



Images: International Tennis Champion Li Na; Marcus Blackmore celebrated his 70th birthday at a surprise gathering at the Blackmores Campus in March

Blackmores confirms strong third quarter and expects a record full year profit

Highlights

- Group sales for the nine months to 31 March of \$326 million, up 28% compared to prior corresponding period.
- Net profit after tax (NPAT) for the nine months to 31 March of \$31 million, up 76% compared to the prior corresponding period.
- Record third quarter driven by strong performances across the Group.
- Blackmores expects a record full year profit.

Blackmores Limited (ASX:BKL) has reported Group sales of \$326 million for the nine months to 31 March 2015, up 28% compared to the previous corresponding period. Net profit after tax was \$31 million, up 76% for the nine month period. This is consistent with the investor update released by Blackmores on 30 March 2015.

“We are extremely pleased that the momentum in our business has continued,” said Blackmores Chief Executive Officer, Christine Holgate. “This was driven by strong performances across the Group.”

“The third quarter results show a continuation of the sales momentum that we have experienced across the Group with a 42% increase in quarterly sales and 125% increase in profit compared to the third quarter last year.”

“In May, we celebrate the 30th year anniversary of Blackmores as an ASX-listed public company and we are delighted to commemorate this milestone with good financial results.”

Blackmores Australia year to date sales growth, at 35%, was boosted by strong pharmacy sales and the benefit of a growing demand for Blackmores products from Chinese consumers. The Blackmores Australia team is further strengthened by the appointment of Mr Paul Di Vito as Chief Marketing Officer.

BioCeuticals continued to deliver innovative new products across both the BioCeuticals and IsoWhey brands which supported sales growth of 23% in the third quarter compared to the previous corresponding period.

The recent BioCeuticals Research Symposium attracted more than 350 health care professionals for a three day conference and masterclass series. It reflected the position of the practitioner-only brand as a thought leader in evidence-based integrative medicine with overwhelmingly positive participant feedback about the quality of education at this event.

"We are delighted to have partnered with influential Chinese tennis legend Li Na who will work with Blackmores on health and nutritional initiatives," said Christine Holgate. The ambassadorship was announced in Shanghai in April.

Blackmores sales in Asia are up 43% in the third quarter compared to the same period last year driven by strong performances from Malaysia, Singapore, China, Hong Kong and Korea whilst Thailand continues to face some market challenges.

"The growing demand for Blackmores' high quality premium Australian products is reflected in our sales results," said Christine Holgate. "We have worked hard to significantly increase our inventory to minimise the impact on consumers when product lines are out of stock. We encourage consumers who have been inconvenienced by certain products being unavailable to contact Blackmores Customer Service for assistance."

Blackmores' Operations are adapting to the increased sales rate with a record 2.2 million units produced at the Blackmores Campus in March and 2.75 million units picked and shipped in the same month. These high volumes support improved recoveries of fixed costs and continue to benefit our cost of goods which can be seen in our improved earnings before interest and tax (EBIT) at \$47 million for the nine months, up 67% compared to the prior corresponding period.

"This strong performance continues to support an improving cash and debt position, with interest charges down 38% in the third quarter," said Christine Holgate.

OUTLOOK

"We have strong momentum in the business driven by benefits from programs that we have been establishing and investing in over recent years including a vibrant presence in Asia, a respected practitioner brand and our heartland consumer business in Australia," said Christine Holgate. "Our recent demand has been supported by the operational and quality programs at the Blackmores Campus which are adapting to the high volumes we are experiencing and we will continue to invest in our facilities to meet growing consumer demand."

"This success confirms the Board's confidence in our business strategy and shareholders can expect the current year to date growth to continue and deliver a record full year profit for the Blackmores Group."

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Results at a Glance

Results (\$000s) (Nine months to 31 March 2015)	This Year	Last Year	% Change
Sales	325,864	253,776	+28.4%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	51,699	32,838	+57.4%
Earnings before interest and tax (EBIT)	46,966	28,193	+66.6%
Net interest expense	2,931	3,659	-19.9%
Profit before tax	44,035	24,534	+79.5%
Income tax expense	13,244	7,021	+88.6%
Profit for the period	30,791	17,513	+75.8%

Results (\$000s) (Quarter 3)	This Year	Last Year	% Change
Sales	119,503	84,210	+41.9%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	20,410	10,751	+89.8%
Earnings before interest and tax (EBIT)	18,758	9,216	+103.5%
Net interest expense	733	1,174	-37.6%
Profit before tax	18,025	8,042	+124.1%
Income tax expense	5,849	2,641	+121.5%
Profit for the period	12,176	5,401	+125.4%