



2 July 2012

Blackmores announces acquisition of FIT-BioCeuticals Limited

Blackmores Limited (ASX:BKL) today announced that it has agreed to acquire FIT-BioCeuticals Limited (BioCeuticals), an established Australian leader in the Practitioner-Only supplements market.

Blackmores will acquire the 100% of the issued share capital of BioCeuticals. The purchase price is a cash payment up to a maximum of AUD \$40m and will be fully debt-funded from additional banking facilities. An amount of \$38.4m is payable on completion and an additional payment of up to \$1.6m will be payable soon after completion if certain conditions are met in relation to earnings for FY12. The purchase price is also subject to a post completion working capital adjustment mechanism.

In the year to June 2011 BioCeuticals delivered \$38m in invoiced sales and earned \$4.6m earnings before income tax, depreciation and amortisation.

“Blackmores has an 80 year heritage in research and product development and is the number one brand in natural health in Australia,” said Blackmores’ Chief Executive Officer, Ms Christine Holgate. “BioCeuticals has earned strong credibility in the Practitioner channel where they lead the market and are renowned for their quality, highly efficacious products.”

“The combination of Blackmores and BioCeuticals gives us a powerhouse of over 100 qualified healthcare professionals in the Blackmores Group, including naturopaths. It gives us greater depth of expertise and affirms our position as the clear market leader in natural health and the largest natural health company in Australia.”

The BioCeuticals range, brand and strategy are complementary to those of Blackmores. There is strong philosophical alignment between both companies.

“It is our intention to run BioCeuticals and its existing brands as a stand-alone business, utilising the resources and knowledge within both companies to improve our ability to service our customers,” said Ms Holgate.

“The acquisition is a key part of Blackmores’ strategy and brings greater channel diversity to our business within the category we operate. The practitioner market is growing and profitable with qualified healthcare professionals having an important role in providing total health solutions and advice to consumers.”

“Importantly, it is our customers who stand to benefit from our increased investment in research, innovation and healthcare professional education.”

BioCeuticals was originally founded in 1993 by Michael Hall and his two sons, and 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.



“We feel this is both the right move and a smart move,” said FIT-BioCeuticals Chief Executive Officer, Sean Hall. “Individually these companies have demonstrated strong leadership positions in their markets, both companies focus on nurturing an innovative ‘family’ culture – so together we can accomplish more, ultimately for the benefit of all Australians.”

FIT-BioCeuticals’ main brands are BioCeuticals® and IsoWhey®, with a number of smaller brands including a biotechnology and research arm. BioCeuticals® has become a brand of choice for many leading clinical researchers, clinicians and colleges. IsoWhey® is a weight management range available in leading pharmacies and health food stores.

The transaction will involve an acquisition of all BioCeuticals shares, free of debt. It incorporates the transfer of BioCeuticals’ brand names, product portfolio and an experienced team of over 100 staff. The business will continue to operate from its current Alexandria location in Sydney.

“The transaction will be fully debt-funded from additional facilities agreed with our banking partner. Blackmores has always had a conservative approach to debt management and has a strong balance sheet. Including this transaction, Blackmores’ debt will remain comfortably within our debt targets.”

The transaction is currently scheduled for completion on 5 July 2012.

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