



Susan Gietz | Blackmores Assistant Digital & Interactive Manager

Strong sales growth continues for Blackmores

HIGHLIGHTS

- Group sales up 29% for the first half on previous corresponding period to \$164 million
- NPAT of \$13.6m, down by 4.8%, impacted by a challenging Australian retail market and costs associated with China launch
- Interim dividend of 44 cents per share fully franked, in line with the previous corresponding period and the Dividend Reinvestment Plan continues at 5% discount

DEAR SHAREHOLDER

Blackmores Limited (ASX: BKL) today reported group sales of \$164 million, a 29 per cent increase on the previous corresponding period.

We enjoyed strong sales growth from across our business. Even excluding BioCeuticals, our new acquisition, sales grew by 12%.

Blackmores Australia delivered \$108 million in invoiced sales, up 10 per cent in a highly competitive market, confirming our brand leadership position. We are not immune to the pressure of retailing in such a challenging and changing market and significant investment was required in both marketing and trade support in the period. This has impacted our margins and dampened our first half profit performance in Australia.

Our core Asian markets again delivered strong sales growth including a 22 per cent lift in sales from Thailand and 26 per cent sales growth in Malaysia. Blackmores Korea has experienced some delays in new product approvals but we are confident in the health of this business. We have progressed our entry into China with trading agreements in place with major pharmacy groups and we now have 70 staff trained and operational.

The first half results capture expenses associated with the launch of Blackmores in China however revenues from China have not yet been fully recognised in the Group's reported sales as a result of the nature of the trading agreements.

We are pleased with the progress of BioCeuticals. In this first six months we have completed the acquisition, grown sales by a healthy 8 per cent to \$21.5 million and developed a new growth strategy

for the company. After considering the additional debt required to fund the acquisition, the business is already positively impacting our earnings.

Total first half expenses grew following the consolidation of BioCeuticals, Blackmores' new operating agreement in New Zealand and the investment in China.

Core business expenses are flat and have been prudently managed and redirected to support further investment in marketing in Australia and the launch of the Blackmores Institute.

The Blackmores Institute was launched recently, bringing together our expertise in education and research. The Institute is overseeing our investment in 25 clinical trials partnering with leading hospitals and universities reflecting our ongoing commitment to building the evidence base of complementary medicine and supporting healthcare professionals.

Net debt at period end was \$81.9 million, an increase of \$48.9 million, which largely reflects the funding required for the acquisition of BioCeuticals in July 2012.

Blackmores has evolved significantly in recent years. Our investment in Asia, BioCeuticals and our Warriewood Campus, combined with our focus on building our sourcing capability and expertise through the Blackmores Institute, will enable us to protect our core business and build new sources of earnings. Continuing this transformation is important as we grow our core Australian business in a fierce retailing environment.

DIVIDEND

Based on these results, the Board has declared an interim dividend of 44 cents fully franked, which is the same as the previous corresponding period. The record date is 14 March 2013 and the dividend is payable on 4 April 2013.

The Company continues its Dividend Reinvestment Plan (DRP). Shareholders who elect to participate in the DRP will benefit from a 5% discount. The last date for receipt of a valid election notice by our Share Registry for participation in the Plan is 14 March 2013. Shareholders can check their current election by contacting Computershare on 1300 555 159 or online at: www.computershare.com.au/investors.

OUTLOOK

The Australian retail market continues to be challenging and will require continued additional investment. With the contribution of BioCeuticals earnings and the expected benefit of further Asia sales growth, we believe we can deliver a similar full year profit to the previous year.

Yours faithfully



CHRISTINE HOLGATE
CHIEF EXECUTIVE OFFICER

Results at a Glance

Results (\$000s) (Half Year to 31 December 2012)	This Year	Last Year	% Change
Sales	164,254	127,007	+29.3%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	24,259	24,615	-1.4%
Earnings before interest and tax (EBIT)	21,314	22,237	-4.2%
Net interest expense	2,375	1,501	+58.2%
Profit before tax	18,939	20,736	-8.7%
Income tax expense	5,374	6,484	-17.1%
Profit for the period	13,565	14,252	-4.8%
Results (\$000s) (Quarter 2)	This Year	Last Year	% Change
Sales	79,159	60,364	+31.1%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	10,803	11,289	-4.3%
Earnings before interest and tax (EBIT)	9,273	10,068	-7.9%
Net interest expense	1,249	790	+58.1%
Profit before tax	8,024	9,278	-13.5%
Income tax expense	2,238	2,788	-19.7%
Profit for the period	5,786	6,490	-10.8%
Other Key Items	31/12/2012	31/12/2011	
EBIT/Sales	%	13.0	17.5
Interest cover (net)	times	9.0	14.8
	31/12/2012	30/06/2012	
Total Assets	\$m	220,531	174,771
Shareholders' Equity	\$m	90,163	86,280
Net debt	\$m	81,917	33,040
Net debt / (Net debt + Equity)	%	47.6	27.7
Net tangible assets per share	\$	3.00	4.75
Share price (27 February 2013) ¹	\$	34.31	26.25
Shares on issue	m	16.91	16.78

Notes:

(1) Last year's share price is as at 30 June 2012.



INVESTOR CENTRE

Further information on Blackmores Limited, including Annual Reports, company announcements and shareholder information, can be found at the Investor Centre at blackmores.com.au.

SHAREHOLDER DISCOUNT PLAN

Our shareholder discount on the Blackmores range of products is 30%. You will now have received a new shareholder discount card, a price list and details of product ordering for your convenience.

INVESTOR CONTACT:

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