

BLACKMORES®

THE MARKET

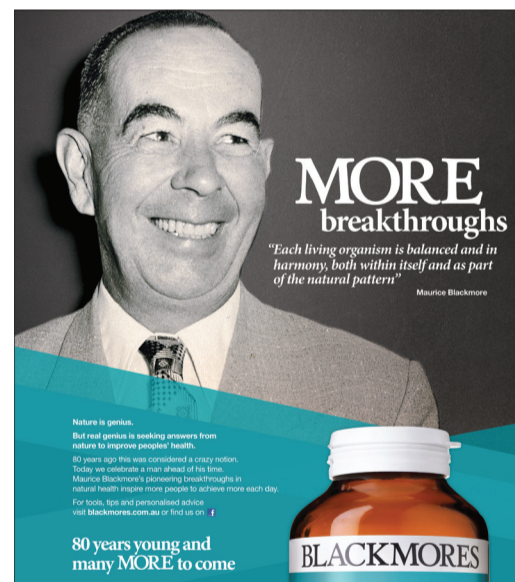
Australians are by and large a healthy lot – a nation of people who love life and enjoy living it to its fullest – our advances in medical and natural health science extending the time for all to enjoy the nation’s natural gifts. Driven by rising health consciousness amongst consumers and a greater desire for more natural products, Blackmores has become an established brand name in the Vitamins and Dietary Supplements (VDS) market. This market - which include vitamins, minerals and herbal supplements, found in tablet, capsule, liquid, chewable or powder forms - is experiencing fast and healthy growth.

The Department of Health and Ageing’s Therapeutic Goods Administration regulate the VDS market and most products in this category must be listed or registered on the Australian Register of Therapeutic Goods before going to market. While VDS products are available through retail and direct selling channels, Blackmores competes on the retail platform, with the brand available in over 8,000 retail outlets, including major pharmacies all over Australia.

Against fierce competition from a myriad of competing brands, Blackmores has outperformed the market with a healthy double-digit growth last year and has been enjoying an average Compound Annual Growth Rate of 8.7% over the last five years. Blackmores has grown its presence right across Asia, with strong trade in Singapore, Thailand, Hong Kong, Taiwan, Korea and most recently China, with a collective staff force of over 600 people and sales increasing from AUD179 million in 2008 to AUD261 million in 2012.

ACHIEVEMENTS

Blackmores Australia has consistently won numerous awards in recognition of its strong performance in the category. These include recognition as the Reader’s Digest Most Trusted Vitamin and Supplement brand for the years 2000, 2001, 2007, 2009, 2010, 2011 and 2012. In Thailand (the brand’s largest market) it has also won the Reader’s Digest Most Trusted Award



for seven consecutive years. Elsewhere in Asia, Blackmores has been recognised as the Most Trusted Vitamin and Supplement Brand in the 2012 Reader’s Digest Most Trusted Survey and has also won a number of product recognitions from the Guardian Customer

Choice Awards and the Watsons HWB Awards, for key products like Fish Oil, Multivitamins, Vitamin C and Glucosamine.

HISTORY

Blackmores grew from humble beginnings in the 1930s thanks to the pioneering vision and passion of one man, Maurice Blackmore (1906-1977), with a belief in the health-giving properties of herbs and minerals. Leading him to develop a whole system of healthcare based on naturopathic principles, his views on natural health, preventative medicine, the environment and recycling were well ahead of their time and can be seen as the building blocks of the VDS industry in Australia today.

RECENT DEVELOPMENTS

In 2011 the company acquired Pure Animal Wellbeing (PAW), an animal health business, which carries a total of 21 new products to date, including companion pet nutritional supplements and grooming products using natural ingredients. PAW now has distribution in over 800 veterinary clinics and 300 pet stores, with exports to New Zealand, Hong Kong, Taiwan and Korea.

2012 was the Blackmores’ brand 80-year anniversary and in June of this year it launched EcoKrill Oil - the only krill oil in Australia that is Marine Stewardship Council certified as well as being recognised by WWF as the most rigorous marine fisheries sustainability certification available.

In September 2012 - recognising the increasing consumer demand for portability and convenience - Blackmores launched eight of its most popular products in innovative on-the-go packaging. These products opened up distribution opportunities in the petrol and convenience channel, driving further category penetration and growth.

Most recently, The ALIVE! Multivitamins range was launched in October 2012. The four products in this high potency range include vitamins and minerals, antioxidants, enzymes plus 20 fruit and vegetable powders. The high impact packaging is designed to attract new users to the category and the products are formulated with substantial



levels of B vitamins, which support cellular energy production.

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.

Blackmores’ Facebook page - which is now “liked” by more than 30,000 fans – has an interesting Facebook Health Check Tool that allows people to check their health status discreetly and obtain early indication of their diet and lifestyle status.

In 2011 the launch of ‘My Blackmores’ - the first health program in Australia to offer consumers the latest in interactive technology combined with personal health support from a team of qualified naturopaths. The system gives consumers the choice of four unique programs – Weight-Loss, Detox, Stress and Sport. Run over the course of up to 12 weeks the program includes nutrition analysis, tailored menu and exercise plans, diary management and ongoing community support as well as access to a personal naturopath for the length of their program.

BRAND VALUES

Officially opened in May 2009, the Blackmores Campus offers a new generation workplace that demonstrates the company’s leadership in its balanced approach to health, work, life and the environment. The design of the new building embodies the company’s commitment to environmental sustainability and has one of Australia’s first Cogent gas-fired generation plants which provides the building energy needs – electrical, heating and cooling, resulting in reduction of carbon dioxide emissions.

This year Blackmores celebrates its 80th “birthday” as a brand encouraging a proactive approach to health and wellbeing for its fellow Australians. To do this, it aspires to empower

consumers with relevant health knowledge so they can make informed decisions in their daily lives. Blackmores translates the company’s unparalleled heritage and knowledge into innovative, quality and branded healthcare solutions that work. Since taking over the reins of the business in 1975, Maurice Blackmore’s son Marcus has continued the family tradition of leadership by example - overseeing the development of every facet of the Blackmores business and making it a leader in the dietary supplements market.



November 2012 saw the launch of the Blackmores Institute, with the purpose of becoming a centre of excellence in the field of natural health research and education. It will bring 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. Chairman Marcus Blackmore says, “I am immensely proud that as Blackmores celebrates its 80th birthday, we are re-instating the Maurice Blackmore Research Foundation that was established back in 1982 as a research and educational institution. Blackmores Institute will progress the work of my father who was a pioneer of natural health.”

THE PRODUCT

In today’s busy lifestyle, the demand for nutrients has increased, enabling Blackmores to develop product offerings for all segments of the market, from pregnant mothers to children, and adults as they age. 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 sourcing teams. A stringent production and quality control process is implemented from ingredient sourcing right through to packing the finished goods.

CORPORATE SOCIAL RESPONSIBILITY

The annual Blackmores Sydney Running Festival always attracts crowds of more than 35,000 participants in September each year and the event raises more than \$2.8 million for charities as well as supporting the health and fitness goals of thousands of people.

With the support of Blackmores, ultra-marathon runner Pat Farmer ran from the North to the South Pole to raise money for the International Red Cross. Starting in April 2011, he completed the equivalent of two marathons every day for almost a year, covering over 21,000 km through 14 countries.

Blackmores has long supported the Heart Research Institute of Australia (HRI). In addition to working with HRI on fundraising initiatives, Blackmores has also partnered with their research team to investigate the role of certain nutrients in cardiovascular health.

Similarly, a partnership with the Macular Degeneration Foundation of Australia has not only ensured a greater level of support for sufferers of MD, Australia’s leading cause of blindness, but Blackmores’ support of research projects will contribute towards identifying the best ways to prevent the disease.

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, turning them into champions.