

**ASX RELEASE**  
**25 August 2017**

### **2017 Financial Results**

Bellamy's Australia Limited (ASX: BAL) (**Bellamy's** or the **Company**) today announces its results for the 2017 financial year as follows:

#### **Highlights**

- Bellamy's turnaround continues to be on track and the stability of the business has improved
- 2H17 revenue of \$121.9m is above guidance
- 2H17 normalised EBIT of \$23.3m is above guidance
- the Camperdown acquisition and reinstatement of the CNCA licence provides a path to CFDA registration in China
- forecasting profitable growth in FY18 for the core business (excluding Camperdown), with a target of 5-10% revenue growth and 15-20% EBITDA margin
- expecting 1H18 revenue to be higher than 2H18 for two reasons:
  - seasonality, including timing of platform events and Chinese New Year
  - delay in CFDA registration resulting in all '*Chinese label*' sales occurring in 1H18

Consolidated Entity	Year ended 30 June			
	2017	Restated 2016 <sup>1</sup>	Movement up/(down)	
	\$'000	\$'000	\$'000	%
Revenue	240,182	234,083	6,099	2.6
EBITDA	1,380	54,613	(53,233)	(97.5)
Normalised EBITDA	42,794	54,613	(11,819)	(21.6)
EBIT	593	54,306	(53,713)	(98.9)
Normalised EBIT	42,007	54,306	12,299	(22.6)
Net profit (loss)	(809)	38,328	(39,137)	(102.1)
Normalised net profit (loss)	28,182	38,328	(10,146)	(26.5)

<sup>1</sup> Restatement refer note 5 of the Annual Report

Andrew Cohen, Bellamy's CEO noted that '*whilst we only achieved a small statutory EBIT profit of \$0.6 million for FY17, this was impacted by one off costs associated with the business reset including a \$27.5 million one off payment to Fonterra.*'

In response to the results Mr Cohen stated '*We are 6 months into an 18 month turnaround, we are tracking well but there are still challenges to navigate. Importantly, the stability of the business has improved.*' He further explained that:

- sales have stabilised and have gained momentum leading into FY18
- operating cost base has been reset and the Company is now well positioned to reinvest
- the supply-chain restructure is yielding reductions in future input costs
- inventory has declined since peaking in March 2017

- normalised operating cash-flow has been positive since March 2017 and we are now in a net cash position
- the Camperdown acquisition and reinstatement of the CNCA licence provides a path to CFDA registration in China and
- a new leadership team and Board is in place, and is focused on the business plan for FY18 and the next three years.

Mr Cohen said *'the Company is mindful of the need for a better understanding of China's regulatory environment. We are focused on spending more time in China, building knowledge, capability and deeper relationships with our key distributor, customers and regulatory bodies.'*

Mr Cohen concluded *'looking forward, the potential for our brand remains clear. However, it is critical the management team continues to both solidify and de-risk the business and our sales channels. FY18 will be a year of continued investment in our brand, marketing, product, supply-chain and internal capability.'*

Bellamy's Chief Executive Officer Andrew Cohen, and Chief Financial Officer Nigel Underwood will present the financial results via a webcast at 10:00am (AEST) Friday 25 August 2017. The webcast link will be live from 9:45am (AEST). The link to the webcast is as follows:

**<http://webcast.openbriefing.com/3940/>**

A recording of the financial results webcast will be available on Bellamy's website (<http://investors.bellamysorganic.com.au/>) within 72 hours following the call.

**Company inquiries, please contact:**

Melinda Harrison  
Company Secretary  
+613 6332 9200

**Media inquiries, please contact:**

John Hurst  
Quay Advisers  
+61 418 708 663