Appendix 4D

HALF-YEAR REPORT
Blackmores Limited - ACN 009 713 437
For the period ended 31 December 2012

This Half-Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period:	Half-Year ended 31 December 2012
Previous Corresponding Period:	Half-Year ended 31 December 2011

Revenue and Net Profit	Amount $'000	Up / Down	Movement
Revenue from ordinary activities[1]	164,254	up	28.9%
Profit after tax attributable to members	13,565	down	4.8%
Net profit attributable to members	13,565	down	4.8%

Dividend Information	Amount per Security	Franked Amount per Security	Tax Rate for Franking
Interim dividend (to be paid 4 April 2013)	44¢	44¢	30%

The Company continues its Dividend Reinvestment Plan (DRP). The current discount applying to shares issued under the Plan is 5.0%. The DRP share price for participating shareholders will be determined over 5 trading days, commencing on 15 March 2013, less the current discount and will be issued at a price determined under the DRP rules.

The last date for receipt of a valid election notice by our Share Registry for participation in the Plan is 14 March 2013.

Interim Dividend Dates	
Ex dividend date	8 March 2013
Record date	14 March 2013
Payment date	4 April 2013

	31 December 2012	31 December 2011
Net tangible assets per security	$3.00	$4.47

Additional Appendix 4D disclosure requirements can be found in the Blackmores Limited Half-Year Report for the period ended 31 December 2012.

The Appendix 4D is based on the Blackmores Limited Half-Year Report for the period ended 31 December 2012 which has been reviewed by Deloitte Touche Tohmatsu. This should be read in conjunction with the most recent annual Financial Report as at and for the year ended 30 June 2012.

1. Revenue from ordinary activities consisted of revenue from the sale of goods and royalties.

BLACKMORES

Financial Report
for the Half-Year Ended
31 December 2012

2012 half year report

AUSTRALIA'S LEADING NATURAL HEALTH COMPANY

BLACKMORES LIMITED (A.B.N. 35 009 713 437)

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directors' report

The Directors of Blackmores Limited submit herewith the Financial Report of Blackmores Limited and its subsidiaries (the Group) for the half-year ended 31 December 2012. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

The names of the Directors of the Company during and since the end of the half-year are:

Marcus C. Blackmore

Stephen J. Chapman

Verilyn C. Fitzgerald

Christine W. Holgate

Robert L. Stovold

Naseema Sparks (retired 25 October 2012)

Brent W. Wallace

REVIEW OF OPERATIONS

The Directors report that sales for the six months to 31 December 2012 were $164,254,000 (2011: $127,007,000), an increase of 29.3%. The Group profit after tax for the half-year was $13,565,000 (2011: $14,252,000) a decrease of -4.8% on last year. These results have been reviewed by our auditor.

INTERIM DIVIDEND

The Board has declared an interim dividend of 44 cents per share fully franked (2011: 44 cents fully franked), to be paid to shareholders registered at 5.00 pm on 14 March 2013 and to be paid on 4 April 2013.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 4 of the half-year Financial Report.

ROUNDING OFF AMOUNTS

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in the Directors' Report and the half-year Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306 (3) of the Corporations Act 2001.

On Behalf of the Directors

Marcus C. Blackmore

Marcus C. Blackmore AM
Chairman

Sydney, 28 February 2013

Declaration of Independence

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Blackmores Limited
20 Jubilee Avenue
WARRIEWOOD NSW 2102

Dear Board Members

Blackmores Limited

In accordance with section *307C of the Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Blackmores Limited.

As lead audit partner for the review of the financial statements of Blackmores Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants
Parramatta, 28 February 2013

Independent Auditor's Review Report

Deloitte.

Deloitte Touche Tohmatsu
ABN: 74 490 121 060

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Independent Auditor's Review Report to the members of Blackmores Limited

We have reviewed the accompanying half-year financial report of Blackmores Limited, which comprises the condensed statement of financial position as at 31 December 2012, and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 19.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Blackmores Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance

Independent Auditor's Review Report (Cont.)

Deloitte.

that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Blackmores Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Blackmores Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants
Parramatta, 28 February 2013

Director's Declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached Financial Statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the Directors

Marcus C Blackmore AM
Chairman

Sydney, 28 February 2013

Condensed Consolidated Income Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

		CONSOLIDATED	
	NOTES	HALF-YEAR ENDED 31 DECEMBER 2012 $000	HALF-YEAR ENDED 31 DECEMBER 2011 $000
Sales	4	**164,254**	127,007
Royalties	4	**-**	396
Membership		**-**	12
Revenue		**164,254**	127,415
Other income		**1,136**	439
Revenue and other income		**165,390**	127,854
Promotional and other rebates		**24,408**	12,870
Changes in inventories of finished goods		**8,209**	962
Raw materials and consumables used		**44,257**	37,913
Employee benefits expense		**32,219**	28,452
Selling and marketing expenses		**17,461**	12,085
Depreciation and amortisation expense		**2,945**	2,378
Operating lease rental expenses		**1,167**	861
Professional and consulting expenses		**2,017**	1,962
Repairs and maintenance expenses		**1,311**	1,326
Freight expenses		**2,426**	1,967
Bank charges		**427**	317
Other expenses		**7,229**	4,524
Total expenses		**144,076**	105,617
Earnings before interest and tax		**21,314**	22,237
Interest revenue		**89**	81
Interest expense		**(2,464)**	(1,582)
Net interest expense		**(2,375)**	(1,501)
Profit before tax		**18,939**	20,736
Income tax expense		**(5,374)**	(6,484)
Profit for the period	4	**13,565**	14,252
EARNINGS PER SHARE			
Basic (cents per share)		**80.6**	85.0
Diluted (cents per share)		**80.6**	85.0

Notes to the condensed consolidated Financial Statements are included on pages 13 to 19.

Condensed Consolidated Statement of Comprehensive Income

AS AT 31 DECEMBER 2012

	CONSOLIDATED	
	HALF-YEAR ENDED 31 DECEMBER 2012 $000	HALF-YEAR ENDED 31 DECEMBER 2011 $000
Profit for the period	**13,565**	14,252
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Loss recognised on cash flow hedges	**(132)**	(435)
Exchange differences arising on translation of foreign controlled entities	**277**	137
Income tax relating to components of other comprehensive income	**40**	131
Other comprehensive income for the period, (net of tax)	**185**	(167)
Total comprehensive income for the period	**13,750**	14,085

Notes to the condensed consolidated Financial Statements are included on pages 13 to 19.

Condensed Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2012

	NOTES	CONSOLIDATED AS AT 31 DECEMBER 2012 $000	CONSOLIDATED AS AT 30 JUNE 2012 $000
CURRENT ASSETS			
Cash and bank balances		**12,239**	11,960
Receivables		**56,241**	53,698
Inventories		**40,857**	31,786
Other		**2,431**	2,549
Total current assets		**111,768**	99,993
NON-CURRENT ASSETS			
Property, plant and equipment		**66,772**	65,916
Investment property		**2,160**	2,160
Other intangible assets		**15,663**	2,257
Goodwill	7	**19,701**	657
Deferred tax assets		**4,014**	3,623
Other financial assets		**286**	144
Other		**167**	21
Total non-current assets		**108,763**	74,778
Total assets		**220,531**	174,771
CURRENT LIABILITIES			
Trade and other payables		**28,640**	34,937
Current tax payables		**-**	2,117
Provisions		**4,374**	4,456
Other		**62**	37
Total current liabilities		**33,076**	41,547
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	8	**94,156**	45,000
Provisions		**1,131**	908
Other financial liabilities		**2,005**	1,036
Total non-current liabilities		**97,292**	46,944
Total liabilities		**130,368**	88,491
Net assets		**90,163**	86,280
EQUITY			
Issued capital		**29,237**	25,348
Reserves		**2,121**	1,764
Retained earnings		**58,805**	59,168
Total equity		**90,163**	86,280

Notes to the condensed consolidated Financial Statements are included on pages 13 to 19.

Condensed Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Issued Capital $'000	Equity-Settled Employee Benefits Reserve $'000	Hedging Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 July 2011	25,348	4,805	(157)	(3,054)	52,170	79,112
Dividend declared	-	-	-	-	(13,424)	(13,424)
Profit for the period	-	-	-	-	14,252	14,252
Other comprehensive income for the period, net of income tax	-	-	(304)	137	-	(167)
Total comprehensive income for the period	-	-	(304)	137	14,252	14,085
Issue of shares under Dividend Reinvestment Plan	-	-	-	-	-	-
Recognition of share-based payments	-	340	-	-	-	340
Balance as at 31 December 2011	25,348	5,145	(461)	(2,917)	52,998	80,113
Balance as at 1 July 2012	**25,348**	**5,430**	**(725)**	**(2,941)**	**59,168**	**86,280**
Dividend declared	**-**	**-**	**-**	**-**	**(13,928)**	**(13,928)**
Profit for the period	**-**	**-**	**-**	**-**	**13,565**	**13,565**
Other comprehensive income for the period, net of income tax	**-**	**-**	**(92)**	**277**	**-**	**185**
Total comprehensive income for the period	**-**	**-**	**(92)**	**277**	**13,565**	**13,750**
Issue of shares under Dividend Reinvestment Plan	**3,889**	**-**	**-**	**-**	**-**	**3,889**
Recognition of share-based payments	**-**	**172**	**-**	**-**	**-**	**172**
Balance as at 31 December 2012	**29,237**	**5,602**	**(817)**	**(2,664)**	**58,805**	**90,163**

Notes to the condensed consolidated Financial Statements are included on pages 13 to 19.

Condensed Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	NOTES	CONSOLIDATED HALF-YEAR ENDED 31 DECEMBER 2012 $000	HALF-YEAR ENDED 31 DECEMBER 2011 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**178,932**	139,869
Payments to suppliers and employees		**(164,961)**	(120,972)
Cash generated from operations		**13,971**	18,897
Interest and other costs of finance paid		**(2,463)**	(1,279)
Income tax paid		**(9,069)**	(7,420)
Net cash provided by operating activities	5	**2,439**	10,198
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**89**	81
Payment for acquisition of subsidiary, net of cash acquired	7	**(38,646)**	-
Payment for acquisition of investments		**-**	(144)
Payment for property, plant and equipment		**(2,694)**	(2,833)
Proceeds from sale of property, plant and equipment		**40**	-
Dividends received		**6**	-
Net cash used in investing activities		**(41,205)**	(2,896)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		**49,121**	7,000
Dividends paid[1]		**(10,039)**	(13,424)
Other		**-**	(200)
Net cash provided by/(used in) financing activities		**39,082**	(6,624)
Net increase in cash and cash equivalents held		**316**	678
Cash and cash equivalents at the beginning of the period		**11,960**	10,168
Effect of exchange rate changes on the balance of cash held in foreign currencies		**(37)**	186
Cash and cash equivalents at the end of the period		**12,239**	11,032

1 Dividends declared totalled $13,928,000 (2012: $13,424,000) of which $3,889,000 (2011: $nil) related to shares issued under the Dividend Reinvestment Plan. The balance of $10,039,000 (2011: $13,424,000) was paid as cash to members.

Notes to the condensed consolidated Financial Statements are included on pages 13 to 19.

Notes to the Condensed Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

1 GENERAL INFORMATION

Blackmores Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol 'BKL'), incorporated in Australia and operating in Australia, Asia and New Zealand.

Blackmores Limited's registered office and its principal place of business are as follows:

20 Jubilee Avenue
Warriewood NSW 2102
Telephone +61 2 9910 5000

The Group's principal activity is the development and sales and marketing of health products for humans and animals including vitamins, herbal and mineral nutritional supplements.

2 SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Blackmores Limited (Blackmores) is a company domiciled in Australia. The Consolidated Interim Financial Report (Financial Report) of Blackmores as at and for the six months ended 31 December 2012 comprises Blackmores and its subsidiaries (Blackmores Group).

The consolidated annual Financial Report of the Blackmores Group as at and for the year ended 30 June 2012 is available upon request from the registered office of Blackmores at 20 Jubilee Avenue, Warriewood, NSW 2102 or online at blackmores.com.au.

STATEMENT OF COMPLIANCE AND AASB 134 INTERIM FINANCIAL REPORTING

The half-year Financial Report is a general purpose Financial Report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 'Interim Financial Reporting' ensures compliance with the International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual Financial Report and shall be read in conjunction with the most recent annual Financial Report as at and for the year ended 30 June 2012.

BASIS OF PREPARATION

The condensed consolidated Financial Statements have been prepared on the basis of historical cost, except certain non-current assets and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year Financial Report are consistent with those adopted and disclosed in the company's 2012 annual Financial Report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

ESTIMATES

The preparation of the Financial Report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Financial Report, the significant judgements made by management in applying the Blackmores Group's accounting policies and the key sources of uncertainty in estimation were the same as those that applied to the Financial Report as at and for the year ended 30 June 2012.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

ASSUMPTIONS FOR BIOCEUTICALS, PAW AND OTHER INTANGIBLES IMPAIRMENT REVIEW

The recoverable amount of the goodwill and other intangibles relating to the acquisitions of BioCeuticals and PAW are based on value in use calculations. These calculations use cash-flow projections based on five year plans approved by management, which include a terminal valuation representing cash-flow projections beyond five years. The discount rate used in the calculations is 6.5% which reflects a market estimate of the Blackmores Group's weighted average cost of capital.

Notes to the Condensed Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

2 SIGNIFICANT ACCOUNTING POLICIES (CONT.)

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 1,5,7,101,120,121,132,133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. However the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

3 DIVIDENDS

	HALF-YEAR ENDED 31 DECEMBER 2012		HALF-YEAR ENDED 31 DECEMBER 2011	
	CENTS PER SHARE	TOTAL $000	CENTS PER SHARE	TOTAL $000
FULLY PAID ORDINARY SHARES				
Recognised Amounts				
Final dividend paid in respect of prior financial year:				
Franked to 100%	**83**	**13,928**	80	13,424
FULLY PAID ORDINARY SHARES				
Unrecognised Amounts				
Interim dividend:				
Franked to 100%	**44**	**7,440**	44	7,383

The interim dividend for the half-year ended 31 December 2012 has not been recognised because the interim dividend was declared subsequent to 31 December 2012. On the basis that the Directors will continue to declare dividends subsequent to the reporting date, the amounts disclosed as 'recognised' will be the final dividend in respect of the prior financial year.

On 28 February 2013 the Directors declared a fully franked interim dividend of 44 cents (2011: 44 cents) per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2012, to be paid to shareholders on 4 April 2013.

4 SEGMENT INFORMATION

BASIS OF SEGMENTATION

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is primarily focused on geographical areas. In order to align our segment reporting with our internal focus, our larger Asian markets – Thailand and Malaysia, are presented as separate segments with the remainder of the Asian markets aggregated as 'Other Asia'. The Group's reportable segments under AASB 8 are therefore as follows:

- Australia
- BioCeuticals
- Thailand
- Malaysia
- Other Asia
- Other

Notes to the Condensed Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

4 SEGMENT INFORMATION (CONT.)

SEGMENT REVENUES FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	EXTERNAL SALES		INTER-SEGMENT[1]		OTHER		TOTAL	
	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000	2012 $000	2011 $000
Australia	**108,003**	98,489	**11,736**	10,013	**-**	-	**119,739**	108,502
BioCeuticals	**21,489**	-	**-**	-	**-**	-	**21,489**	-
Thailand	**14,281**	11,975	**-**	-	**-**	-	**14,281**	11,975
Malaysia	**9,005**	7,228	**-**	-	**-**	-	**9,005**	7,228
Other Asia[2]	**5,239**	6,759	**-**	-	**-**	-	**5,239**	6,759
Other	**6,237**	2,556	**-**	-	**-**	396	**6,237**	2,952
Total of all segments	**164,254**	127,007	**11,736**	10,013	**-**	396	**175,990**	137,416
Eliminations[3]							**(11,736)**	(10,013)
Consolidated revenue (excluding interest revenue and other income)							**164,254**	127,403

The Group had two customers who contributed more than 10% of the Group's revenue in the half-year period. Included in external sales of the Australian segment of $107,905,000 (2011: $98,376,000) are sales of approximately $30,964,000 (2011: $25,673,655) and $21,111,000 (2011: $18,560,171) which arose from sales to the Group's two largest customers.

1 Inter-segment sales are recorded at cost plus a margin determined on an individual basis for each market. Pricing is initially set using a budgeted exchange rate and reviewed each quarter.
2 Other Asia comprises the markets of Singapore, Korea, Hong Kong, Taiwan and China.
3 This is the total of adjustments to revenue as a result of the intercompany consolidation eliminations.

EXTERNAL SALES TO CUSTOMERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	TOTAL	
	2012 $000	2011 $000
Australia	**108,003**	98,489
BioCeuticals	**21,489**	-
Thailand	**14,281**	11,975
Malaysia	**9,005**	7,228
Other Asia	**5,239**	6,759
Other	**6,237**	5,102
Total of all segments	**164,254**	129,553

External Sales represents the sale of goods when the significant risks and rewards of ownership of the goods have transferred to the ultimate buyer. In New Zealand for the half-year ending 31 December 2011, the buyer of Blackmores' goods sold these products to a customer base that was equivalent to the customer base represented by external sales made in Australia and Asia. Blackmores had an agency arrangement with the buyer in New Zealand and earned royalty revenue on sales made to this customer base.

Additional disclosure has been provided in the above table so that external sales to the equivalent customer base can be compared on a geographical basis.

Notes to the Condensed Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

4 SEGMENT INFORMATION (CONT.)

SEGMENT RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	TOTAL	
	2012 $000	2011 $000
Australia[1]	**8,703**	11,340
BioCeuticals	**1,010**	-
Thailand	**3,260**	2,861
Malaysia	**1,125**	857
Other Asia	**(477)**	(309)
Other	**(56)**	(497)
Profit for the period	**13,565**	14,252

1. The Australian result includes Corporate costs. A full review of Corporate costs will be undertaken for year-end reporting and Corporate costs will be allocated to segments as appropriate.

5 RECONCILIATION OF PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	HALF-YEAR ENDED 31 DECEMBER 2012 $000	HALF-YEAR ENDED 31 DECEMBER 2011 $000
Profit for the period	**13,565**	14,252
Interest revenue disclosed as investing cash flow	**(89)**	(81)
Depreciation and amortisation of non-current assets	**2,945**	2,378
Share-based payments	**172**	340
Other	**56**	6
Decrease in current tax liability	**(3,693)**	(880)
Increase in deferred tax balances	**(42)**	(187)
Increase in deferred tax balances related to hedge reserve in equity	**40**	131
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
• Receivables	**4,350**	1,364
• Inventories	**(4,104)**	(3,582)
• Other debtors and prepayments	**469**	(904)
Increase/(decrease) in liabilities:		
• Payables	**(10,540)**	(2,806)
• Provisions	**(690)**	167
Net cash provided by operating activities	**2,439**	10,198

Notes to the Condensed Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

6 GOODWILL

	TOTAL 2012 $000	TOTAL 2011 $000
Gross carrying amount		
Balance at beginning of the period	**657**	657
Additional amounts recognised from business combinations occurring during the period (note 7)	**19,044**	-
Balance at end of the period	**19,701**	657
Accumulated impairment losses		
Balance at beginning of the period	**-**	-
Impairment losses for the period	**-**	-
Balance at end of the period	**-**	-
Net book value		
At the beginning of the period	**657**	657
At the end of the period	**19,701**	657

7 BUSINESS COMBINATIONS

SUBSIDIARIES ACQUIRED

Half-Year ended 31 December 2012

Acquisition of FIT-BioCeuticals Limited

On 5 July 2012, the Group signed an agreement to acquire 100% of the issued capital of FIT-BioCeuticals Ltd and the results of the BioCeuticals Group ("BioCeuticals") have been consolidated by the Blackmores Group from this date. The acquisition was made for an initial cash payment of $38.4 million and a completion cash payment of $2.2 million (representing adjustments relating to the completion statement ($0.8 million) and working capital ($1.4 million)) was made in September upon finalisation of the company's F12 result.

BioCeuticals is an established Australian leader in the practitioner-only supplements market. It develops and markets a range of nutritional supplements to integrative medicine practitioners, natural health professionals, pharmacists and health food stores, primarily in Australia and New Zealand.

CONSIDERATION TRANSFERRED

	TOTAL 2012 $000	TOTAL 2011 $000
Cash	**40,577**	-
Deferred consideration[1]	**675**	-
	41,252	-

1. A further amount, not exceeding $2 million may become payable over a three year period upon successful product registration and certain revenue targets for new products being met. An amount of $675,000 has been recognised as the fair value of this obligation.

Acquisition-related costs of $634,000 have been excluded from the consideration transferred; of this $276,000 were incurred and expensed prior to 1 July 2012. The remainder of $358,000 has been recognised as an expense in profit or loss in the half-year, within the 'other expenses' line.

Notes to the Condensed Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

7 BUSINESS COMBINATIONS (CONT.)

ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF THE ACQUISITION

	TOTAL	
	2012 $000	2011 $000
Current assets		
Cash and cash equivalents	1,931	-
Trade and other receivables[1]	5,838	-
Inventory	4,968	-
Other	306	-
Non-current assets		
Property, plant and equipment	884	-
Other	349	-
Trade and other receivables	127	
Intangible assets	13,578	-
Current liabilities		
Trade and other creditors	(4,854)	-
Current tax liability	(484)	-
Interest-bearing liabilities	(31)	
Non-current liabilities		
Trade and other creditors	(178)	
Provisions	(220)	-
Interest-bearing liabilities	(6)	-
	22,208	-

1 Trade receivables acquired with a fair value of $5,965,000 had gross contractual amounts of $6,074,000. The best estimate at acquisition date of the contractual cash-flows not expected to be collected is $109,000.

The initial accounting for the acquisition of FIT-BioCeuticals Limited has only been provisionally determined at the end of the half-year period. As such at the date of the finalisation of this half-year report the fair value of the assets and liabilities acquired, associated deferred tax liabilities and goodwill noted above are based on the director's best estimate of the likely fair value.

ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF THE ACQUISITION

	TOTAL	
	2012 $000	2011 $000
Consideration transferred	41,252	-
Less: fair value of identified net assets acquired	(22,208)	-
Goodwill arising on acquisition	19,044	-

Goodwill arose on the acquisition of BioCeuticals because the consideration paid for the combination effectively included amounts in relation to expected future revenue and profit growth, future market development and the combined workforce of BioCeuticals.

These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARIES

	TOTAL	
	2012 $000	2011 $000
Consideration paid in cash	40,577	-
Less: cash and cash equivalent balances acquired	(1,931)	-
	38,646	-

Notes to the Condensed Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

7 BUSINESS COMBINATIONS (CONT.)

IMPACT OF ACQUISITION ON THE RESULTS OF THE GROUP

Included in the profit for the period is $1,010,000 attributable to BioCeuticals. Revenue for the half-year includes $21,489,000 in respect of BioCeuticals.

Half-Year ended 31 December 2011

No acquisitions were made in the half-year period ended 31 December 2011.

8 INTEREST-BEARING LIABILITIES

INTEREST-BEARING LIABILITIES

	CONSOLIDATED	
	AS AT 31 DECEMBER 2012 $000	AS AT 31 DECEMBER 2011 $000
NON-CURRENT		
Secured:		
Bank bills at amortised cost[1,2]	**94,150**	45,000
Lease liabilities	**6**	-
	94,156	45,000

Summary of borrowing arrangements:
1 Secured by registered mortgage debentures and a floating charge over certain assets of the Group.
2 In accordance with the security arrangements of liabilities, as disclosed in this note to the condensed consolidated Financial Statements, effectively all assets of the Parent Entity and certain subsidiary companies have been pledged as security.

9 ISSUANCES OF EQUITY SECURITIES

During the half-year ended 31 December 2012, the Company reactivated the Dividend Reinvestment Plan (DRP) and as a result issued 127,192 shares during the half-year ended 31 December 2012 under its DRP. In the half-year ended 31 December 2011, the DRP was inactive and nil shares were issued under the DRP.

During the half-year reporting period, the Company issued 2,214 (2011: 35,371) ordinary shares for $nil (2011: $nil) under its executive and employee share plans for the year ending 30 June 2012. There were no other movements in the ordinary share capital or other issued share capital of the Company in the current or prior half-year reporting period.

Under the Company Executive Performance Share Plan, during the half-year the Company granted entitlements to an allocation of ordinary shares provided specific performance objectives and hurdles are met in relation to the year ended 30 June 2013. If the performance and employment vesting conditions are met, the minimum number of rights that could be vested under the entitlement is 17,060 (2012: 17,254) and the maximum number of rights that could be vested is 68,244 (2012: 70,312). Several grant dates applied to these rights; as a result the following fair values applied to the number of rights listed below.

As the specific performance objectives and hurdles were not met in relation the financial year ended 30 June 2012 no rights were vested during the half-year.

10 SUBSEQUENT EVENTS

Other than the interim dividend disclosed in note 3, there have been no other matters or circumstances occurring subsequent to the end of the period that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of the affairs of the group in future financial years.

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