A young man with dark hair and a wide smile is leaning on the edge of a swimming pool. He is wearing swim goggles on his head. The background shows the blue water of the pool and a dark wooden structure above. The lighting is bright, suggesting an outdoor pool setting.

**Welcome to the 50th
Annual General Meeting
of Blackmores Limited**

BLACKMORES

Year in Review



Christine Holgate
CEO & Managing Director



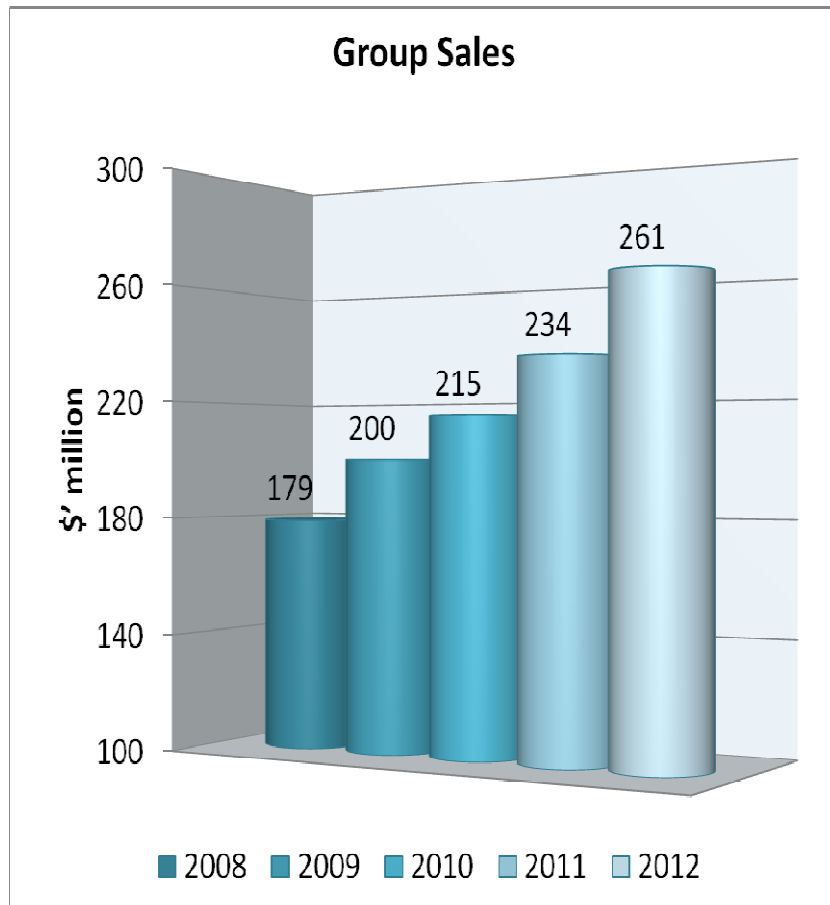
10th year of record sales and profit



- 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 165.8c
- Dividends of 127 cents, up 2.5%
- Most Trusted Brand in Australia, Thailand & Malaysia
- 102 new product launches and 43 product renovations
- Progressed launch in China
- Acquired BioCeuticals for \$39.2m



Group sales performance

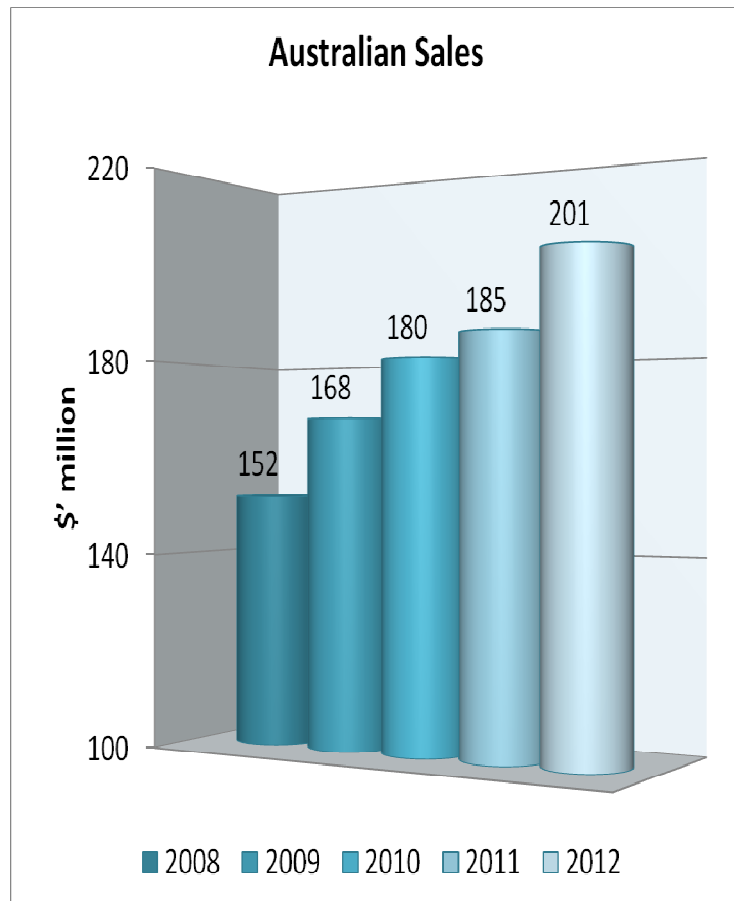


- Group sales increased by 11% to \$261m
- Australian sales of \$201m, +9% growth
- Asian sales of \$53m in AUD, +20% growth
- NZ sales of AU\$4.3m*
- PAW sales up 129% on prior year to \$3.2m

*New operating model commenced May 2012



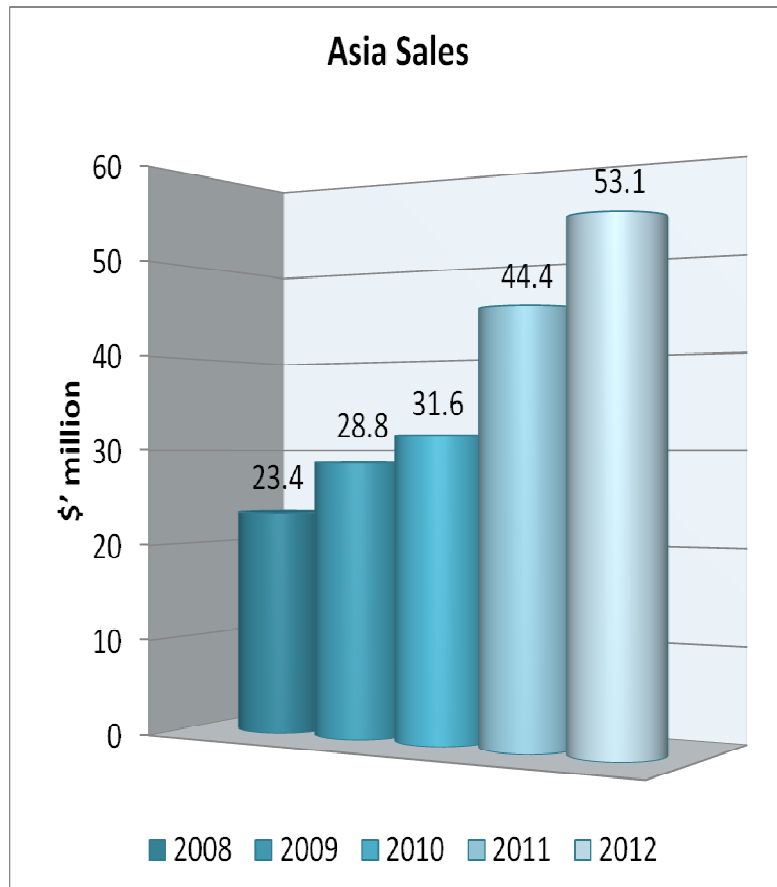
Australian sales performance



- Sales of \$201m, +9% growth
- 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



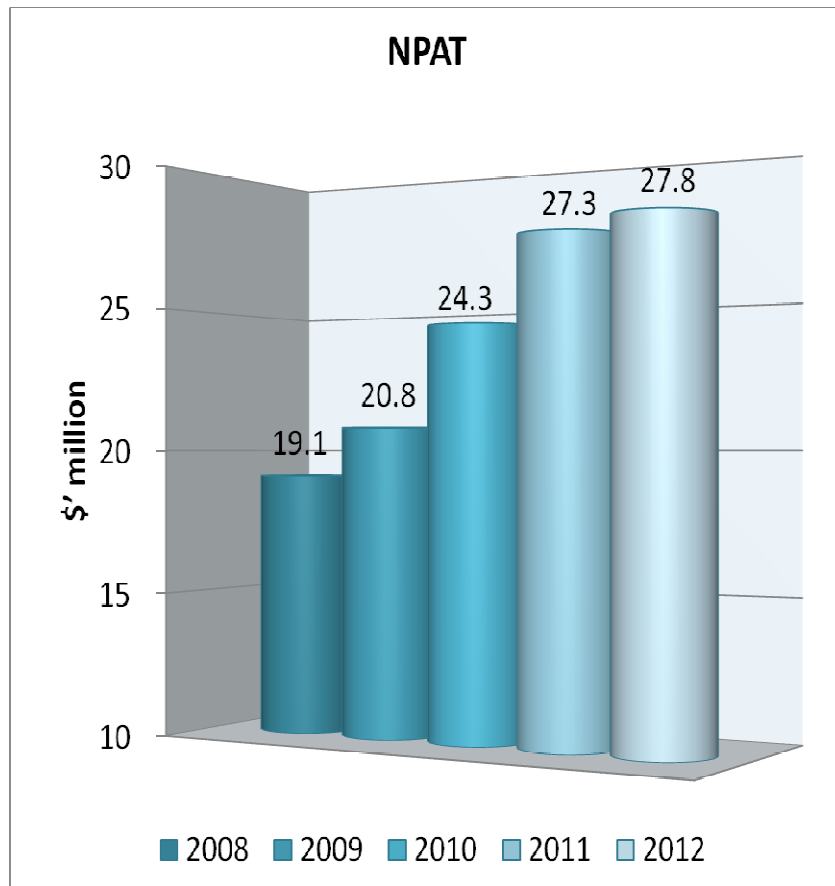
Asia growth continues



- Asia now represents 20% of Group sales and 26% of Group profit
- Sales growth of 20% in AUD (23% in constant currency) to \$53 million
- Strong growth in key markets: Thailand +26% and Malaysia +17% in local currency
- Solid growth in smaller markets of 25%
- New websites in Chinese, Korean & Thai with 65,000 Facebook fans in Asia
- Increased investment to support business development
- 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 Australian 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



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 \$m	2011 \$m	Change
Australia	57.5	49.3	+17%
Asia	14.5	12.0	+21%
Other	2.6	1.3	+102%
Group sales	74.6	62.6	+19%

Quarter 4 P&L	2012 \$m	2011 \$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
- Agreed 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



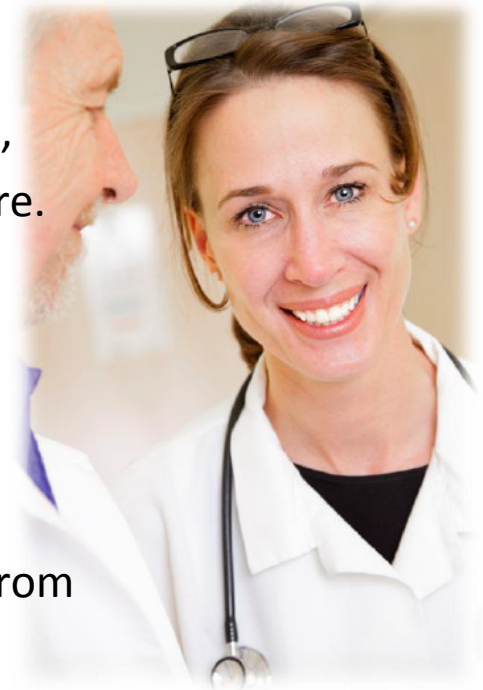
About BioCeuticals

- 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
- The business will operate as a stand-alone entity but will benefit from the resources of the broader Group
- 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



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



\$ million	Blackmores	BioCeuticals	Pro Forma FY12
Revenue	260.8	41.2	302
EBITDA	46.9	4.6	51



A man with short dark hair, smiling, stands against a wall of horizontal wooden slats. He is wearing a white tank top with a blue and green graphic, a dark blue zip-up jacket draped over his shoulders, and black shorts with 'BLACKMORES' written vertically on the left leg. He is barefoot and has his arms crossed. The scene is brightly lit, casting shadows on the wall and floor.

First Quarter Results

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First Quarter Results

Q1	SALES	YEAR ON YEAR
Group	\$85.1m	+28%
Blackmores Australia	\$57.5m	+9%
Asia	\$13.9m	+14%
BioCeuticals	\$10.4m	+5%
PAW	\$1.0m	+93%
NZ	\$2.3m	+175%*
Group NPAT	\$7.8m	+0.2%



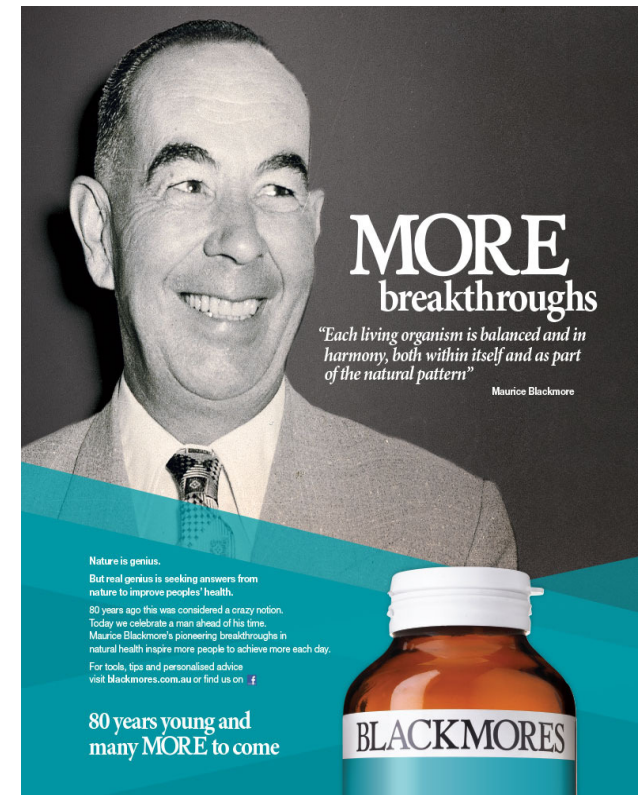
*Reflecting new operating model



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First Quarter Highlights

- BioCeuticals successfully acquired for \$39.2m
- Blackmores Australia - new marketing campaign
- China efforts begin including launch on CJO Shopping, roll-out in pharmacies and appointment of 60 new product advisors
- Investment in developing our Asia leadership team
- Launched over 40 new products across the group
- Successful Blackmores Sydney Running Festival, raising nearly \$2 million for charity
- Heart Research Institute honours Blackmores for commitment to young researchers



MORE
breakthroughs

"Each living organism is balanced and in harmony, both within itself and as part of the natural pattern"
Maurice Blackmore

Nature is genius.
But real genius is seeking answers from nature to improve people's health.
80 years ago this was considered a crazy notion.
Today we celebrate a man ahead of his time.
Maurice Blackmore's pioneering breakthroughs in natural health inspire more people to achieve more each day.
For tools, tips and personalised advice visit blackmores.com.au or find us on [f](#)

80 years young and many MORE to come

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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

- Blackmores Australia has had a strong start to the year in the context of the retail environment
- BioCeuticals - a new platform for growth
- Asia continues to be a strategic area of growth, with significant opportunities
- Blackmores well positioned as world leader in natural health
- Profit is solid given high level of investment
- Directors remain confident Blackmores will continue to deliver strong returns to shareholders



Financial Performance



Chris Last

Chief Financial Officer



BLACKMORES

Financial Summary – Profit & Loss

Income Statement	June 2012 \$m	June 2011 \$m	% Change
Sales	260.8	234.4	+11.3
Operating Expenses	<u>(213.9)</u>	<u>(187.8)</u>	+13.9
EBITDA	46.9	46.6	+0.6
Depreciation & Amortisation	<u>(4.9)</u>	<u>(4.5)</u>	
EBIT	42.0	42.1	-0.2
Interest & Tax	<u>(14.2)</u>	<u>(14.8)</u>	
Net profit after tax	27.8	27.3	+1.8
Earnings per share (c) - basic	165.8	163.2	+1.6

Financial Summary - Balance Sheet & Cash Flows

	June 2012	June 2011	% Change
Net Assets (\$m)	86.3	79.1	+9.1
Net tangible assets per share (\$)	\$4.75	\$4.43	
Net debt (\$m)	33.0	29.8	+10.8
Gearing Ratio (%)	27.7%	27.4%	
Operating Cash Flow (\$m)	20.8	21.6	-3.6

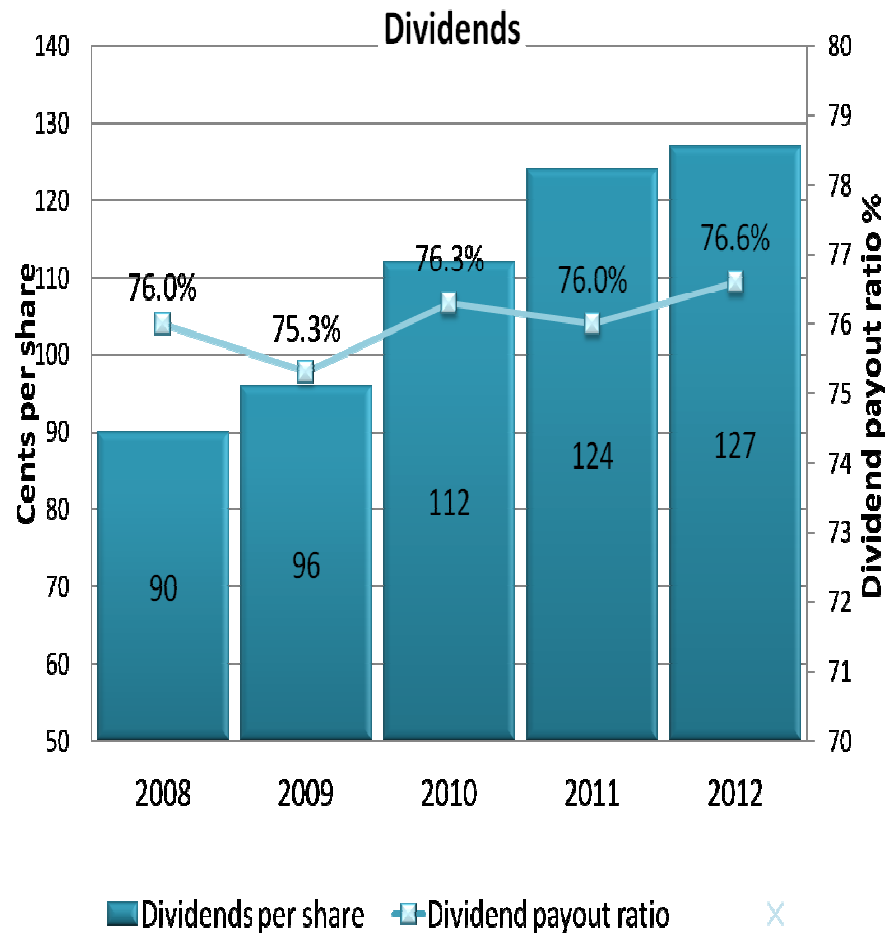


Financial Summary - Key Ratios

	June 2012	June 2011	% Change
EBIT Margin (%)	16.1%	17.9%	-1.8 pts
Net Interest Cover (times)	15.2 x	15.4 x	
Return on Equity (%)	32.2%	34.5%	-2.3 pts
Return on Assets (%)	25.6%	27.4%	-1.8 pts
Total Shareholder Return 1 July 2011 – 23 October 2012	28.6%		



Dividends



- Final dividend of 83¢ fully franked
- Total dividends for the year 127¢, up 2.5% on FY11
- Paid on 16 October 2012
- Dividend payout ratio of 76.6%
- Dividend Reinvestment Plan reactivated with a 5% discount – 28% take-up



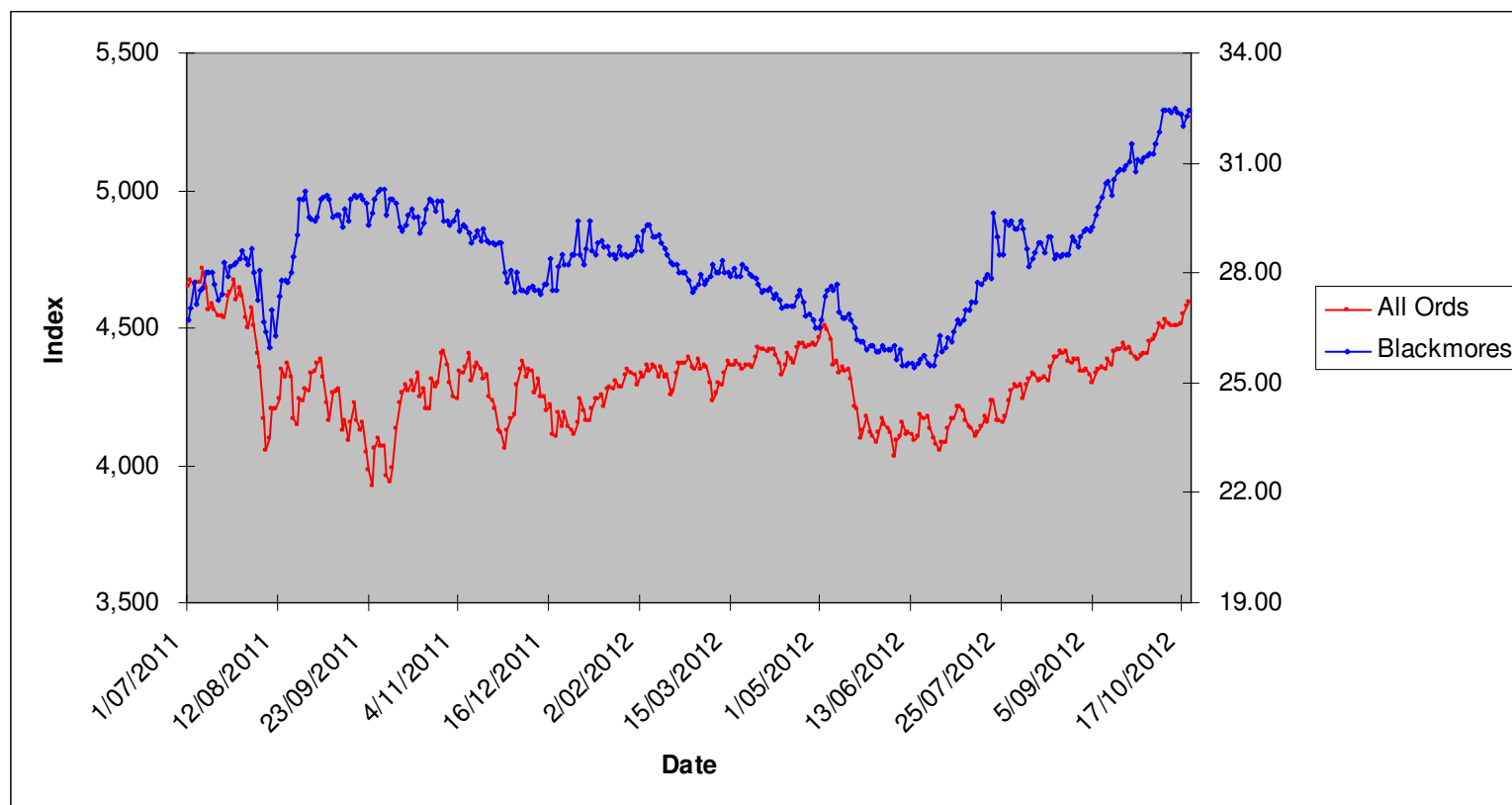
Debt Structure



- The group's debt structure has materially changed as a result of the acquisition of BioCeuticals:
 - Debt increased by \$39m to fund the purchase price, plus \$1.4m for working capital adjustments
 - Gearing ratio (net debt / net debt + equity) increases from 28% to approx. 46%
- The Dividend Reinvestment Plan was reactivated for the final dividend with a 28% take-up, resulting in a \$4m cash saving
- BioCeuticals is earnings accretive in F13 even after debt servicing
- The Board and management have every confidence in the Group's ability to continue to comply with debt covenants



Performance Relative to Market – July 2011 to October 2012



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Financial Summary

- Very positive sales performance and solid profit performance
- Strong balance sheet
- Low gearing ratio maintained, although increasing post acquisition
- Interest cover of 15.2 times
- Total dividend of 127 cents with a dividend payout ratio of 76.6%
- Total shareholder return of 29% since July 2011 - superior return compared to All Ords

Formal Business



Marcus C. Blackmore AM
Chairman



BLACKMORES

Resolutions

- Remuneration Report
- Re-elect Mr Marcus Blackmore
- Re-elect Mr Brent Wallace
- Approval of Financial Assistance



Resolution 1 – Remuneration Proxies

Vote Type	Voted	% of Voted	% of all securities
For	2,648,496	75%	16%
Against	548,216	15%	3%
Open-Usable - refer below	360,339	10%	2%
Total	3,557,051	100%	

Open-Usable Breakdown		
Chairman appointed as Proxy	194,692	5%
Others appointed as Proxy	165,647	5%



Resolutions

- Remuneration Report
- Re-elect Mr Marcus Blackmore
- Re-elect Mr Brent Wallace
- Approval of Financial Assistance



Thank you

Next AGM will be at the Blackmores Campus 22 October 2013



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