

# BLACKMORES®

## THE BEST OF HEALTH

### THE MARKET

Blackmores is Australia's leading natural health brand. Based on the vision of naturopath and founder Maurice Blackmore (1906-1977), we are passionate about natural health and inspiring people to take control of and invest in their wellbeing. We develop products and services that deliver a more natural approach to health, based on our expertise in vitamins, minerals, herbs and nutrients.

Blackmores is the market leader in the Vitamin and Dietary Supplement (VDS) industry in Australia, Thailand and Malaysia. We also enjoy a strong market position in New Zealand and a growing presence in Hong Kong, Singapore, Taiwan, Korea, China, Macau and Cambodia.

Blackmores products are sold around the world by healthcare professionals, pharmacies and health food stores. They are also retailed through mass merchants, supermarkets and distributors.

Our Australian market comprises approximately 80% of annual sales and our international business is growing steadily, with the ASEAN region representing a significant opportunity for the Group.

### ACHIEVEMENTS

An estimated 60-70% of Australians use vitamins or dietary supplements and many are looking to invest in reliable products they know they can trust. Key drivers for growth in the markets that Blackmores operates in include:

Ita Buttrose, media personality and patron of the MD Foundation presented Blackmores with a commemorative Broad-leafed Paperbark tree (*Melaleuca quinquenervia*) today in a symbolic gesture of appreciation of the \$2 million contributed to the Foundation through sales of Blackmores' eye health products. At an official ceremony held at Blackmores' Warriewood Campus, the MD Foundation was presented with a plaque to celebrate this significant milestone. Since 2002, Blackmores has donated a percentage of sales of their eye health products, Lutein-Vision®, Macu-Vision® and Lutein-Vision Advanced™, to support MD Foundation's education, awareness and research programs across Australia. MD is the leading cause of blindness and severe vision loss in this country. Blackmores' Chairman, Marcus Blackmore AM, said "Blackmores is proud to have directly contributed to the MD Foundation's achievements in supporting the one in seven Australians over 50 affected by MD". The MD Foundation Australia is a charity and the only organisation solely committed to reducing

incidence and impact of MD in Australia.

Marcus Blackmore is positive about the future of the relationship with the MD Foundation. "We are committed to assisting the Foundation in educating Australians about MD and hope that our contribution to it from the sales of Blackmores will continue to grow.

### HISTORY

Maurice Blackmore's (1906-1977) belief in the health-giving properties of herbs and minerals led him to develop a whole system of healthcare based on naturopathic principles. His views on natural health, preventive medicine, the environment and recycling were nothing short of radical in the 1930s, and his work opened the doors to new ways of treating illness and maximising health.

Maurice was also responsible for starting one of Australia's first health food stores in Brisbane in 1938 and he worked with colleagues and friends to establish the first naturopathic colleges and professional associations in the country. His beliefs are still valid today and his teachings are incorporated into the training programs of many natural health practitioners.

Maurice Blackmore's son, Marcus, took the reins of the business in 1975. As Blackmores' Chairman, Marcus has furthered the vision established by his father and made Blackmores a world leader in natural health, all the while committed to the company's founding principles.

Blackmores' unrivalled heritage is at the heart of who we are today and guides our holistic approach to health and wellbeing. We are proud to be pioneers in natural healthcare and remain committed to delivering new and innovative products, reliable health information and unsurpassed quality to our customers.

### RECENT DEVELOPMENTS

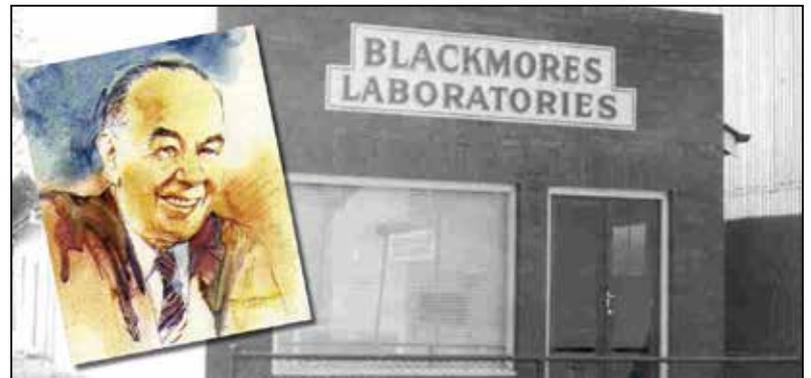
Blackmores works with the highest quality raw material suppliers to source and select the very best possible ingredients available. Our strategic sourcing team travels the world to ensure we have transparency over the supply chain.

As an example, we conduct audits of the fisheries catching our krill for Blackmores Eco Krill and keep records of the exact coordinates where each batch of krill are caught. This means customers get

the same quality product inside every single bottle.

Blackmores' products are developed by a highly experienced and dedicated team of formulators including naturopaths, chemists, scientists and product development pharmacists. They base each formulation on their in-depth knowledge of the principles and practise of product formulation along with a rigorous and comprehensive review of the latest scientific advancements in natural medicine.

We only produce products that our formulation team have concluded that science and tradition



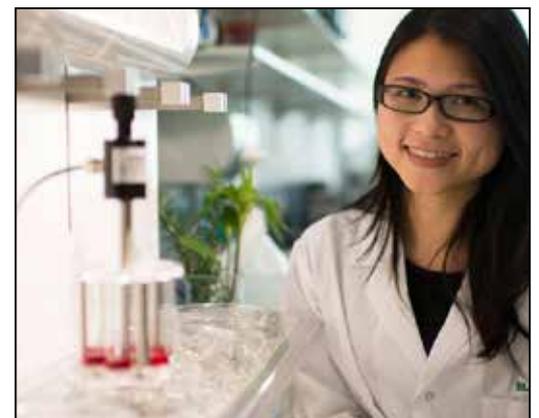
supports as being safe and providing a benefit to our consumers.

Blackmores adheres to the most rigorous safety and quality standards in the world, upheld by the Government's Therapeutic Goods Administration.

Our Quality Control processes provide consumers with the confidence that all our products meet our demanding specifications by being rigorously tested during all stages

of manufacture. Products that do not meet our very high quality standards are simply not accepted.

We also commission independent chemical and microbiological testing at TGA-licensed laboratories for our products, as well as work with a variety of regulatory and government bodies



to understand the complexities of each markets' requirements and successfully achieve compliant registrations.

Trust has to be earned not bought and we recognise that consumers put their trust in us when it comes to their health.

### PROMOTION

Throughout the years, Blackmores has launched many health campaigns aimed at providing consumers with credible health information, while showcasing its range of products. The most recent campaign titled "MORE", and with the brand line "80 years young and many more to come", highlights Blackmores' altruistic, pioneering heritage and reflects Blackmores' reputation as forward thinking, an expert in natural health, dedicated to the community and as a trusted brand.

Blackmores has always been keen to offer a range of education options so retailers can better advise their patients on any health matter, and the company provides in-store training by naturopaths, education sessions and an e-learning program. With the growing trend of digital communication, Australian consumers are using online communication modes to access health information. Blackmores understands that this is an opportunity to reach out and engage with consumers and to offer them credible, actionable health information.

Their online platform focuses on building health communities and providing free, credible health and wellbeing information and advice for all Australians on the brand's website. As well as providing advice on the types of supplements to take, the team of naturopaths online also assists consumers in putting to practice a holistic approach to health in their everyday lives. This service can be accessed for free via phone, email or 'click to chat' and there are over 300,000 community members.

### BRAND VALUES

Blackmores Institute has been established with the purpose of becoming a centre of excellence in the field of natural health research and education. It brings together the best minds, knowledge and evidence, and is dedicated to sharing this knowledge with the wider community of healthcare professionals, researchers, industry and consumers.

Over 70 per cent of Australians regularly take complementary medicines. These products have become an important part of our daily regime. Blackmores high quality products, free naturopathic advisory service and award winning website are among the many reasons Blackmores is the most trusted name in natural health. As the most trusted vitamin and supplement brand Blackmores has a responsibility to provide high quality, evidence – based information about natural health, not only to our consumers, but to everyone who has a role in helping people achieve and maintain optimum health.

### PRODUCT

Australians tend to have inadequate diets and are eating overcooked foods with unnecessary additives. As a result, many may miss out on some nutrients that are needed to perform optimally. Blackmores believes that health supplements



complement our diet and lifestyle. Throughout Australia Blackmores offers a wide range of products for different health segments, catering to all age groups from 'cradle to heaven'. These include the basic multivitamins, vitamin C and fish oil, to more specific formulations. Blackmores' bestselling products include Executive B Stress Formula, MacuVision® vitamin C, fish oil, multivitamins, glucosamine + chondroitin, CoQ10 and pregnancy supplements. Blackmores places great importance on sourcing, and all their ingredients are managed by internal strategic teams. A stringent production and quality control process is implemented from ingredient sourcing right to packaging and finished goods.

### CSR INITIATIVES

Blackmores actively explores ways to reduce the environmental impact of our product packaging, increase recycling rates and develop innovative sustainable packaging solutions. We are a founding signatory to the Australian Packaging Covenant, a sustainable packaging initiative which is changing the culture of the business. This agreement between government, industry and community groups aims to find and fund solutions to address packaging sustainability issues. The majority of our products are packaged in glass or, for larger bottles, a lighter, more durable recyclable polypropylene pack. Our new 'closed loop' process has removed more than 60 tonnes of cardboard and plastic waste from our supply chain, as well as reduced handling times and waste removal costs and increased operational efficiencies.

Blackmores continues to improve in environmental performance and has been recognized with numerous awards, including the Australian Packaging Covenant Award 2014. We also believe that our insistence on using high quality ingredients should never come at the expense of the environment. Blackmores partners with stewards in sustainability, including World Wildlife Fund Global Sustainability Seafood Charter and marine Stewardship Council, to ensure unrivalled transparency and quality control over our supply chain from catch to capsule. Our Krill products are certified as sustainable and we are progressing towards achieving certification for our fish oil products too. The Blackmores Campus,

has a carbon footprint one eighth of that of a comparable development, along with a range of additional environmental features. Sustainability is a key consideration when selecting our fleet vehicles and we are of the first businesses in Australia to implement paperless order picking. Notably we have managed all these environmental improvements while maintaining compliance with the Therapeutic Goods Administration's high standards of good manufacturing practice to ensure our natural environment can be shared by future generations.

We also support various community groups, fundraising and awareness activities throughout the year with Blackmores gift baskets and financial contribution. In 2014 the Blackmores "iconic" Sydney running Festival attracted more than 34,000 participants who raised more than \$1.3 million for 35 official charities.

### THINGS YOU DIDN'T KNOW ABOUT BLACKMORES

- In 1985, Blackmores Laboratories was listed on the Australian Stock Exchange.
- In 1988, Blackmores sponsored the record-breaking epic voyage, of Kay Cottee who became the first woman to sail solo, nonstop around the world.
- Marcus Blackmore ND was the Chairman of the Heart Research Institute in Sydney, Australia from 2006 to 2010.
- In earlier years, Blackmores' biggest selling product was the Herbal and Mineral Toothpaste.
- Blackmores was the first company in Australia to develop natural, cruelty-free personal care products.
- Blackmores' founder, Maurice Blackmore, who had a passion for horse racing, used his Celloid mineral treatments on horses with physical and performance issues.