



Blackmores Year-End Financial Results

BLACKMORES®

Year ended 30 June 2015

RECORD YEAR - MOMENTUM CONTINUES



- Group sales of \$472m, +36%
 - Q1 \$98m, +17%
 - Q2 \$108m, +26%
 - Q3 \$120m, +42%
 - Q4 \$146m, +57%
- Group NPAT of \$46.6m, +83%
- EBIT margin improvement from 11.5% to 15.3%
- Operating cash flow of \$71m, +90%
- Cash conversion ratio of 114%, up from 107%
- Final dividend of 135c, taking total dividends to 203c fully franked

F15 HIGHLIGHTS

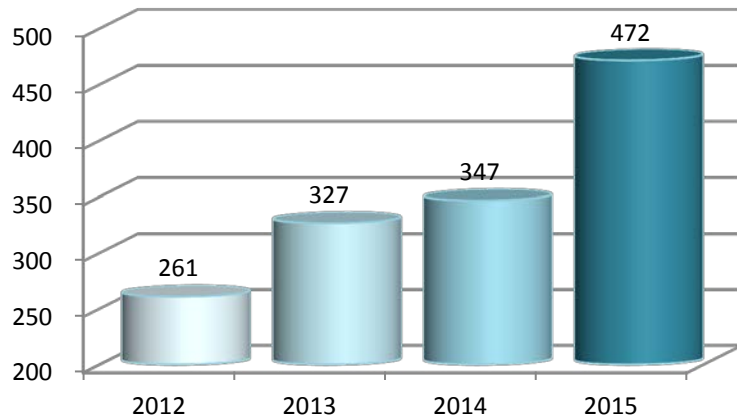
- **35 million products to 25,000+ points of distribution**
- **Recognised as Most Trusted Brand for 7th year**
- **Australia grew its profitability by 88%**
- **BioCeuticals earnings up 28%**
- **Chair of Integrative Medicine at Sydney Uni**
- **In 2015 we trained 25,000+ HCPs**
- **Blackmores Asia Regional Office operational**
- **PAW launches podcasts and secures leadership**
- **NZ double digit growth, launched BI Symposium**
- **Awards for Quality, Sustainability & Design**
- **Almost one million online members and friends**
- **Our staff gave a 92% vote of commitment**



STRONG SALES PERFORMANCE ACROSS GROUP



Group Sales (\$'m)



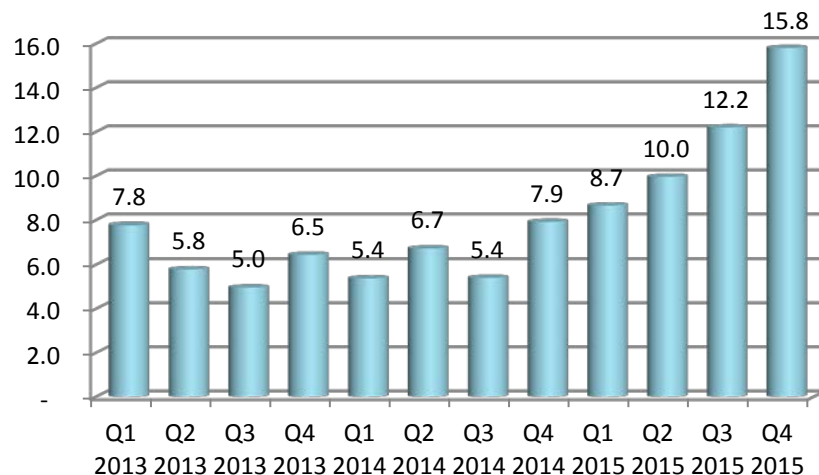
Group sales of \$472m, +36%

- Australia sales of \$317m, +43%
- Asia direct sales of \$84m, +26%
 - Adding sales to tourists and entrepreneurs through Australian retailers, Asian consumers contributed an estimated \$150m to Group sales
- BioCeuticals sales of \$56m, +18%
- Other sales (NZ/PAW) of \$15m, +18%

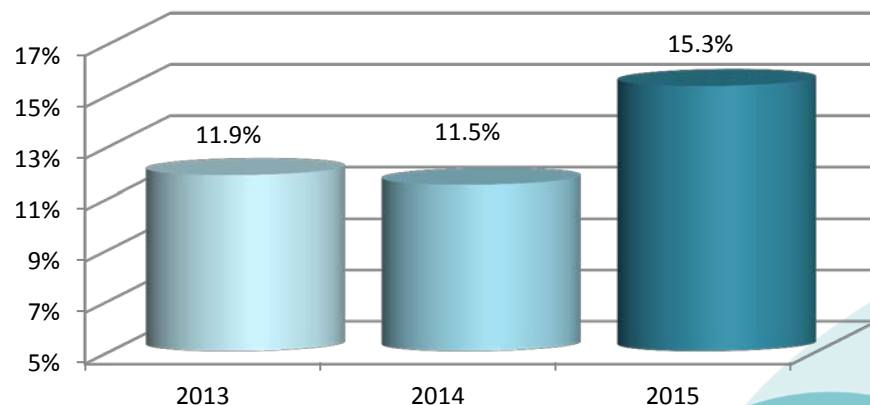
CONTINUED STRONG PROFIT GROWTH

- COGS as a % of sales decreased from 32.4% to 31.3%
 - Sourcing efficiencies
 - Improved recoveries from higher volumes
 - Lower stock write-offs
- Expenses were up 30%, of which cost of goods, other sales-related expenses and incentives were a significant contributor. Underlying expenses were up 18%
- EBIT margin improved from 11.5% to 15.3%
- **Group NPAT of \$47m, +83%**
 - Q1 \$8.7m, +61%
 - Q2 \$10.0m, +48%
 - Q3 \$12.2m, +125%
 - Q4 \$15.8m, +99%
- Seven quarters of profit growth against the prior corresponding quarter

NPAT by Quarter 2013-2015 (\$m)



EBIT Margin (%)



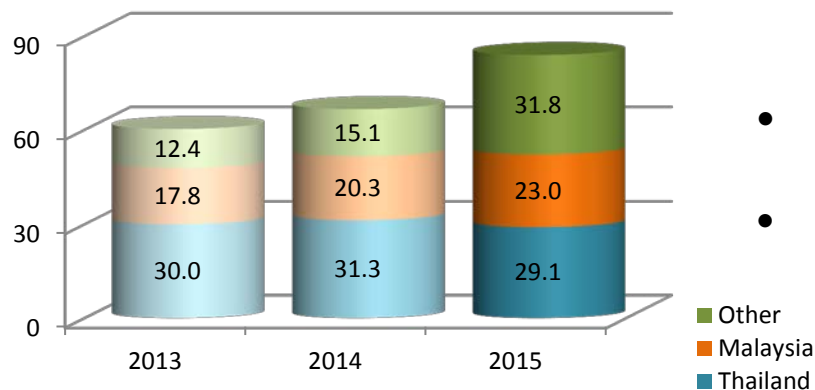
ASIA GROWTH



- Asia sales of \$84m, +26%
 - +55% excluding Thailand
- Record sales in most Asian markets
- Thailand sales of \$29m (-7%) though we have confidence in our medium-term prospects
- Malaysia sales of \$23m, +14% supported by new products
- Other Asia sales of \$32m, +111% with strong growth contribution from Korea and China
- Asia EBIT of \$8.3m, +82%, with improved profitability in Korea and China
- Free trade zones in China present opportunities
- Asia has enabled us to leverage our scale, delivered improved profitability for Australia and supported a natural currency hedge



Asia Sales (\$'m)

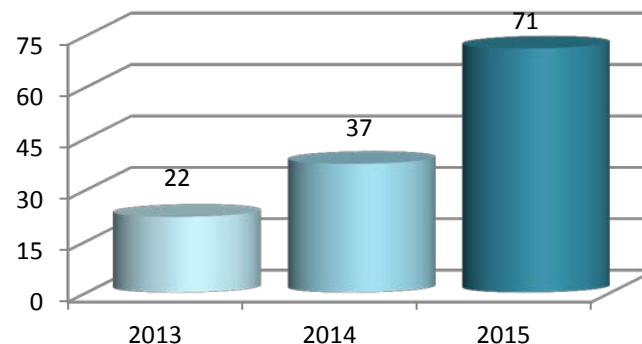


OPERATIONAL EFFECTIVENESS

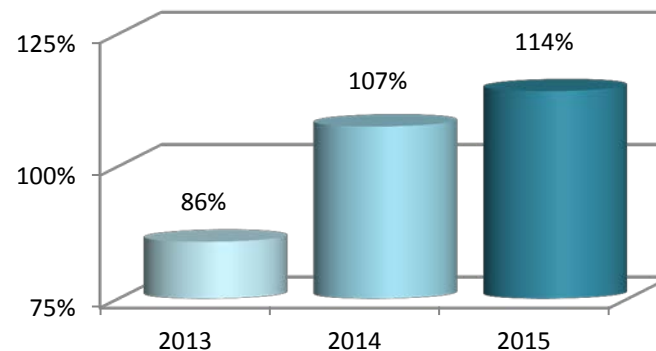


- Operating cash flow of \$71m, +90%
- Cash conversion ratio of 114%, up from 107%
- Inventory levels flat despite big step up in sales
- EBIT margins improving as expenses growing slower than sales
- More effective inventory management
 - Higher stock turns
 - New sourcing agreements
 - Volume recoveries

Operating Cash flow (\$'m)



Cash Conversion Ratio (%)

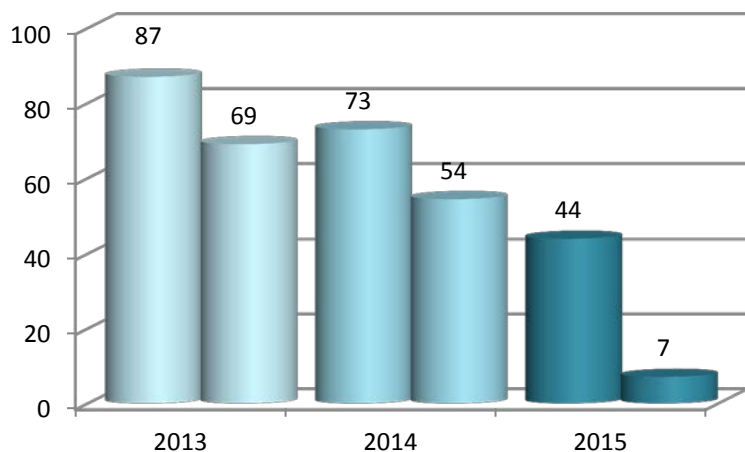


BALANCE SHEET



- Gross debt is \$44m, down from \$73m
- Net debt closed at \$7m, down 87% from \$54m
- Repaid borrowings of \$29m during the year
- New banking arrangements in place
- Gearing ratio is 5%, down from 34%

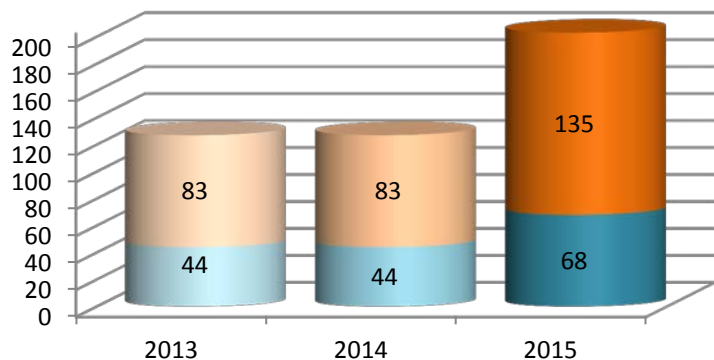
Gross and Net Debt (\$'m)



EPS AND DIVIDENDS



Dividend Per Share (c)



- EPS of 270.7c, +81%
- Final dividend of 135 cents, fully franked, bringing total dividends to 203 cents, +60%
- Record F15 dividend rewards shareholders who have shared the vision we have for Blackmores
- Payable on 22 September 2015
- Dividend payment fully funded by operating cash flow
- Dividend payout ratio of 75%

OPPORTUNITIES BRING NEW CHALLENGES



- Availability of stock
- Supply of quality raw ingredients
- Satisfying our consumers

A STRONG FOURTH QUARTER

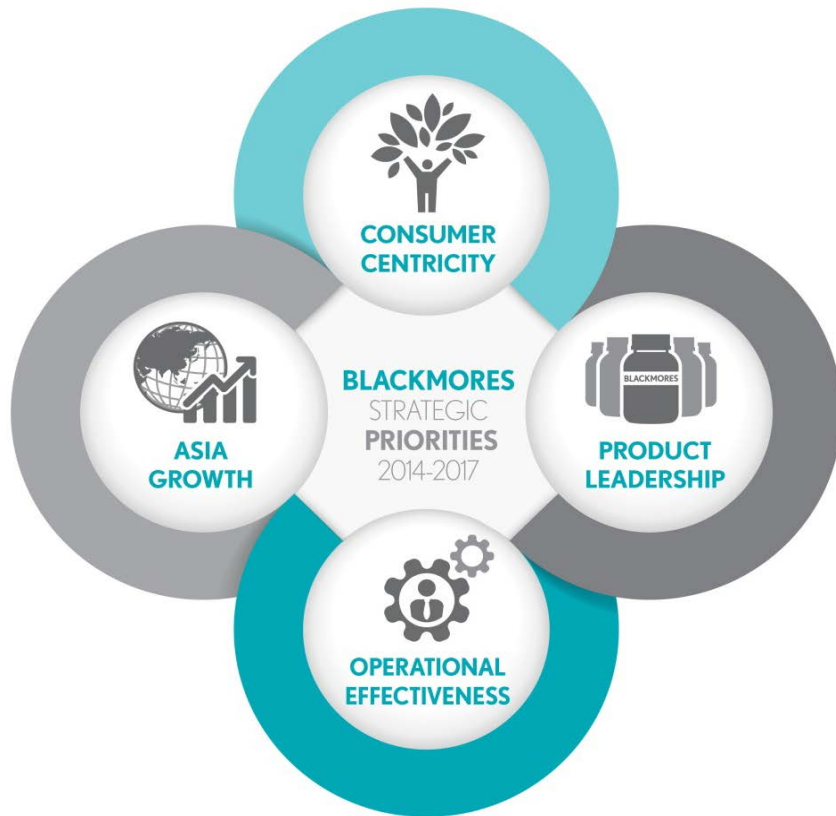


- Q4 was a record quarter at \$146m and showed strong sales growth, +57%
- Growth in Q4 was driven by Australia (+66%) and Asia (+54%)
- Asia sales were +85% excluding Thailand
- BioCeuticals had solid Q4 growth of +15%
- EBIT margin of 17.4%, up from 12.5%
 - Improvement driven by COGS sourcing, efficiency and volume savings activities

	Q4 2015 \$'m	Q4 2014 \$'m	% increase
Group sales	145.8	93.0	56.8%
Group EBIT	25.3	11.6	118.1%
Group NPAT	15.8	7.9	100.0%

	Q4 2015 \$'m	Q4 2014 \$'m	% increase
Australia	102.2	61.7	65.6%
Asia	24.1	15.7	53.5%
BioCeuticals	15.3	13.3	15.0%
Other	4.2	2.3	82.6%
Group	145.8	93.0	56.8%

OUTLOOK



We are pleased with our full year performance though are mindful of the challenges, including maintaining supply to meet the increasing demand for our products and managing shortages of raw materials that meet our high quality standards.

We remain focused on the delivery of our strategic priorities for the coming year and we are committed to growing this business and again delivering improved shareholder returns in the coming year.



Thank You