



Image: Blackmores Business Development Manager, Barry Wong

HIGHLIGHTS

- Record quarterly group sales up 28% to \$85 million
- \$7.8 million first quarter net profit after tax
- Profit in line with last year after including a high level of investment
- Acquisition of BioCeuticals successfully completed

Record first quarter sales for Blackmores

DEAR SHAREHOLDER

I am pleased to share our first quarter results with you. Blackmores Limited (ASX:BKL) today reported group sales at \$85 million, a 28 per cent increase compared to the previous corresponding period.

Even without the benefit of BioCeuticals sales, following our recent acquisition, this would have been a record sales quarter for the group.

First quarter net profit after tax (NPAT) for the quarter was \$7.8 million. The profit result was in line with the company's first quarter profit from the previous corresponding period and included a high level of brand investment in Australia, increased expenses associated with Blackmores' launch into China and one-off costs associated with the acquisition of BioCeuticals.

The strong sales result was underpinned by an enhanced marketing presence in Australia, continued growth from Asia and a pleasing contribution from BioCeuticals, which the group acquired in July 2012.

Our high level of marketing activity in Australia was important to address the challenging retail environment. Blackmores' Australian business grew nine per cent compared to this time last year.

Asia sales continue to thrive, despite the challenges of a high Australian dollar, with 14 per cent growth (16 per cent in constant currency). The launch of Blackmores products into China continues to build steadily with the company hiring and progressively training more than 60 new sales representatives.

We have recently introduced a new operating model in New Zealand under which we now recognise invoiced sales to our New Zealand customers and as a result our reported sales have increased by 175 per cent. Sales in New Zealand on a like-for-like basis grew at 17 per cent in local currency compared to the previous corresponding period.

The group continued its strategic focus on new product development with the launch of Blackmores Alive!™, a range of high potency multivitamins with added wholefood nutrients. Additionally, the On The Go range of products in convenience-sized packs was developed to meet the needs of time-poor consumers. These were among the 40 new products and range extensions across the group in the quarter.

We are pleased with how our acquisition of BioCeuticals is progressing. We have now agreed a final purchase price of \$39.2 million. The business is healthy and we are confident about the opportunities for future growth. Net debt increased in the period by \$39.0 million to \$72.0 million as a result of the acquisition. Even with our additional borrowings, Blackmores' gearing levels are comfortably within our debt targets.

The Board reactivated the Dividend Reinvestment Plan (DRP) following the announcement of the final dividend in August which was very well received by shareholders with nearly 30 per cent take-up of the opportunity.

Naseema Sparks retires today as a Director of Blackmores at the conclusion of the 2012 Annual General Meeting. Naseema joined the Blackmores Board in October 2005 and since this time has made a very positive contribution to Blackmores growth.

OUTLOOK

Strong first quarter sales are an encouraging start to the year. While the increased investment in the quarter has funded the foundations of growth, Directors remain cautious about the retail environment in Australia.

Yours faithfully

CHRISTINE HOLGATE
CHIEF EXECUTIVE OFFICER

INVESTOR CONTACT

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Results at a Glance – Quarter Ended 30 September 2012

RESULTS (\$000s) (FIRST QUARTER)	THIS YEAR	LAST YEAR	% CHANGE
Sales	85,095	66,643	+27.7
Earnings before net interest, tax, depreciation and amortisation (EBITDA)	13,456	13,326	+1.0
Earnings before net interest and tax (EBIT)	12,041	12,169	-1.1
Net interest	1,126	711	+58.4
Profit before tax	10,915	11,458	-4.7
Income tax	3,137	3,696	-15.1
Profit for the period	7,779	7,762	+0.2