





Blackmores Half-Year Financial Results

Half-Year ended 31 December 2014

Record half-year sales and profit for Blackmores

- Group sales of \$206m, +22%
- Group NPAT of \$18.6m, +54%
- EBIT margin improvement to 13.7%, up from 11.2%
- Operating cash flow of \$29m, +118%
- Cash conversion ratio of 118%, up from 89%
- Awarded Most Trusted Brand in Australia, Thailand, Malaysia and Singapore
- Blackmores' innovative bulk pack awarded a WorldStar Packaging Award and won gold, silver and bronze at Australian Packaging Design Awards
- Website relaunched to enhance consumer engagement
- Blackmores Sydney Running Festival attracted more than 33,000 competitors and raised \$1m for charities



Wes Ipsen, Blackmores Sourcing Manager, sourcing anchovies for fish oil

Strong sales performance across the Group



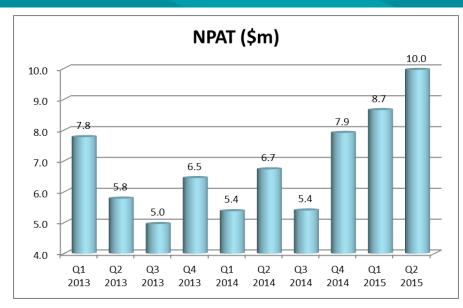


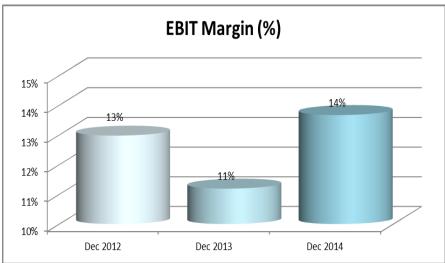
Group sales of \$206m, +22%

- Record Q1 \$98.5m, +17%
- Record Q2 \$107.9m, +26%
- Australia sales of \$137m, +29%
- Asia sales of \$35m, +5%
- BioCeuticals sales of \$27m, +17%
- Other sales (NZ/PAW) of \$7m, +14%

Return to profit growth continues

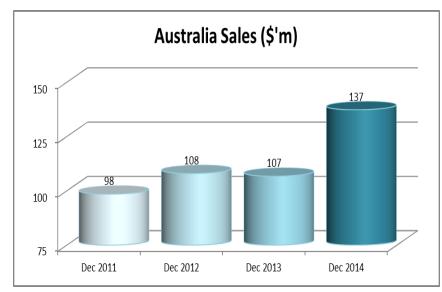
- Strong sales delivered Group NPAT of \$18.6m, +54%
- Five quarters of profit growth against the prior corresponding period
- EBIT margin improved from 11.2% to 13.7%
- COGS as a % of sales decreased from 32.5% to 30.7%
 - Sourcing efficiencies
 - Improved recoveries from higher volumes
 - Lower stock write-offs
- Record Q1 \$8.7m, +61%
- Record Q2 \$10.0m, +48%





Consumer centricity







- Australia sales of \$137m, +29%
 - Boosted by stronger pharmacy sales and effective execution of channel strategy
 - Growing demand for Blackmores products by Chinese consumers
- Australia EBIT of \$28m, +61%
- Australia's EBIT margin has improved from 16% to 20%
- New website
 - Nearly 1m connected friends to Blackmores
- Group has 200 in-store advisors qualified to offer nutritional advice
- Blackmores Advisory Service responds to 3,000 enquiries each month via phone, live chat, email, social media and video consult.

Asia growth



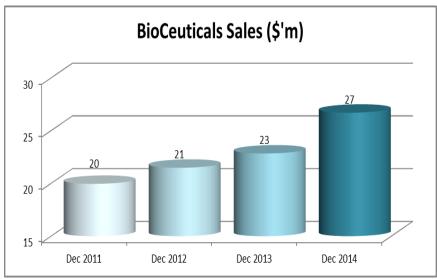
Asia Sales (\$'m) 40 35 9.4 7.4 30 5.2 Other 25 6.8 10.0 11.0 Malaysia 9.0 20 7.2 15 ■ Thailand 10 16.4 14.8 14.3 12.0 1 2 3 4



- Asia sales of \$35m, +5%
 - +17% excluding Thailand
- Record half-year sales in a number of markets
- Asia EBIT of \$1.7m, down -15%
 - Asia EBIT +23% excluding Thailand's results
- We have increased confidence in our medium-term prospects in Thailand
 - Free trade zone in China presents another opportunity
- New General Managers announced for Thailand and Korea

Product leadership







- Our BioCeuticals acquisition continues to perform well
 - Sales of \$27m, +17%
 - EBIT of \$4.1m, +40%
- Strong new product pipeline:
 - First listed vitamin K2 product sold in Australia
 - IsoWhey Wholefoods range
- Acts as a 'greenhouse' for truly innovative products
 - First to market for four new products
 - Proven healthcare practitioner demand (eg, Theracurmin)
 - Transformed Group-wide NPD channel strategy and has supported a 45% reduction in inventory writeoffs over two years

Blackmores Institute







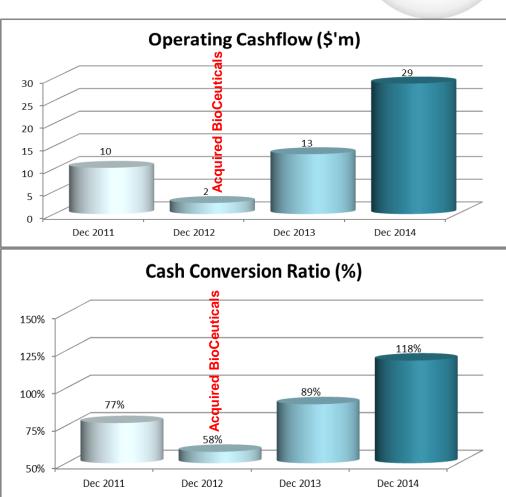
Passion for education

- 9,000 healthcare professionals already participated in education sessions since July 2014
- Blackmores Institute pharmacy assistant accredited unit developed with Pharmacy Guild of Australia
- Blackmores Institute Symposium in July featured 14 world-renowned experts in evidence-based complementary medicine
- NZ Symposium held in November 2014
- Collaborated with Griffith University to launch an independent accredited short course in evidence-based integrative medicine for pharmacists and other health professionals

Operational effectiveness

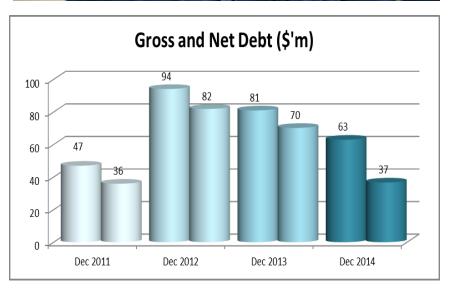


- Operating cash flow of \$29m, more than doubled
- Cash conversion ratio of 118%, up from 89%
- Strong focus on working capital management
- More effective inventory management
 - Higher stock turns
 - New sourcing agreements
 - Volume recoveries
 - Less inventory writeoffs, down 45% in the last two years
- Staff engagement is high across the Group, with 91% commitment



Balance sheet





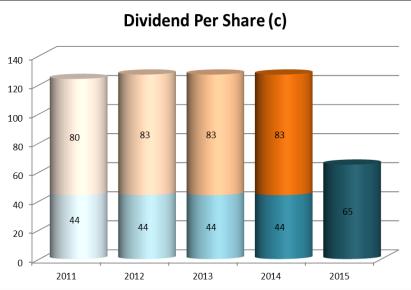


- Gross debt is \$63m, down from \$73m at 30th June 2014 and \$81m at 31st
 December 2013
- Net debt closed at \$37m, down from \$82m at December 2012
- Repaid borrowings of \$10m in the half
- New banking arrangements in place
- Gearing ratio is 24%, down from 34% at 30th June 2014 and 42% at 31st December 2013

EPS and dividends

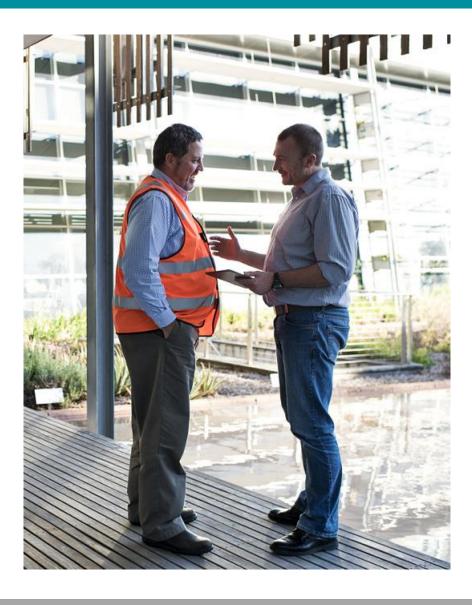






- EPS of 108.4c, +52%
- Interim dividend of 68 cents, fully franked, +55%
- Increased interim dividend rewards shareholders who have shared our confidence in Blackmores
- Payable on 13 April 2015
- The Dividend Reinvestment Plan has been suspended given the significantly improved financial position

A new record achieved in second quarter

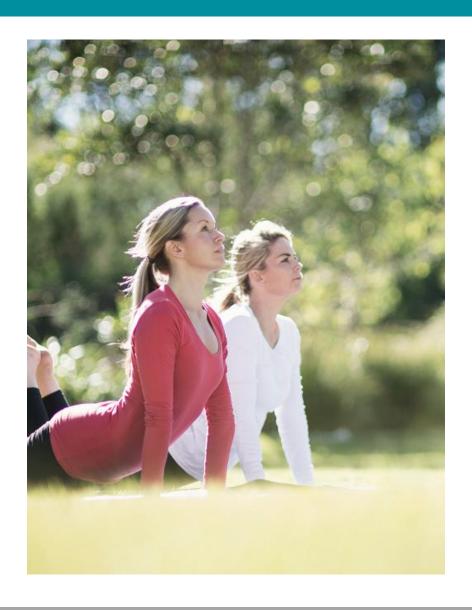


- Q2 was a record quarter at \$108m and showed strong sales growth, +26%
- Q2's growth was driven by Australia, +34%
- Asia sales were +9%
 - excluding Thailand +27%
- BioCeuticals Q2 growth of +18% continued on from Q1 growth of +16%
- EBIT margin of 13.9%, up from 11.9%
 - Improvement driven by COGS sourcing, efficiency and volume savings activities

	Q2 2014	Q2 2013	% increase
	\$'m	\$'m	
Group sales	107.9	85.6	26.1%
Group EBIT	15.0	10.2	47.2%
Group NPAT	10.0	6.7	47.9%

	Q2 2014 \$'m	Q2 2013 \$'m	% increase
Australia	71.7	53.4	34.4%
Asia	18.9	17.3	9.1%
BioCeuticals	13.8	11.7	17.6%
Other	3.5	3.2	10.0%
Group	107.9	85.6	26.1%

Outlook



Directors are very pleased with the first half performance of the Group and are confident about delivering shareholders a strong full year return.

Questions?

