

Blackmores Half-Year Financial Results

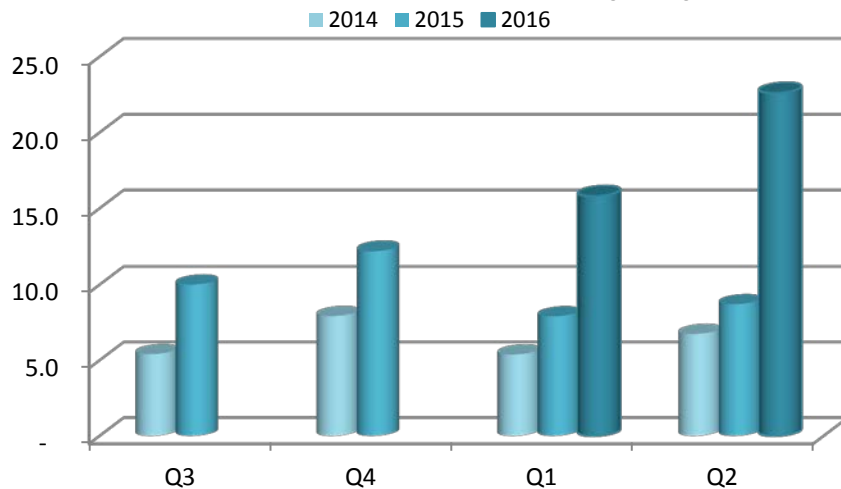
Half-Year ended 31 December 2015

Image: Leah Boonthanom, Blackmores Corporate Comms Exec

Record Half Year – Delivering Group Profit up 160%



NPAT BY QUARTER (\$m)



- Strong sales performance across the Group
- Group Sales \$341 million, up 65%
- Further operating leverage delivered EBIT of \$69m, up 145% and improved EBIT margin to 20%
- Record NPAT of \$48 million, up 160% YOY and greater than total F15
- Earnings Per Share up 159% at 280c
- Interim Dividend Per Share up 194% at 200c
 - Fully franked, record day 10 March 2016, Payable on 24 March 2016
- Doubling of operating cash-flows, securing a 112% Cash Conversion ratio
- Debt free and Net Cash positive \$23m
- Launched first products with Bega partnership

Blackmores Australia – the heart of Blackmores



- Australia delivering strong profitable growth
 - Australia Sales up 73% to \$238m
 - Australia EBIT up 130% to \$64m
- Chinese consumers influencing Australian retail, underlying double digit growth
- Secured 25% market share in Community Pharmacy
 - 50 in-store naturopaths in Community Pharmacy
- Awarded Most Trusted Brand 7th Year in a row
- NZ & PAW strong growth with improved profit trajectory. Together, sales up 39% at \$10m and EBIT positive
- Increased investment in the brand, education and new products
- Opened a flagship store in Bondi and pop-up shop at Sydney International Airport

Blackmores Asia - strong & increasingly important



- F16 H1 Asia sales both direct and indirect estimated c. \$170m or 50% of the Group
- China sales both direct and indirect estimated to be 40% of Group revenues
- Excluding China, Asia direct in-market sales up 17%
- Now in 15 countries and all growing
- Invested in further sales staff and marketing support and opened further flagship stores
- Asia segment F16 H1 EBIT up 234% at \$5.8m
- Announced partnership with Kalbe Farma in Indonesia
- Blackmores Institute expands into Asia with Symposia across the region and new agreement with Rangsit University in Thailand.
- Chair of Australia ASEAN Council

BioCeuticals - an important platform for Product Leadership

- BioCeuticals continues to outperform in first half:
 - Sales of \$33m up 24%
 - EBIT of \$5m up 21%
- Strong pipeline of NPD, backed with recognised education and research underpinning performance
- Staff voted 100% support for Blackmores Enterprise Agreement
- Warehouse integration and new office move complete
- Welcomes passing of the Medicinal Cannabis Bill in the Senate and announces support of United in Compassion.

Theracurmin Triple

Maximum Strength, Highly Bioavailable Curcumin AUSTRALIAN THERACURMIN L 241556

Theracurmin Triple is a highly bioavailable form of curcumin that is concentrated to three times the strength of the standard Theracurmin.

3X STRONGER

HIGHLY BIOAVAILABLE

ACTIVE INGREDIENTS

Each capsule contains:

Curcumin 90mg
(from Theracurmin 300mg)

DIRECTIONS FOR USE

Adults: Take 1 capsule once or twice daily or as directed by your healthcare practitioner.

Oral doses of Theracurmin have been used in humans at levels up to 4000mg.²



Announced Partnership with Bega

- Equal share partnership to develop and manufacture a nutritional range, inc high quality infant formulas
- Bringing together two iconic Australian companies, with almost 200 years of experience
- Strong cultural alignment with complementary skills
- Joint Board on which Bega Chairman & Blackmores CEO sit
- Leverage skills and strengths of both organisations:
 - Blackmores deep nutritional expertise, understanding of consumer health needs and distribution
 - Bega through their Tatura subsidiary, unrivaled experience and scale in manufacturing milk powders in Australia
 - Together we have a unique ability to offer consumers high quality products from a brand they trust, based on Australian milk, manufactured in Australia
- No financial results included in this first half performance, products launched in Jan 2016



Operational Effectiveness delivers healthy scorecard



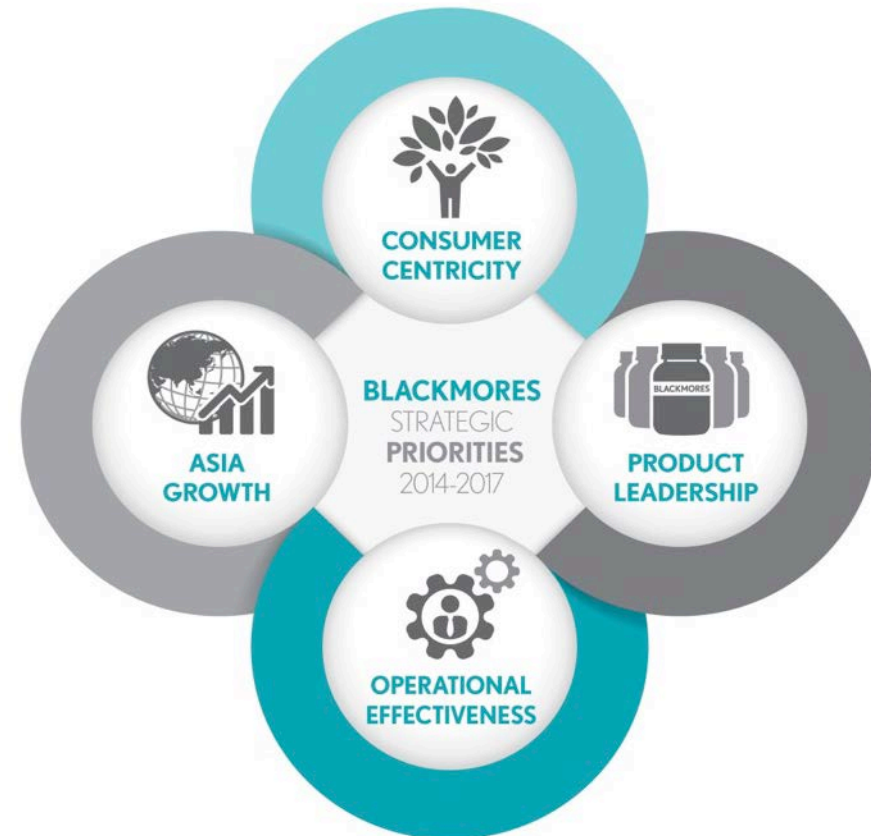
- Continued focus on working capital and cash whilst delivering growth resulted in significant improvements:
 - Interest cover >50 times
 - \$60m improvement in net debt moving to a net cash position
 - Headroom in our covenants
 - ROE 30% up from 16% in pcp
 - ROA 22% up from 12% in pcp
- Record production output to support growth and further investment in automation and staff
- Expanded our warehousing footprint
- Strong staff engagement, recent survey confirms in top quartile of 100 highest ranking companies
- Recognised with a number of awards - quality, design, growth and exports

We remain focused on meeting the demand of our consumers



We have the foundations in place for a strong future

- Continued strong growth delivering record profits again
- Growth is across the Group with strengthened trajectory
- Asia is increasingly important to the Group and is helping diversify our earnings
- We continue to invest in our opportunities and to overcome our challenges
- Strong balance sheet, debt free, cash positive and no dilution in shares
- Board maintains its confidence in our ability to achieve strong profit growth for the full year





Thank You