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The Manager  
Company Announcements Office  
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**CHAIRMAN'S ADDRESS by MR STEPHEN CHAPMAN  
2017 ANNUAL GENERAL MEETING  
26 OCTOBER 2017**

**Introduction**

Good morning ladies and gentlemen. It is my pleasure to welcome you to the 2017 Annual General Meeting of Blackmores Limited. This is the Fifty Fifth AGM of this business that was formed 85 years ago.

The appointment of a new Chief Executive is always a very important thing for any company, and a key responsibility of the Board. As you know, in June we announced that Christine Holgate, who had been our CEO for 9 years, had accepted the role as CEO of Australia Post.

Christine made a tremendous contribution to Blackmores. Overseeing substantial business growth, and very significant profit and dividend growth for shareholders, are wonderful achievements for her and the Blackmores team. We are fortunate that Christine leaves us in a strong position. We wish her well with the next stage of her career.

We were very pleased in August to announce the appointment of Richard Henfrey as our new Chief Executive Officer.

Many of you would know Richard from his time as Chief Operating Officer here at Blackmores. Richard has been instrumental to the development of Blackmores' group strategy and has helped guide us through some recent significant growth, challenges and change. He is highly respected by the Board and the Blackmores team.

Richard's appointment was a strong reflection of the talent within our senior executive team. They are passionate about this business and have worked tirelessly to lead our wonderful people through this period of change.

You will hear from some of our team in a moment.

2017 was a challenging financial year for Blackmores. We knew that that our profits would not match the exceptional results of 2016 (our \$100 million 'gift year') though would represent good growth on the very strong 2015 results, which is exactly what we did. Consequently, we've referred to this as a rebalancing year.

Profit after tax was \$58m for the year which, while disappointing compared to 2016, was a solid performance compared to \$45m in 2015 and \$24m in 2014. Importantly, we ended the year with a strong balance sheet and well managed operating cash flows.

The dividend for the year, at \$2.70 per share represents 75% of our profit after tax.

Planning for the future is what consumes the agenda of the Board. We are very conscious that to realise our growth ambitions we need the infrastructure, the insights and the capability to continue to lead. And our exceptional 2016 year gave us a unique opportunity to invest in our future.

This last year was a year that has required us to have one eye on controlling expenses and on strengthening our business fundamentals and balance sheet and the other eye on investing for growth in our future.

At the Blackmores business level there has been significant change and some really good things have been achieved.

Last year when we met at the AGM we spoke about the changes we were seeing in our sales channels and the evolution of how we serve our consumers in China. These changes affect both our Australian and Asia businesses and adapting to these changes has been a theme over the past year.

Some of the significant achievements during the year include the Blackmores Australian business growing domestic market share and continuing to be the most trusted brand, our Asian businesses, including the expanding China in-country team, have made great progress in their own domestic markets. In fact, several of our Asia business units, and BioCeuticals, produced record results. We established our own China Export division, fitted out the new distribution facility at Bungarabee, completed the first year of our new Indonesia business, and developed a knowledge-based online learning platform for healthcare professionals and retail partners, both in Australia and in Asia.

The team has not been standing still.

Our contribution to the communities in which we operate is very important at Blackmores. You will see in our Annual Report some details of what we do for communities where our businesses operate – across Australia, New Zealand and Asia. Perhaps the most important thing about supporting and giving back to communities is that at Blackmores it is a very personal thing– it's not about the company writing out cheques, it's about Blackmores people doing some amazing things on the ground, giving their time and effort.

We believe in supporting our industry, in supporting research and innovation. To this end, Blackmores committed an untied gift of \$5 million in total, phased over the next seven years, to the National Institute for Complementary Medicine (NICM) at the University of Western Sydney. Marcus and Caroline Blackmore share this enthusiasm for research and they personally committed a further \$5 million to NICM. The combined contributions represent the biggest single philanthropic donation Western Sydney University has ever received and will underpin the credibility of our industry and this company for generations to come.

We are in a growing global industry – natural health and wellbeing. There are always business challenges, but there are great opportunities and we are enthusiastic about our future.

We are a values-led organisation. We strive to earn the trust of our consumers, to be transparent and to be respectful. In short, to do the right thing.

Ladies and gentlemen, I'm pleased to introduce Marcus Blackmore. It is such a privilege to have someone at Blackmores who has built so much of this business himself over the years and is a visionary in this industry. It was Marcus who set his sights on Asia as a growth platform for Blackmores many decades ago.

The Chairman continued with the formal business items of the meeting.