

ASX RELEASE**18 February 2015****Bellamy's delivers strong growth as it executes on strategy**

Bellamy's Australia Limited (ASX:BAL) is pleased to announce its results for the six months ended 31 December 2014 (1H15), delivering strong growth with revenue up 141% to \$58.3 million and net profit up 137% to \$3.2 million.

Results overview

(\$million)	1H15	1H14	Change
Revenue	58.3	24.1	141%
EBIT	4.4	2.0	118%
NPAT	3.2	1.4	137%

Commenting on the results, Bellamy's Managing Director and CEO Laura McBain said:

"The company's first half result reflects a growing business that is delivering operationally. Our objective is to continue growing both our domestic and export businesses through a focus on expanding our distribution networks, and this has been clearly achieved over the past six months."

"We have consolidated our position with major retailers in the Australian market. At the same time, we have also extended our reach through distribution into pharmacies and independently owned stores. Underpinning this growth has been greater brand awareness built through effective marketing strategies, key to achieving Bellamy's revenue growth in Australia."

"Bellamy's organic formula and food range was launched in 160 Target stores nationally during the first half of the current financial year. We also now have products available in 450 Amcal, AmcalMax and Guardian stores."

"In addition to growing multiple distribution channels, we continue to innovate on the product front. Over the past six months we launched new product initiatives such as the baby food pouch range in Costco and Big W."

"Our overseas growth strategy is gaining momentum as we consistently attract new customers and expand our retail distribution. China in particular has shown strength as we have expanded into major supermarkets and launched our organic formula range in 160 Wal-mart stores in Guandong."

Growth in revenue

Revenue was up 141.4% to \$58.3 million (1H14: \$24.1 million) as the company benefited from increased brand awareness from successful marketing activities, a broader product range, and growing distribution channels in Australia and Asia.

Attaining sustainable cost structures

Bellamy's gross profit margin remained strong at 33.2%, albeit slightly down on the previous period (1H14: 35.4%). This was largely due to increased ingredient pricing, in particular whole milk, as supply was stretched due to Bellamy's sales growth. The company has successfully implemented changes to address this issue and expects to see the benefits of these initiatives flow into the FY15 result.

Positive outlook

Commenting on the company's positive outlook, Ms McBain said:

"We have in place a comprehensive strategy to continue growing the company. We are committed to expanding Bellamy's globally, with a focus on developing the brand's opportunities in Asia, particularly China and South East Asia. In addition, we have identified key markets for growth outside of Asia that are being considered."

"Innovation and distribution are at the heart of our growth strategy. We continue to develop the category with new products and also improve and enhance existing. We are seeking full distribution across Australia through a range of distribution outlets."

"Supply chain management underpins the company and we continue to build relationships with suppliers to support future growth requirements for organic ingredient supply and manufacturing capability."

"We are excited about what the second half of this financial year holds for the business, and we continue to trade strongly. Recognising that December is a key trading month, and provided trading conditions remain the same, Bellamy's second half performance should be consistent with its first half results."