</u> |          |
|   | (3,208)         | (3,983)         |          |
| Proceeds/(repayment) of borrowings                          | 5,000           | (7,356)         |          |
| Opening cash & cash equivalents                             | <u>10,168</u>   | <u>21,507</u>   |          |
| <b>Cash &amp; Cash Equivalents at the end of the period</b> | <b>11,960</b>   | <b>10,168</b>   |          |

\* Operating cash flows were lower than the prior year as a result of the timing of customer receipts from our strong final quarter sales and due to higher tax payments.



# Year ended 30 June 2012

| <b>Results (\$000s)<br/>Full Year</b>                                 | <b>This<br/>Year</b> | <b>Last<br/>Year</b> | <b>%<br/>Change</b> |
|---|----------------------|----------------------|---------------------|
| Revenue   | 261,567              | 235,267              | 11.2                |
| Sales   | 260,832              | 234,423              | 11.3                |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 46,879               | 46,857               | 0.6                 |
| Earnings before interest and tax (EBIT)                               | 41,957               | 42,058               | -0.2                |
| Profit before tax   | 39,196               | 39,322               | -0.3                |
| Income tax expense  | 11,390               | 12,017               | -5.2                |
| Profit for the period   | 27,806               | 27,305               | 1.8                 |



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# Fourth Quarter

| <b>Results (\$000s)<br/>Quarter 4</b>                                 | <b>This<br/>Year</b> | <b>Last<br/>Year</b> | <b>%<br/>Change</b> |
|---|----------------------|----------------------|---------------------|
| Revenue   | 74,632               | 62,819               | 18.8                |
| Sales   | 74,551               | 62,600               | 19.1                |
| Earnings before interest, tax, depreciation and amortisation (EBITDA) | 13,225               | 12,117               | 9.1                 |
| Earnings before interest and tax (EBIT)                               | 11,977               | 10,961               | 9.3                 |
| Net interest expense  | 643                  | 703                  | -8.5                |
| Profit before tax   | 11,334               | 10,258               | 10.5                |
| Income tax expense  | 3,485                | 3,161                | 10.2                |
| Profit for the period   | 7,849                | 7,097                | 10.6                |



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