



## Blackmores delivers solid first half sales growth and steady net profit

### HIGHLIGHTS

- Group invoiced sales up 9% for the first half on previous corresponding period (PCP)
- NPAT steady at \$14.25 million for the first half
- Interim dividend of 44 cents per share fully franked, in line with PCP

### DEAR SHAREHOLDER

I'm pleased to share our first half results with you. Blackmores Limited (ASX: BKL) today announced 9 per cent group sales growth and \$14.25 million net profit after tax for the first half. The profit figure was equal to Blackmores' record profit from the previous corresponding half.

This overall result for the six months was solid considering the retail challenges in Australia, the extensive flooding in Thailand and the effect the strong Australian dollar has had on our sales from Asia. This was a period in which the company increased advertising and promotional spend and invested in Asia and in new categories to underpin future growth.

Australian sales grew by 4.5 per cent to \$98.5 million in a challenging retail environment.

Blackmores' Asian markets have continued to perform well with 28 per cent sales growth (35.5 per cent growth in constant currency) compared to the previous corresponding period.

Our Asian sales continue to improve as Blackmores' strategy of investment, broadening our base and pushing into new markets pays off.

The sales from Asia are particularly strong given the widespread floods in Thailand, which is our second biggest market. Our staff worked tirelessly with our retail partners who were affected by the floods to support them through the recovery process.

Across the Group, we are focused on ensuring we invest in opportunities to deliver future growth including the launch of our new range of weight management supplements, our growing animal health business, and the development of an online personalised health program. We have also rolled out innovative new merchandising units to improve our in-store presence in many community pharmacies and to make our range easier for our consumers to navigate.

Blackmores partnered with a technical solutions expert to develop a digital platform embracing the global trend towards online personalised health. Blackmores Personal Health System, [myblackmores.com.au](http://myblackmores.com.au), is the first program in Australia to offer consumers personal online health support from a team of qualified naturopaths.

## DIVIDEND

Based on these results, the Board has declared an interim dividend of 44 cents fully franked, in line with the previous corresponding period. The record date is 8 March 2012 and the dividend is payable on 22 March 2012.

## OUTLOOK

The Board is encouraged by the continued sales growth and supports management in its investment in initiatives that will ensure future profit growth for Blackmores.

We remain cautious about the retail environment in Australia and about the volatility of exchange rates. Notwithstanding these factors, at this time, Directors remain confident the company will deliver modest profit growth for the current financial year.

Yours faithfully



**CHRISTINE HOLGATE**  
CHIEF EXECUTIVE OFFICER

## INVESTOR CONTACT:

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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

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

## OTHER KEY ITEMS

		31/12/2011	31/12/2010
EBIT/Sales	%	17.3	18.5
Interest cover (net)	times	18.1	19.1
		31/12/2011	30/6/2011
Total Assets	\$m	158,139	153,130
Shareholder's equity	\$m	80,113	79,112
Net debt	\$m	35,968	29,832
Net debt / (Net debt + equity)	%	31.0	27.4
Net tangible assets per share	\$	4.47	4.43
Share Price (22 February 2012) <sup>1</sup>	\$	28.00	26.70
Shares on Issue	m	16.8	16.7

1. Last year's share price is as at 30 June 2011.