



Blackmores delivers 8.4% sales growth

Image: Siew Yew Gan | Asia Marketing Manager

HIGHLIGHTS FOR THE NINE MONTHS TO 31 MARCH 2012

- Group sales of \$186M up 8.4% for the year to date compared to previous corresponding period
- Asia sales up 19% year to date (26% in constant currency) compared to previous corresponding period
- NPAT of \$20.0M marginally below last year

Blackmores Limited (ASX: BKL) today announced that Group sales for the nine months to March 2012 grew at 8.4 per cent to \$186 million. The company also reported a net profit after tax of \$20.0 million, down marginally compared to the prior corresponding period.

“Our performance was pleasing, particularly in Australia given the intensity of competitor activity in the market and the level of investment we have made in the business,” said Blackmores’ CEO, Ms Christine Holgate. “Thailand, Malaysia and Hong Kong all delivered record sales results in this quarter with the region growing 26 per cent year to date.”

Australian sales grew by 8.4 per cent during the quarter which is encouraging considering the depth of competitor activity and concerns about consumer confidence. Asia contributed \$12.7 million in sales for the quarter, which is up 9 per cent in constant currency. The Asia quarter growth rate was impacted by the phasing of orders to Korea, which remains an important market for Blackmores. Excluding Korea, our Asia sales are up 26 per cent for the quarter in constant currency.

“We have continued to invest by extending our offering in existing markets and exploring new market opportunities. This is a key part of our strategy to build our brand and to diversify our business.”

“Our animal health business continues to grow and we have now launched a range specifically for community pharmacy, as well as continuing to grow our range for vets and pet specialty stores.”

Pure Animal Wellbeing® by Blackmores has recently launched Nutrasticks™ - a new range of natural, low allergy healthcare treats with added nutrients for dogs, available in Woolworths.

The PAW Nutrasticks™ range was among the 26 new products launched across the Group over the quarter.

Blackmores released an innovative, free new Mobile App which offers consumers “on the go” access to extensive information and advice on Blackmores’ product range as well as valuable information about common health conditions and how to manage them naturally.

Ms Holgate noted the \$1.2 million in legal fees the company has incurred this year as a result of an ongoing legal dispute with the building contractor over variations and defects to the construction of the Blackmores Campus at Warriewood.

“We are confident in the merit of our legal position though, at this point in time, the legal fees are impacting our healthy profit result.”

Blackmores has progressed plans to launch in China, beginning in the fourth quarter.

“The first shipment of Blackmores product has now left our Warriewood facility,” said Ms Holgate. “We will launch in a combination of sales channels and are very excited about this new chapter in the Blackmores story.”

OUTLOOK

“Directors are encouraged by upcoming growth opportunities including new product launches and our continued success in Asia however we are mindful of the changing retail dynamics in Australia. We are on track to deliver a level of profit in line with that achieved last year.”

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RESULTS (\$000) NINE MONTHS ENDED 31 MARCH 2012	THIS YEAR	LAST YEAR	% CHANGE
Revenue	186,899	172,448	+8.4
Sales	186,281	171,823	+8.4
Earnings before interest, tax, depreciation and amortisation (EBITDA)	33,227	34,082	-2.5
Earnings before interest and tax (EBIT)	29,553	30,709	-3.8
Net interest expense	1,691	1,645	+2.8
Profit before tax	27,862	29,064	-4.1
Income tax expense	7,905	8,856	-10.7
Profit for the period	19,957	20,208	-1.2

RESULTS (\$000) QUARTER ENDED 31 MARCH 2012	THIS YEAR	LAST YEAR	% CHANGE
Revenue	59,496	55,263	+7.7
Sales	59,274	55,086	+7.6
Earnings before interest, tax, depreciation and amortisation (EBITDA)	8,901	10,222	-12.9
Earnings before interest and tax (EBIT)	7,605	9,103	-16.5
Net interest expense	479	516	-7.2
Profit before tax	7,126	8,587	-17.0
Income tax expense	1,421	2,621	-45.8
Profit for the period	5,705	5,966	-4.4