



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**

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%,” said Blackmores Chief Executive Officer, Ms Christine Holgate.

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

Blackmores’ 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 confidence remains in the health of this business. The Group has progressed with their entry into China and now has trading agreements in place with major pharmacy groups and 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,” said Ms Holgate.

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,” said Ms Holgate.

“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,” said Ms Holgate. “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.

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,” said Ms Holgate.

MEDIA CONTACT

Sally Townsend
Head of Communications
M: 0419 225 781

INVESTOR CONTACT

Christine Holgate
Chief Executive Officer
+61 2 9910 5186

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.

Appendix 4D

HALF-YEAR REPORT

Blackmores Limited - ACN 009 713 437
For the period ended 31 December 2012

This Half-Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period: Half-Year ended 31 December 2012

Previous Corresponding Period: Half-Year ended 31 December 2011

Revenue and Net Profit	Amount \$'000	Up / Down	Movement
Revenue from ordinary activities ¹	164,254	up	28.9%
Profit after tax attributable to members	13,565	down	4.8%
Net profit attributable to members	13,565	down	4.8%

Dividend Information	Amount per Security	Franked Amount per Security	Tax Rate for Franking
Interim dividend (to be paid 4 April 2013)	44¢	44¢	30%

The Company continues its Dividend Reinvestment Plan (DRP). The current discount applying to shares issued under the Plan is 5.0%. The DRP share price for participating shareholders will be determined over 5 trading days, commencing on 15 March 2013, less the current discount and will be issued at a price determined under the DRP rules.

The last date for receipt of a valid election notice by our Share Registry for participation in the Plan is 14 March 2013.

Interim Dividend Dates

Ex dividend date	8 March 2013
Record date	14 March 2013
Payment date	4 April 2013

	31 December 2012	31 December 2011
Net tangible assets per security	\$3.00	\$4.47

Additional Appendix 4D disclosure requirements can be found in the Blackmores Limited Half-Year Report for the period ended 31 December 2012.

The Appendix 4D is based on the Blackmores Limited Half-Year Report for the period ended 31 December 2012 which has been reviewed by Deloitte Touche Tohmatsu. This should be read in conjunction with the most recent annual Financial Report as at and for the year ended 30 June 2012.

1. Revenue from ordinary activities consisted of revenue from the sale of goods and royalties.

Blackmores Ltd
A.B.N. 35 009 713 437

20 Jubilee Avenue
Warriewood NSW 2102

PO Box 1725
Warriewood NSW 2102
AUSTRALIA

Telephone +61 2 9910 5000
Facsimile +61 2 9910 5555



28 February 2013

The Manager
ASX Company Announcements
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

**Blackmores Limited (BKL)
Amended Appendix 4D**

In reference to Blackmores Appendix 4D lodged 28 February 2013, the ex dividend date is 7 March 2013.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Cecile Cooper".

Cecile Cooper
Company Secretary