Results for the Half-Year Ended 31 December 2011

Blackmores Limited

ASX:BKL

BLACKMORES®
THE BEST OF HEALTH
www.blackmores.com.au

Executive Summary - Review of half year

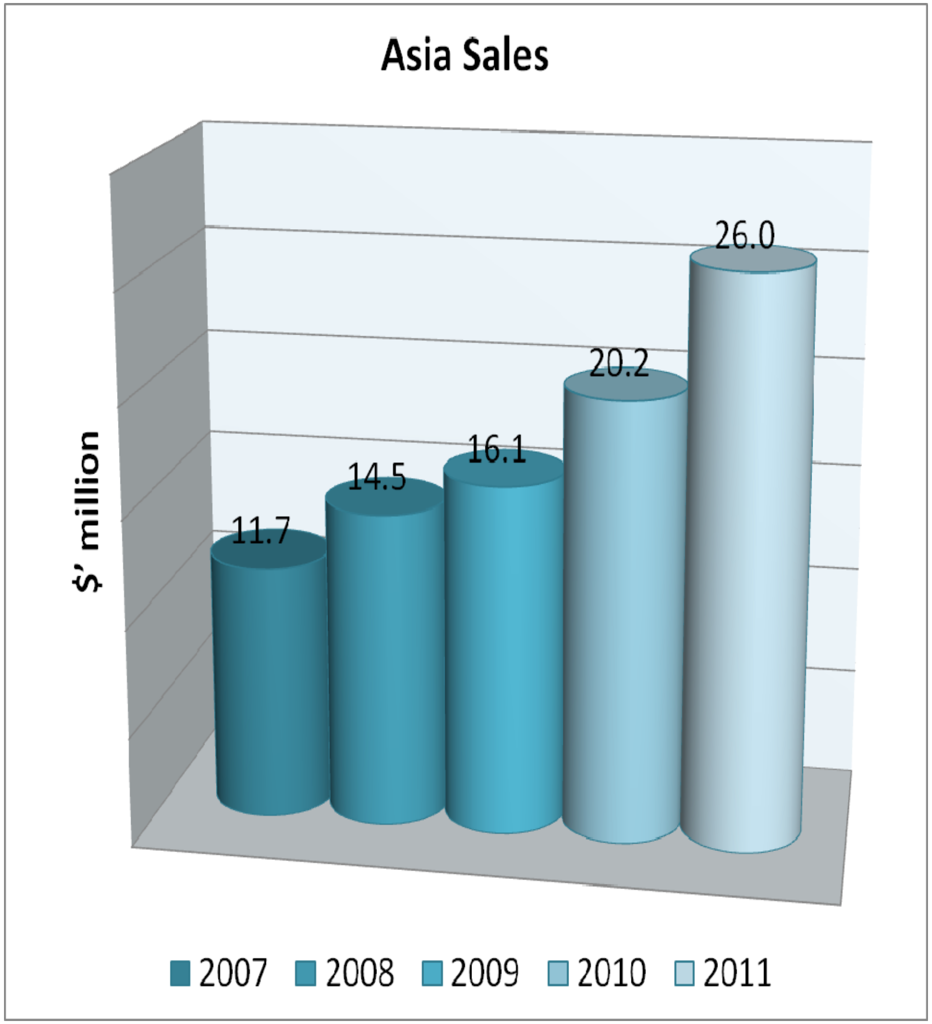
HY F12 delivered Group results of:

- Sales increase of 9% to $127 million
- EBITDA increase of 2% to $24.3 million
- NPAT steady at $14.25 million
- Earnings per share in line with pcp at 85 cents
- Interim dividend of 44 cents, in line with previous corresponding period

Australian Sales Performance

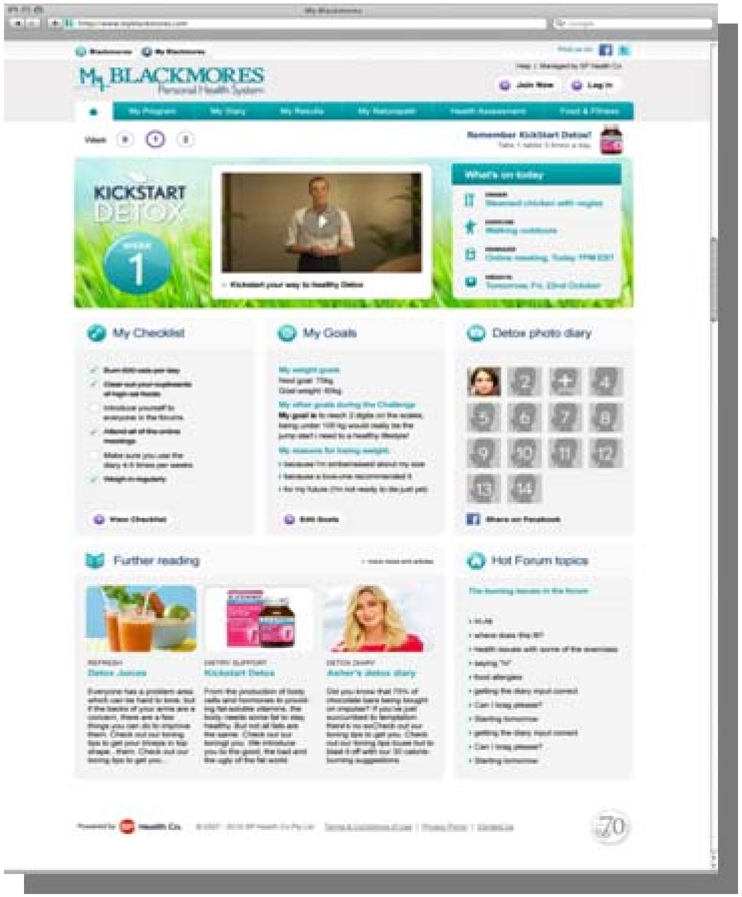
- Sales of $98.5m, +4.5% growth
- Solid result given challenging Australian retail market
- Investment in advertising and promotion
- Launched into new categories – natural pain cream, sports supplements and meal replacement smoothies
- Rolled out innovative new merchandising units into community pharmacies

Asian Sales Performance



- All markets delivering strong growth
- Growth of 28% in HY F12 to $26m (36% in constant currency)
- Asian sales strong despite high AUD
- Thailand growth of 28% in local currency despite extensive flooding in region
- Increased investment to support business development in Asia
- 20 additional staff across Group to support growth
- Blackmores announced new brand ambassador in Korea – Ian Thorpe
- Halal certification on Malaysian products
- Testing new initiatives including B-Pods (merchandising units) for Asia and Chinese language marketing

Other Businesses



New Zealand

- Challenging local market conditions
- Reviewing operational model
- New General Manager appointed

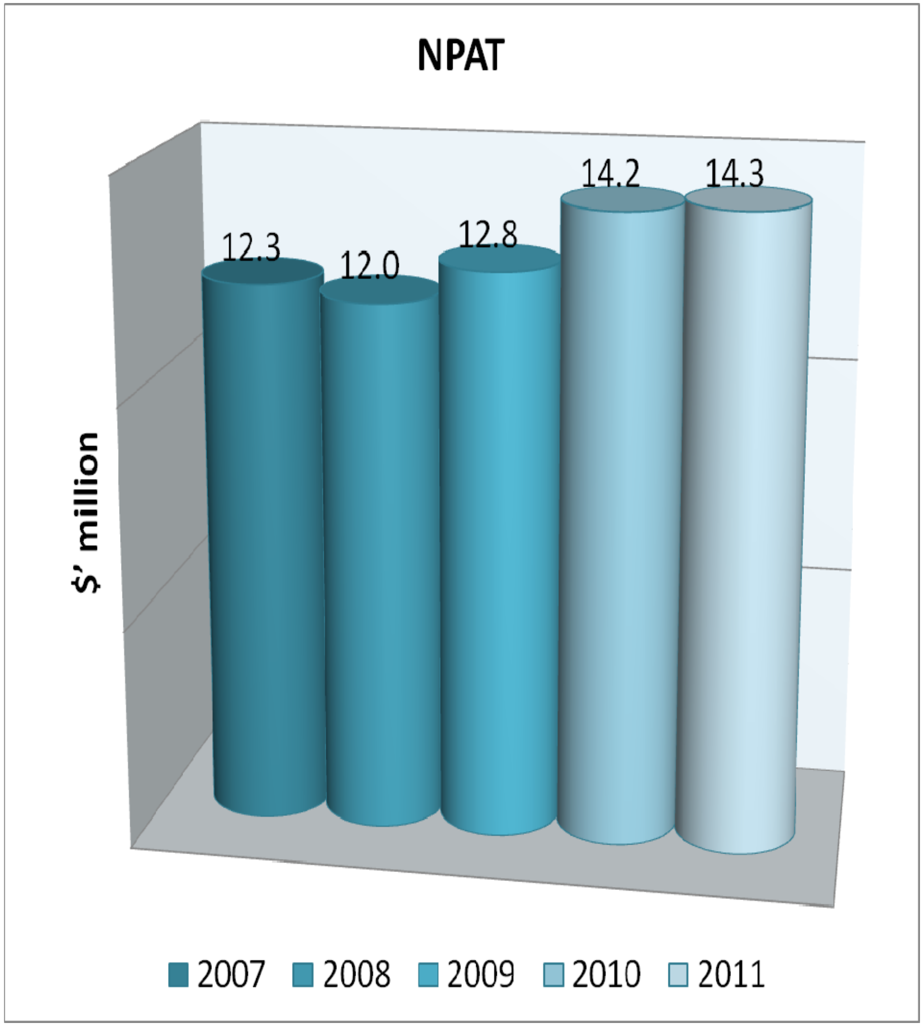
Pure Animal Wellbeing

- Pure Animal Wellbeing (PAW) sales of $1.1m, up 127% on prior year
- Continued investment in building this business and on track for expanding into pharmacy and grocery in second half
- Blackmores PAW first in Australia to register new active ingredient for treating infectious dermatitis in dogs

MyBlackmores

- Developed online personalised health program, launched January 2012
- Offers consumers personal online health support from qualified naturopaths

Profit Performance



- Group NPAT steady at $14.25 million
- EBIT margin of 17.3%, down from 18.5% in previous corresponding period
- Group profitability grew more slowly than sales due to:
  - Increased advertising and promotional spend in Australia
  - Investment in business development for Asia
  - Supporting new categories and businesses to underpin future growth
  - Conservative tax position in H1
- Asia now contributes 24% of group NPAT (up from 20% in F11) and the region's contribution to group profit continues to grow
  - Thailand NPAT up 73%

Operational excellence

- 52 new products in the half
- Continuing to deploy direct sourcing strategy to protect profitability
- New Perth warehousing facility and distribution centre
- Ongoing benefits in driving volumes through Warriewood facility

Second Quarter

- Group sales up 8%
- Australian Q2 sales up 2%
- Asia continued to deliver very strong sales in Q2, up 30% in AUD
  - 34% in constant currency

Quarter 2 Segment Revenues	2011 $m	2010 $m	Change
Australia	45.4	44.4	+2%
Asia	13.7	10.6	+30%
Other	1.3	1.1	+8%
Total Revenue	**60.4**	**56.1**	**+8%**

- Q2 profit result underpinned by investment in:
  - Increased advertising and promotional spend in Australia
  - Asia, new businesses and expansion into categories to underpin future growth

Quarter 2 P&L Performance	2011 $m	2010 $m	Change
Group sales	60.4	56.1	+8%
EBITDA	11.1	10.9	+2%
NPAT	6.5	6.5	+0.3%

Outlook

- We remain cautious about the retail environment in Australia and about the volatility of exchange rates.

- We are encouraged by continued sales growth and will continue to invest in initiatives that will ensure future profit growth.

"Directors remain confident the company will deliver modest profit growth for the current financial year."

Questions

BLACKMORES®
THE BEST OF HEALTH
www.blackmores.com.au

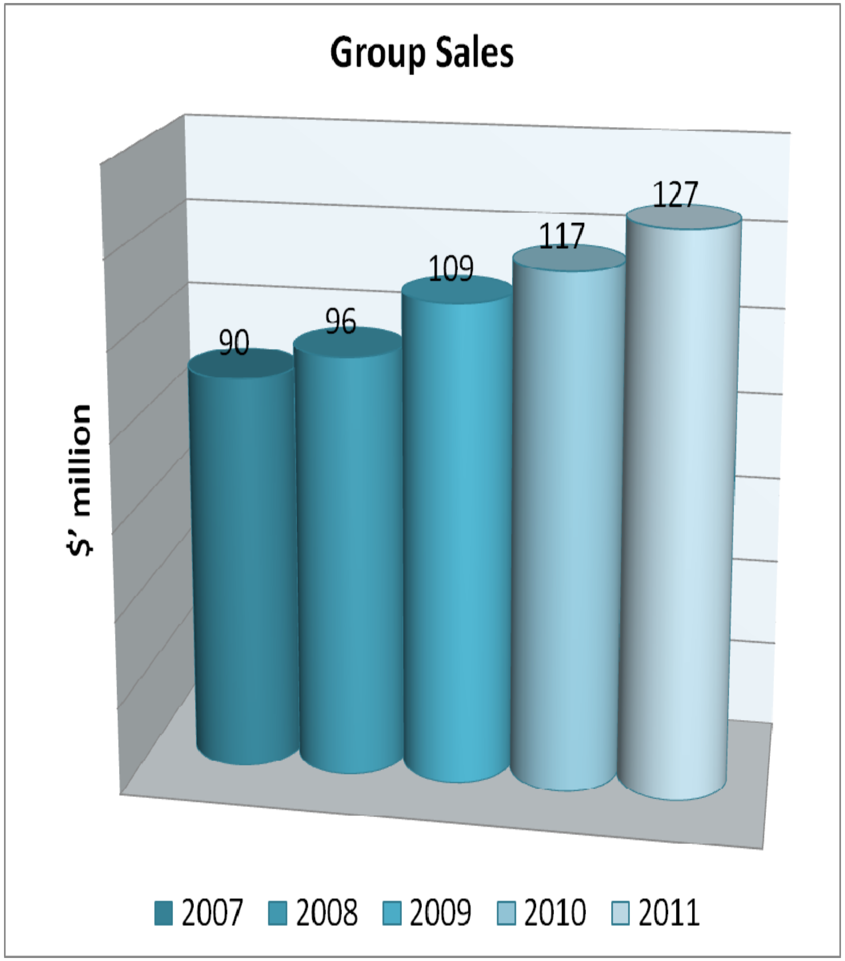
Additional Information

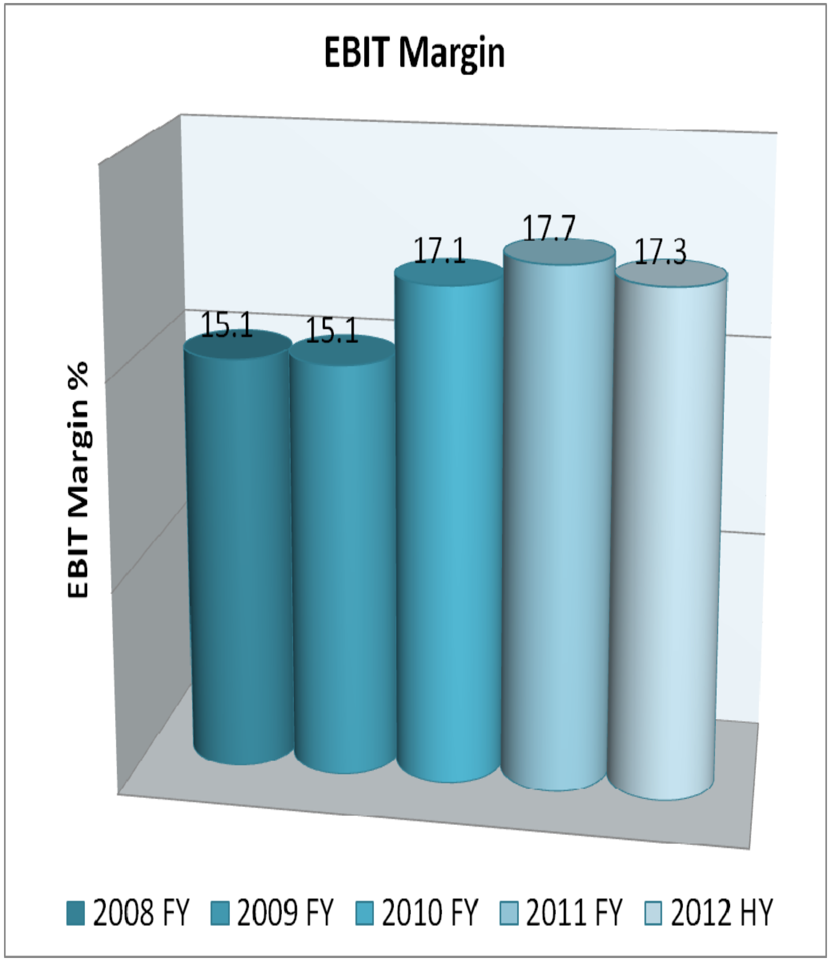
RESULTS ($000s) (Half-Year to 31 December 2011)	THIS YEAR	LAST YEAR	% Change
Revenue	127,403	117,185	8.7
Sales	127,007	116,737	8.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)	24,326	23,860	2.0
Earnings before interest and tax (EBIT)	21,948	21,606	1.6
Net interest expense	1,212	1,129	7.4
Profit before tax	20,736	20,477	1.3
Income tax expense	6,484	6,235	4.0
Profit for the period	14,252	14,242	0.1

Q2 Summary Results

RESULTS ($000s) (Quarter 2)	THIS YEAR	LAST YEAR	% Change
Revenue	60,556	56,367	7.4
Sales	60,364	56,141	7.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	11,145	10,886	2.4
Earnings before interest and tax (EBIT)	9,924	9,746	1.8
Net interest expense	646	602	7.3
Profit before tax	9,278	9,144	1.5
Income tax expense	2,788	2,676	4.2
Profit for the period	6,490	6,468	0.3

Financial Summary – Group Sales & EBIT Margin





BLACKMORES®
THE BEST OF HEALTH
www.blackmores.com.au

Financial Summary – Key Ratios

Profit & Loss Ratios	December 2011	December 2010
EBIT/Sales	17.3%	18.5%
Net interest cover (times)	18.1	19.1

Balance Sheet Ratios	December 2011	June 2011
Gearing ratio (Net debt/(Net debt + equity)	31.0%	27.4%
Net tangible assets per share	$4.47	$4.43

BLACKMORES®
THE BEST OF HEALTH
www.blackmores.com.au

Financial Summary – Balance Sheet

	December 2011 $m	June 2011 $m	% Change
Current Assets	82.6	78.5	
Non-Current Assets	75.5	74.6	
Total Assets	**158.1**	**153.1**	**+3.3**
Current Liabilities	30.0	33.2	
Non Current Liabilities	48.0	40.8	
Total Liabilities	**78.0**	**74.0**	**+5.4**
Net Assets / Shareholders' Equity	**80.1**	**79.1**	**+10.2**
Net debt [1]	36.0	29.8	

1. Gross debt as balance date was December 2011: $47,000 (June 2011: $40,000k)

BLACKMORES
THE BEST OF HEALTH
www.blackmores.com.au

Financial Summary – Cash Flows

	2011 $'000	2010 $'000	% Change
Cash Flows from Operating Activities *	10,198	12,243	-16.7
Cash Flows from Investing Activities	(2,896)	(3,134)	
FX Impact on Foreign Cash Reserves	186	(820)	
Dividends paid and other financing	(13,624)	(11,815)	
	(6,136)	(3,526)	
Net increase/(decrease) in borrowings	7,000	(5,356)	
Opening cash & cash equivalents	10,168	21,507	
Cash & Cash Equivalents at the end of the period	**11,032**	**12,625**	

* Operating cash flows were lower than the prior period mainly due to increased inventory balances as a result of strategic purchasing decisions to obtain quality ingredients at reduced prices.