



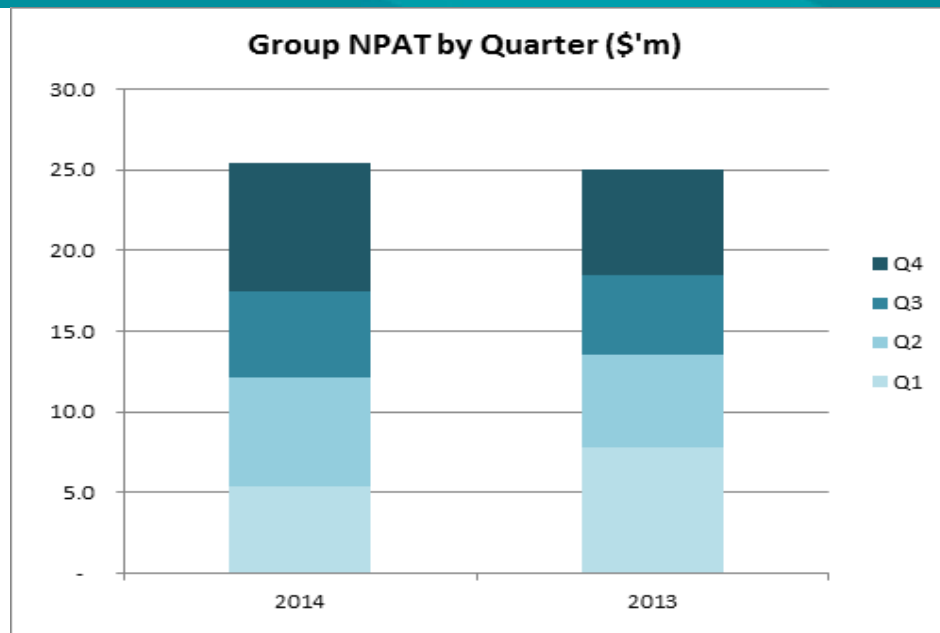
**RESULTS FOR THE
YEAR ENDED
30 JUNE 2014**

BLACKMORES LIMITED (ASX: BKL)

BLACKMORES[®]

Strong second half performance and return to profit growth

- Delivered full year profit growth in line with guidance
- Group sales up +6% to \$347 million, with H2 +9%
- Group NPAT of \$25.4 million, up +2%, with H2 +17%
 - ~ After a challenging Q1 (-31%), Group NPAT growth for Q2-Q4 was +17%
 - ~ H1 -11%, H2 +17%
 - ~ Q4 was a record profit result
- Final dividend of 83c fully franked, brings full year dividend to 127 cents and Dividend Reinvestment Plan continues at 5% discount



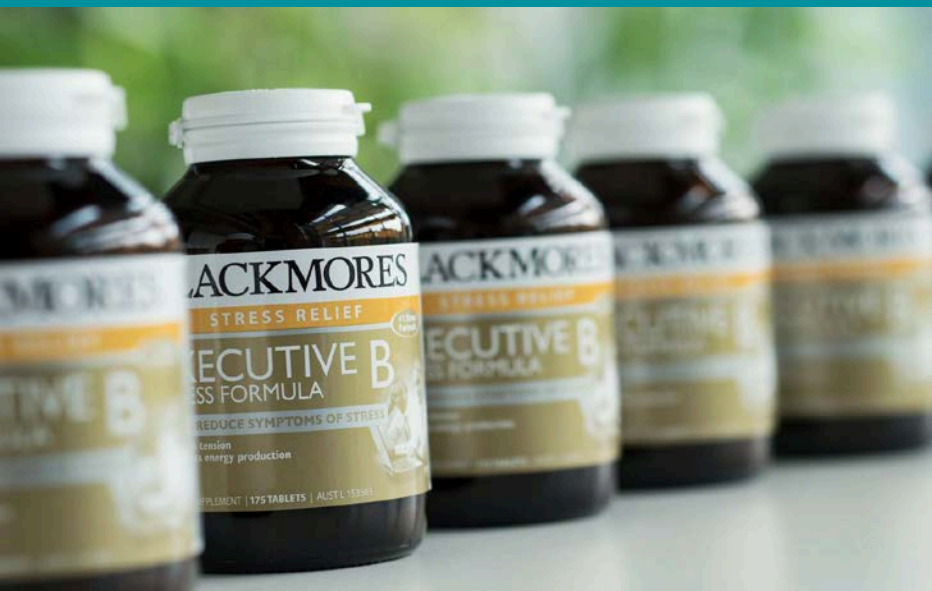
Significantly progressed achievement of strategic priorities

- **Build the Blackmores brand in Australia**
 - Blackmores Australia returned to profit growth in the second half
- **Invest in new sources of growth**
 - BioCeuticals EBIT up 45%, +66% in H2
 - Blackmores Asia headquarters, based in Singapore, became operational 1st July 2014
- **Build product leadership**
 - More than 100 products launched across the Group
- **Improve operational effectiveness**
 - Operating cash flow has increased +70% to \$37.5m and repaid borrowings of \$14m



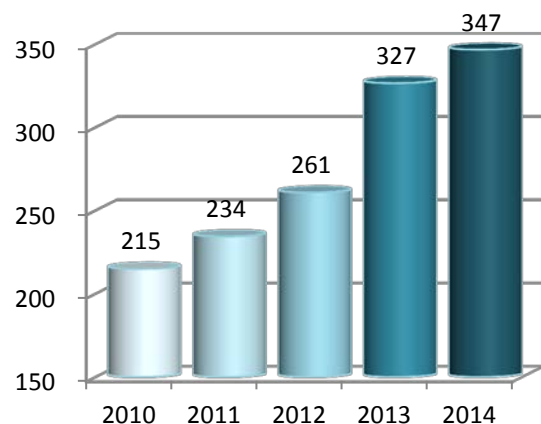
Stevie-Marie Marris, Blackmores Strategic Sourcing Manager

Group sales performance



- Group sales increased to \$347m, +6%
 - 12th consecutive year of record sales
- After a challenging Q1 (-1%), group sales growth for Q2-Q4 was +9%
- Blackmores Australian sales of \$221m, +6%
 - H1 -1%, H2 +13%
- Asia sales of \$67m, +11% (+17% excluding Thailand)
- BioCeuticals sales of \$46m, up +3%
- Other sales (NZ/PAW) of \$12.5m, in line with last year
 - PAW underlying sales +23%

Group Sales (\$'m)

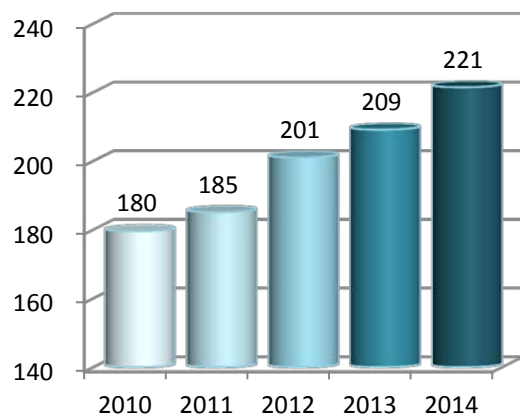


Support Blackmores' Australian retail business



- Sales of \$221m, up +6%
 - H1 -1%, H2 +13%
- Blackmores maintained leadership position as the clear #1 brand in the market
- Awarded Most Trusted Brand for the 6th consecutive year
- Worked to optimise the consumer shopping experience with merchandising units
- Collaborated on a new grocery range with Australia's most influential fitness expert Michelle Bridges
- Strengthened management team
- Australia EBIT down -4% but returned to profitable growth in H2
 - H1 -13%, H2 +8%
- Australia remains very profitable and the primary market of the company

Australia Sales (\$'m)

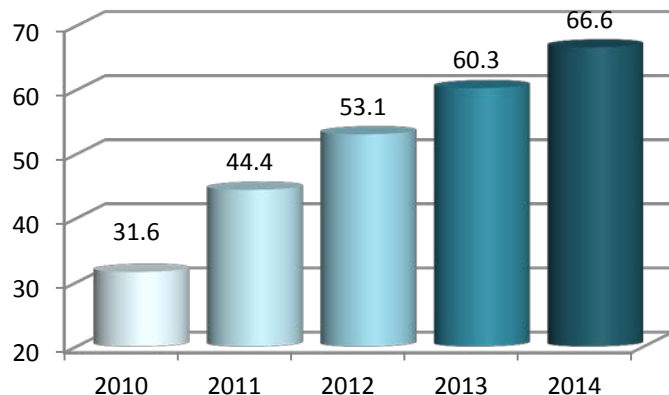


Invest in Asia for growth



Scott Choi, Blackmores Junior Legal Counsel

Asia Sales (\$'m)



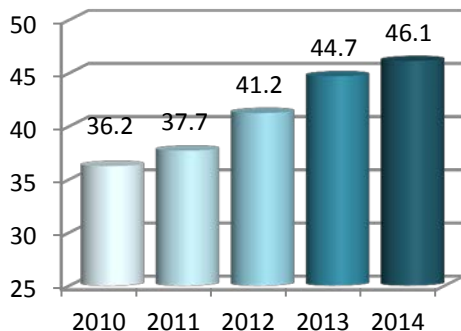
- Asia sales of \$67m, up +11 (+17% excluding Thailand)
- Thailand sales were +4%, and EBIT +2%, grew market share, pleasing given impact of ongoing political instability
- Malaysia sales +14% and +75% EBIT growth, with three Blackmores flagship stores launched
- Other Asia sales +21%, strong performance in Hong Kong (+49%) and Singapore (+22%)
 - China sales more than doubled, to over \$2m, even with FDA restrictions
 - Launched into Macau and Cambodia
- Other Asia EBIT -\$0.9m compared to prior year, mainly due to investment in China and Blackmores International setup costs
- EBIT of \$4.6m after central cost allocations, +10%
 - Solid result after investment in our China business and setup costs for the establishment of Blackmores International
- Continued recognition as Most Trusted Brand in Malaysia and Singapore

Invest to diversify and grow: BioCeuticals



Angela Lleyton, BioCeuticals NSW State Sales Manager

BioCeuticals Sales (\$'m)



- Sales of \$46m, up +3%
- BioCeuticals branded products sales +14%
- Launched Clinical range exclusively distributed through healthcare practitioner clinics
- Launched IsoWhey Sport Electrolyte range of sports performance products
- Unprofitable lines discontinued
- Strong EBIT result of \$6.8m, +45% due to tight expense control
 - EBIT +66% in second half
- Result exceeded our expectations at acquisition

Build our product leadership

- Eminent complementary medicine researcher, naturopath and pharmacist, Associate Professor Lesley Braun, appointed Director of Blackmores Institute
- Sell-out education symposium in July attended by pharmacy leaders
- 25 active clinical trials and research projects
- Trained more than 15,000 healthcare professionals and pharmacy assistants
- Launched over 100 new products across the Group
- Griffith University and Blackmores Institute launched an online education course in June



Associate Professor Lesley Braun



BLACKMORES
INSTITUTE

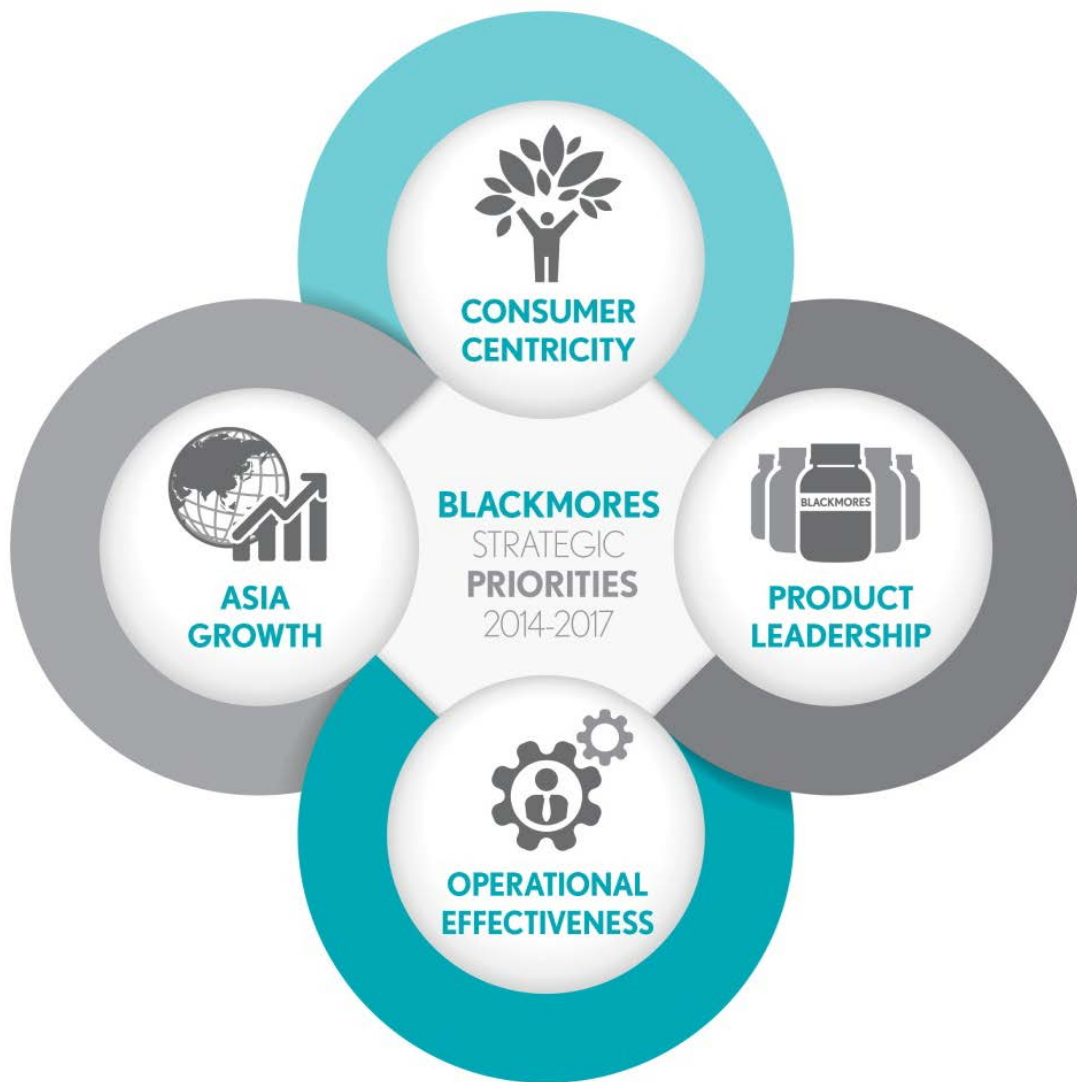
Improve operational effectiveness

- Expenses tightly managed, up +7% (underlying +2% in constant currency)
- Reduced Australian inventory levels by 20%
- Inventory write-offs reduced by 28%
- Undertook a thorough review of our cost structure, particularly benchmarking third party agreements
- Operating cash flow has increased +70% to \$37.5m
- Repaid borrowings of \$14m
- Blackmores new headquarters for our Asia business, based in Singapore, became operational 1st July 2014



Junko Yamada, Production Operator

Board has confidence in our strategic priorities



“There is encouraging momentum in the business, though we are mindful of the continued challenges we face in the markets where we operate. We remain focused on growing our business and improving shareholder returns.”

Q4 Results

- Group sales up +8%
- Q4 was a record sales quarter, driven by strong Australian sales growth of +12%
- Asia sales were impacted by ongoing political instability in Thailand - Q4 sales excluding Thailand were +16%
- COGS grew in line with sales
- Expenses were flat as a result of strong expense management
- Outstanding second half from BioCeuticals
- Q4 was a record quarterly profit result

Quarter 4 Segment Sales	2014 \$m	2013 \$m	Change
Australia	61.8	55.1	+12%
Asia	15.7	15.9	-1%
BioCeuticals	12.3	11.9	+3%
Other	3.2	3.1	+3%
Group sales	93.0	86.0	+8%

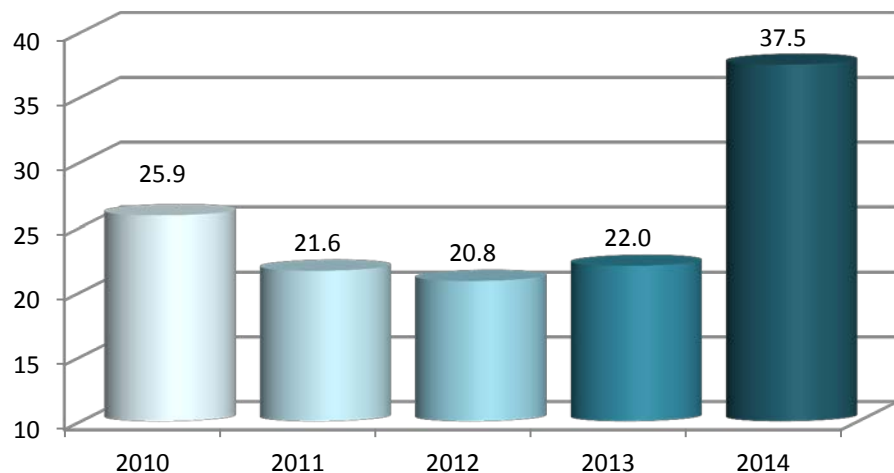
Quarter 4 Results	2014 \$m	2013 \$m	Change
Group sales	93.0	86.0	+8%
Group EBIT	11.6	9.3	+25%
Group NPAT	7.9	6.5	+23%

Questions?



Appendix - Cash flow

Operating Cashflow (\$'m)

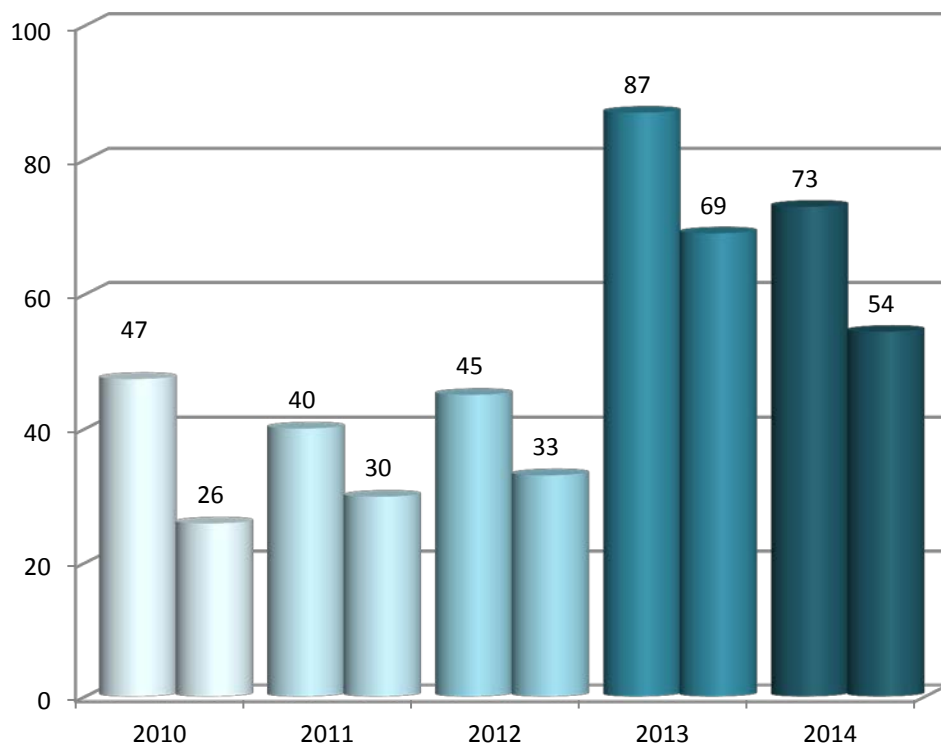


	2014 \$m	2013 \$m
NPAT	25.4	25.0
Depreciation	6.3	6.0
Tax balances	2.7	(2.4)
Working capital	3.3	(7.8)
Other	<u>(0.2)</u>	<u>1.2</u>
Operating Cash Flow	37.5	22.0

- Operating cash flow has increased +70% to \$37.5m
- Strong result achieved by focus on optimising our working capital
- Dividend payment fully funded by operating cashflow
- Repaid borrowings of \$14m
- Cash savings of \$3.5m made from DRP

Appendix - Debt and Gearing

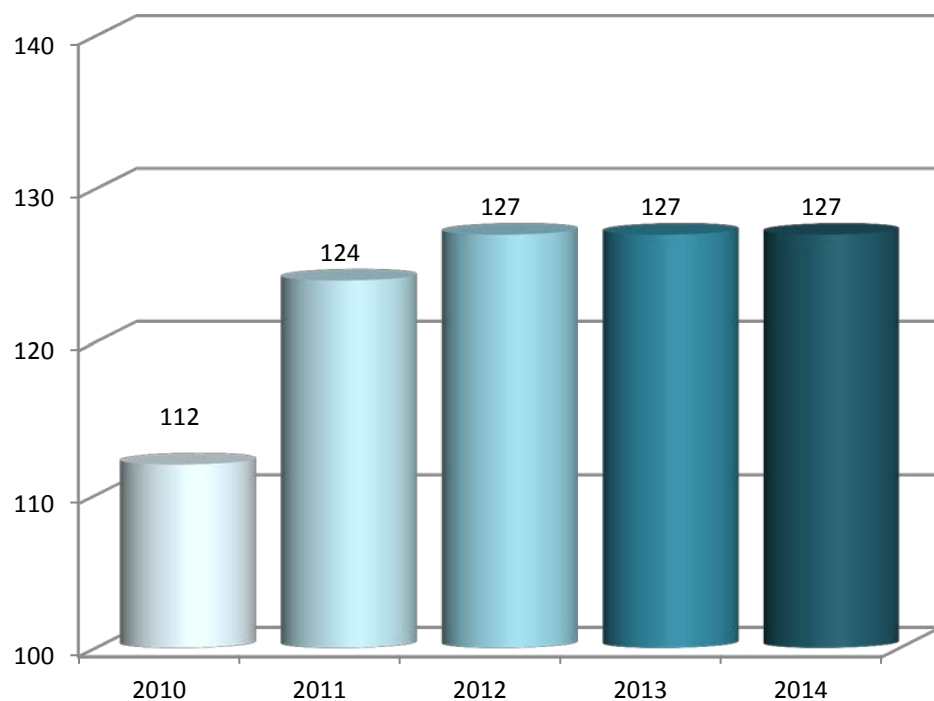
Gross and Net Debt (\$'m)



- Net debt has decreased from \$69m to \$54m
- \$14m of debt repaid during the year, gross debt now \$73m
- 80+% of Group debt is hedged by interest rate swaps
- Gearing (net debt/net debt + equity) decreased from 41% to 34%
- Strong interest cover at 8x and strong cash flow leverage

Appendix - Dividends

Dividend Per Share (c)



- Final dividend of 83 cents fully franked
- In line with final dividend last year
- Payable on 3 October 2014
- Dividend Reinvestment Plan in place with a 5% discount