

B ELLAMY'S



Bellamy's Australia Limited

ABN 37 124 272 108

Interim Report

For the half year ended 31 December 2014

ASX Code: **BAL**



This report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.

Results for Announcement to the Market

For the half-year ended 31 December 2014

(Previous corresponding reporting period: Half-year ended 31 December 2013)

1. Key Information

	Half-year ended 31 December 2014 \$'000	Half-year ended 31 December 2013 \$'000	Period movement up/(down) \$'000	Period movement up/(down) %
Revenue (from all sources)	58,255	24,129	34,126	141.4%
EBIT	4,410	2,024	2,386	117.9%
Profit before income tax expense	4,734	1,919	2,815	146.7%
Income tax expense	(1,523)	(566)	(957)	169.1%
Net profit after income tax expense	3,211	1,353	1,858	137.3%
Dividends	No dividends have been declared or paid since the beginning of the financial reporting period			

	Half-year ended 31 December 2014	Half-year ended 31 December 2013	Period movement up/(down)	Period movement up/(down)
Net tangible asset backing				
Basic and diluted earnings per share (cents)*	3.6	2.1	1.5	71.4%
Net Assets (\$'000)	42,967	10,830	32,137	296.7%
Net tangible assets (\$'000)	42,663	10,692	31,971	299.0%
Net assets per share (cents)*	45.2	16.7	28.5	170.7%
Net tangible assets per share (cents)*	44.9	16.5	28.4	172.1%

*Comparative results for earnings per share have been restated to reflect the capital reconstruction approved by shareholders on 10 June 2014, whereby each ordinary share was split into 6.5224 ordinary shares.

2. Commentary on Results

Refer to the Review of Operations section of the accompanying director's report which forms part of the Appendix 4D half-year report, together with the Company's 2015 half-year results media release.

Performance highlights

Bellamy's delivered the following performance results in the first half of FY2015:

↑ **141%**

- gross revenues of \$58.255 million, an increase of 141% on the prior year period, and 14% more than the full financial year FY2014.

↑ **118%**

- earnings before interest and tax (EBIT) of \$4.410 million, being an increase of 118% on the prior year period.

↑ **137%**

- generated net profit after tax (NPAT) of \$3.211 million, being an increase of 137% on the prior year period.

**Consolidated interim report
for the half-year ended 31 December 2014**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Bellamy's Australia Limited during the interim financial reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*

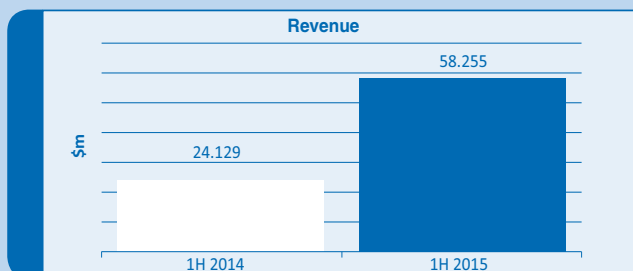
Directors' Report

The directors present their report on the consolidated entity consisting of Bellamy's Australia Limited ("the Company" or "Bellamy's") and the entities it controlled at the end of, or during, the half-year ended 31 December 2014 as follows:

Financial Performance

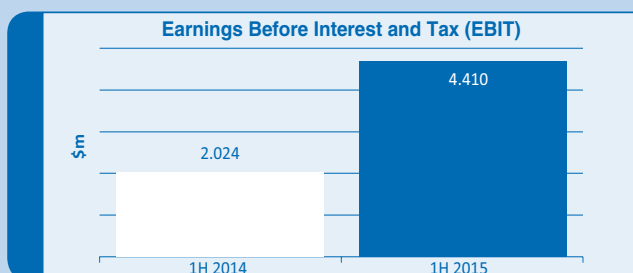
• Revenue

Increased by 141% since the same period last year to \$58.255 million for 1H FY 2015 (1H FY2014: \$24.129 million). Revenue growth was driven by increased brand awareness and successful marketing activities, growth across all retailers and new distribution points with independent retailers in the domestic market.



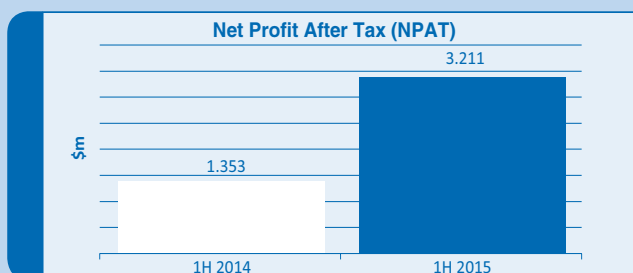
• EBIT

Increased by 118% since the same period last year to \$4.410m for the half-year. Growth in earnings was driven by revenue growth with costs of doing business reducing as a percentage of sales. IPO transaction costs of \$267,000 have been expensed during the six month period.



• Net Profit after tax

Increased by 137% since the same period last year to \$3.211m.



• **Gross profit margins of 33.2%** - The gross profit margin for the half-year was down on the 1H 2014 by 2.2 percentage points (1H 2014 gross profit margin 35.4%). The decrease in margin is the result of pricing changes from ingredient suppliers caused by increased demand for organic formula ingredients, particularly whole milk. Bellamy's has successfully undertaken several projects to address this change and the benefits will be realised in full in the second half of FY 2015. Since demand for formula has remained high, marketing and promotion activities for formula products have been reduced as deemed unnecessary. Bellamy's operations team continues the focus on improving gross profit margins. In our business model we manage and work closely with suppliers and distribution channels to deliver sustainable cost structures within the entire supply chain.

• **Cost of doing business as a percentage of sales down 1.3 percentage points** - Bellamy's business model focuses on increasing revenues and decreasing the other costs of doing business as a percentage of sales. Core costs of doing business include marketing, employment and other administration expenses.

	Half-year ended 31 December 2014	Half-year ended 31 December 2013
Costs as a % of Sales		
Employment Costs	4.7%	6.2%
Marketing Costs	2.1%	1.4%
Other Administrative Costs	3.1%	3.7%

• **Listing on ASX** – Bellamy's Australia listed on the ASX on 5 August 2014, following the issue of 25,000,000 ordinary shares, raising \$23.899 million (net of institutional placement costs). The number of ordinary shares on issue as at 31 December 2014 and at the date of this report is 95,000,392.

Directors' Report

Continued

Results for the First Half 2015

	Half-year ended 31 December 2014 \$'000	Half-year ended 31 December 2013 \$'000	Period movement up/(down) \$'000	Period movement up/(down) %
Revenue (from all sources)	58,255	24,129	34,126	141.4%
EBIT	4,410	2,024	2,386	117.9%
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Definitions

Net Tangible Assets = Total equity less goodwill and other intangible assets

Net Tangible Assets per share - Total equity less goodwill and other intangible assets/ shares on issue

* Comparative results for earnings per share have been restated to reflect the capital reconstruction approved by shareholders on 10 June 2014, whereby each share was split into 6.5224 ordinary shares.

Review of Operations

Bellamy's is a Tasmanian-based branded food business, offering a range of organic food and formula products for babies and toddlers. Bellamy's products are all Australian-made and certified organic. This forms the centrepiece of Bellamy's brand appeal and the brand promise of a Pure Start to Life®.

Bellamy's receives its revenue primarily from the sale of its products:

- direct to consumer operations (principally supermarkets and pharmacies);
- through distribution agents in offshore jurisdictions (that then on-sell direct to consumer operations); and
- direct to consumers through Bellamy's online stores and online retail platforms.

Bellamy's generates its revenue through the sale of some or all of its products in multiple jurisdictions including Australia, China, Singapore, Hong Kong, Vietnam, Malaysia and New Zealand. Bellamy's has more than 30 products available for consumers although not all products are sold through all retail distribution channels or in all jurisdictions.

Our Strategy

Bellamy's has established a comprehensive strategy to deliver continued growth through:

- expansion into Asian markets by growing distribution networks into new Asian markets and penetrating deeper into existing Asian markets;
- expansion into other new markets by identifying key markets for growth outside of Asia;
- category development outside the Baby category by leveraging Bellamy's brand awareness into range extensions outside the Baby category;
- new products within the Baby category by continuing to grow the baby proposition and through innovation and product development; and

- full distribution across Australia and expanding the product range and type of distribution outlets within Australia

Bellamy's in Australia

Bellamy's continues to grow the domestic business in Australia through its focus on deep distribution across all supermarket and pharmacy channels.

During the period to 31 December 2014, Bellamy's has consolidated its position with major retailers in Australia, and continued to build distribution through the pharmacy networks and independently owned stores. Combined with increasing brand awareness and successful marketing campaigns, Bellamy's has been able to achieve revenue growth of 180% compared to the same period last year.

During the first half of FY2015 Bellamy's launched its organic formula and food range in 160 Target stores nationally. Bellamy's has also increased its ranging and distribution in pharmacies and is now available in 450 Amcal, AmcalMax and Guardian stores across Australia.

In July 2014, Bellamy's launched a new supplementary milk drink, Ready to Go, nationally in major retailers, pharmacies and independent retailers. Sales of this range have not reached expectations and the business has realised a loss of \$738K in stock overproduced for the launch.

Bellamy's has successfully launched the baby food pouch range in Costco and Big W during 1H 2015 and the business is pleased with the results.



Review of Operations

Continued

Bellamy's In Asia

Bellamy's operation in export markets, particularly China, continues to grow and the brand is consistently attracting new customers and expanding its retail distribution.

Sales to China recommenced in August 2014 following the approval by Chinese authorities of the primary contract manufacturing facility engaged by Bellamy's. The approval enabled the immediate commencement of exporting to China and positioned Bellamy's to continue to execute its growth strategies in China.

During the first half of FY2015, as part of the Group's market expansion into major supermarkets in China, Bellamy's launched its organic formula range in 160 Wal-mart stores in Guangdong. We expect that this step into supermarket distribution will contribute to increasing the brand profile in the China market.

Bellamy's has successfully increased ranging in all major retailers in Singapore during the six month period to 31 December 2014, and has increased its overall distribution points across Singapore delivering a record sales performance in Singapore.

Production and Operations

Bellamy's production and supply chain team co-ordinates a complex global organic supply chain to meet the stringent ingredient and production standards demanded by a premium organic food company.

The focus of supply chain management over the last six months has been fulfilling the growing demand for our formula and food range and sourcing high quality organic ingredients for the Bellamy's brand. To meet the brand's growth opportunities in Organic baby food and organic infant formula, we continue to develop the available sources of ingredients.

Cash Flow and Working Capital

Cash balances have increased by \$12.509 million to \$16.943 million primarily as a result of cash flows from financing activities. On 5 August 2014, the company completed a placement of 25,000,000 shares to various institutions at the issue price of \$1.00. The institutional placement costs for the half year were \$1.101 million net of tax and the net increase in share capital was \$23.899 million for the half year. The net cash proceeds from the share placement were \$23.16 million.

Whilst cash balances have increased, trade and other receivables have also increased by \$12.977 million to \$19.42 million and in turn this has impacted net working capital. The increase in trade and other receivables is a result of increased sales, although debtor collection cycles have remained consistent and in line with industry standards. Similarly, the business has increased its inventory levels to support the increased revenue by \$4.63 million.

The overall increase in net working capital assets during the period was \$27.0 million.

Review of Operations

Continued

Outlook

Bellamy's continues to expand its operations internationally, with a focus on developing the brand's opportunities in Asia, particularly China and South East Asia.

Baby formula remains a growing category in Australia and Asia, and parents continue to seek, and turn to, high quality, specialised baby formula and products, such as organic to meet the nutritional needs of their babies and toddlers. Bellamy's is well positioned to continue to benefit from this trend.

Underpinning Bellamy's plans is its strong understanding of its supply chain and arrangements with contract manufacturers and ingredients.

We continue to build relationships with suppliers to support future growth requirements for organic ingredient supply and manufacturing capacity.

On 14 December 2014, Bellamy's made an announcement to the market indicating it is positioned to exceed sales and NPAT expectations for FY 2015 as detailed in the prospectus. Recognising that December is a key trading month, and provided trading conditions remain the same and there are no unforeseen circumstances, Bellamy's should perform consistently with the first half results.

Governance

Directors

The following persons were directors of Bellamy's Australia Limited during the whole of the half-year and up to the date of this report:

Robert Woolley (Chairman)

Laura McBain
(Managing Director and Chief Executive Officer)

Ian Urquhart

Michael Wadley

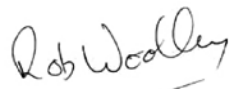
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Rounding of amounts

The company is of a kind referred to in Class Order CO 98/100, issued by the Australian Securities and Investments Commission, related to the 'rounding off' of amounts in the directors' report and the financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.



Robert G. Woolley
DIRECTOR



Ian A. Urquhart
DIRECTOR

Launceston 17 February 2015

Auditor's independence declaration



Auditor's Independence Declaration

As lead auditor for the review of Bellamy's Australia Limited for the half year ended 31 December 2014 I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bellamy's Australia Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Alison Tait'.

Alison Tait
Partner
PricewaterhouseCoopers

Melbourne
17 February 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2014

	2014 \$'000	Half-year 2013 \$'000
Revenue	58,255	24,129
Cost of Sales	(38,934)	(15,582)
Gross Profit	19,321	8,547
Other income	522	121
Direct costs (distribution and other costs)	(9,288)	(3,874)
Employee costs	(2,737)	(1,485)
Marketing & promotion costs	(1,246)	(338)
Administrative costs	(1,777)	(881)
Depreciation, amortisation & impairments	(118)	(66)
IPO transaction costs	(267)	-
Earnings before net interest and tax (EBIT)	4,410	2,024
Net interest (expense)/revenue	324	(105)
Profit before income tax	4,734	1,919
Income tax (expense)/benefit	(1,523)	(566)
Net profit for the half-year	3,211	1,353
Other comprehensive income (net of tax) Items that may be reclassified subsequently to profit and loss		
Exchange differences - translating foreign operations	(5)	-
Total Comprehensive Income for the year	3,206	1,353
Earnings per share		
Basic and diluted earnings per share (cents)	3.6	2.1
Diluted earnings per share (cents)	3.6	2.1

Consolidated Balance Sheet

As at 31 December 2014

	31 December 2014 \$'000	30 June 2014 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	16,943	4,434
Trade and other receivables	19,420	6,443
Current tax assets	-	125
Inventories	12,370	7,737
Financial assets	258	244
Other assets	4,197	2,695
Total current assets	53,188	21,678
Non-current assets		
Property, plant & equipment	616	553
Intangible assets	304	228
Deferred tax assets (net)	481	186
Total non-current assets	1,401	967
Total assets	54,589	22,645
LIABILITIES		
Current liabilities		
Trade and other payables	10,128	6,514
Borrowings	131	184
Provisions	185	96
Current tax liabilities	931	-
Total current liabilities	11,375	6,794
Non-current liabilities		
Borrowings	184	212
Provisions	63	47
Total non-current liabilities	247	259
Total liabilities	11,622	7,053
Net assets	42,967	15,592
EQUITY		
Issued capital	39,655	15,756
Reserves	258	(7)
Retained profits/(accumulated losses)	3,054	(157)
Total equity	42,967	15,592

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2014

	Issued capital \$'000	Foreign currency translation reserve \$'000	Share based payment reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2013	10,900	-	-	(1,423)	9,477
Profit for the half year	-	-	-	1,353	1,353
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,353	1,353
Issue of shares	-	-	-	-	-
Dividends	-	-	-	-	-
Other transfers	-	-	-	-	-
Balance at 31 December 2013	10,900	-	-	(70)	10,830
Balance at 1 July 2014	15,756	(13)	6	(157)	15,592
Profit for the half year	-	-	-	3,211	3,211
Other comprehensive income	-	(5)	-	-	(5)
Total comprehensive income	-	(5)	-	3,211	3,206
Issue of shares	23,899	-	-	-	23,899
Dividends	-	-	-	-	-
Share based payments	-	-	270	-	270
Balance at 31 December 2014	39,655	(18)	276	3,054	42,967

Consolidated Statement of Cash Flows

For the half year ended 31 December 2014

	2014 \$'000	Half-year 2013 \$'000
Cash flows from operating activities		
Cash receipts from customers	50,512	24,276
Cash payments to suppliers and employees	(60,862)	(22,596)
Cash generated from operations	(10,350)	1,680
Interest received	365	10
Dividends received	2	2
Interest paid	(32)	(115)
Income taxes paid	(289)	(142)
Net cash inflow (outflow) from operating activities	(10,304)	1,435
Cash flows from investing activities		
Proceeds sale property plant & equipment	-	2
Purchases of property plant & equipment	(142)	(77)
Purchases of intangibles	(115)	(138)
Net cash (outflow) inflow from investing activities	(257)	(213)
Cash flows from financing activities		
Proceeds from share issue	23,160	-
Repayment of borrowings	(130)	(3,181)
Proceeds from borrowings	40	63
Net cash inflow (outflow) from financing activities	23,070	(3,118)
Net increase / (decrease) in cash equivalents	12,509	(1,896)
Cash and cash equivalents at the beginning of the half-year	4,434	2,663
Cash and cash equivalents at end of the half-year	16,943	767

Notes to the consolidated financial statements

As at 31 December 2014

1 Basis of preparation of half year report

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim financial Reporting and the Corporations Act 2001*.

The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Bellamy's Australia Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Bellamy's Australia Limited was admitted to the ASX official list effective 5 August 2014, following the issue of 25,000,000 ordinary shares at \$1 each pursuant to a Prospectus and Initial Public Offer document dated 4 July 2014. The Initial Public Offering was undertaken using the existing group structure and no corporate reorganisation took place. As such, the financial report is a continuation of the existing Group and fair value adjustments have not been reflected in these financial statements. In the event that the transactions contemplated by the Initial Public Offering were required to be recorded at fair value, the net assets of the Group would be equal to the market capitalisation of \$95 million.

(a) New accounting standards and interpretations

The half year financial statements have been prepared on the basis of accounting policies consistent with those applied in the 30 June 2014 annual report, with the exception of the following new accounting standards and interpretations which became effective from 1 July 2014:

- i) AASB 2012-13 - *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*
- ii) *Annual Improvements 2010-2012 Cycle*
- iii) AASB 1031 - *Materiality*

Initial application of the above Standards and Interpretations has not affected any of the amounts recognised in the financial report.

Notes to the consolidated financial statements

Continued

2 Segment information

(a) Description of segments

Management have determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. Segment revenues are derived from the sale and distribution of organic branded food products to babies and toddlers. The Group has two reporting segments:

- i) Domestic - revenues derived within Australia.
- ii) Export - the export operations are Asia focused and include three wholly owned subsidiaries in Singapore, Hong Kong and China, incorporated during the 2014 financial year.

At this stage, there are no separate reportable divisions within the domestic and export divisions.

(b) Segment information provided to Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the half-year ended 31 December 2014 is as follows:

Half-year 2014	Domestic \$'000	Export \$'000	Group Total \$'000
Revenue from external customers	50,183	8,072	58,255
Other revenue	60	463	523
Total segment revenue	50,243	8,535	58,778
EBIT	2,995	1,415	4,410
Net financing revenue/(costs)	324	-	324
Profit before tax	3,319	1,415	4,734
Total segment assets - 31 December 2014	36,315	850	37,165
Total segment liabilities - 31 December 2014	10,829	230	11,059
Half-year 2013			
Revenue from external customers	17,926	6,203	24,129
Other revenue	119	3	122
Total segment revenue	18,045	6,206	24,251
EBIT	705	1,319	2,024
Net financing revenue/(costs)	(105)	-	(105)
Profit before tax	600	1,319	1,919
Total segment assets - 30 June 2014	17,188	712	17,900
Total segment liabilities - 30 June 2014	6,214	300	6,514

Notes to the consolidated financial statements

Continued

Reconciliation of segment assets and liabilities

31 December 2014	Domestic \$'000	Export \$'000	Group Total \$'000
Segment assets	36,315	850	37,165
Unallocated			
Cash and cash equivalents			16,943
Deferred tax assets (net)			481
Total assets			54,589
Segment liabilities	10,829	230	11,059
Unallocated			
Provisions (employee benefits)			248
Borrowings			315
Total liabilities			11,622

30 June 2014

Segment assets	17,188	712	17,900
Unallocated			
Cash and cash equivalents			4,434
Current tax asset			125
Deferred tax assets (net)			186
Total assets			22,645
Segment liabilities	6,214	300	6,514
Unallocated			
Provisions (employee benefits)			143
Borrowings			396
Total liabilities			7,053

Sales to China represent 80% of the total export sales for the half year.

The Board of Directors assess performance of the operating segments based on EBIT.

The amounts provided to the Board of Directors with respect to total assets and liabilities are measured in a manner consistent with that in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Notes to the consolidated financial statements

Continued

3 Profit for the half-year

	Half-year	
	2014 \$'000	2013 \$'000

Profit for the half-year includes the following items that are unusual because of their nature, size or incidence:

Expenses

Adjustment of inventory to Net Realisable Value (NRV)	738	-
IPO transaction costs	267	-

4 Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2014 is 32.0%, compared to 29.5% for the six months ended 31 December 2013.

5 Equity securities issued

Issue of ordinary shares during the half year

Issue of ordinary shares - public float*
Exercise of options issued under the Bellamy's Australia Limited employee option plan

	Half-year		Half-year	
	2014 Shares	2013 Shares	2014 \$	2013 \$
Issue of ordinary shares - public float*	25,000,000	-	25,000,000	-
Exercise of options issued under the Bellamy's Australia Limited employee option plan	-	-	-	-
	<u>25,000,000</u>	<u>-</u>	<u>25,000,000</u>	<u>-</u>

* Bellamy's Australia Limited (ASX: BAL) was admitted to the ASX official list effective 5 August 2014, following the issue of 25,000,000 ordinary shares at \$1.00 each pursuant to a Prospectus and Initial Public Offer document dated 4 July 2014. The net proceeds from the share issue was \$23,899,000 for the half year after taking into account capital raising costs of \$1,101,000 (net of tax). The number of ordinary shares on issue is now 95,000,392.

As at 31 December 2014, executives and employees held options over 2,200,000 (2013: nil) ordinary shares of the Company.

No new options have been issued during the half-year to 31 December 2014.

6 Dividends

Ordinary Shares
Dividends provided for or paid during the half-year

	Half-year	
	2014 \$	2013 \$
Dividends provided for or paid during the half-year	-	-

No dividends have been provided for or paid during the half-year.

Notes to the consolidated financial statements

Continued

7 Earnings per share

Basic and diluted earnings per share (cents)
Diluted earnings per share (cents)

2014	Half-year	2013
3.6		2.1
3.6		2.1

There were no potential dilutive ordinary shares outstanding.

Comparative results for earnings per share have been restated to reflect the capital reconstruction approved by shareholders on 10 June 2014, whereby each ordinary share was split into 6.5224 ordinary shares.

8 Contingencies

As at the date of this report the Group is not aware of any reportable contingent liabilities or contingent assets.

9 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No Director has entered in to a material contract with the Company or Group during the half-year and there were no material contracts involving Director's interests existing at period end.

10 Events occurring after the reporting period


There are no matters to report subsequent to the end of the half-year.

Directors' Declaration

In the directors' opinion:

- a) The financial statements and notes set out on pages 11 to 19 are in accordance with the *Corporations Act 2001*, including:
 - I. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - II. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date and
- b) there are reasonable grounds to believe that Bellamy's Australia Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Robert G. Woolley
CHAIRMAN

Launceston 17 February 2015



Ian A. Urquhart
DIRECTOR

Independent Auditor's Review



Independent auditor's review report to the members of Bellamy's Australia Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bellamy's Australia Limited (the Company), which comprises the consolidated balance sheet as at 31 December 2014, the statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Bellamy's Australia Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

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 (including the Australian Accounting Interpretations) 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 Australian 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 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 2014 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 Bellamy's Australia 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 that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Independent Auditor's Review

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 Bellamy's Australia 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 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



PricewaterhouseCoopers



Alison Tait
Partner

Melbourne
17 February 2015



BELLAMY'S

Bellamy's Australia Limited

Offices and Officers

Principal registered office & Principal administration office

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Launceston TAS 7250

T: (03) 6332 9200
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Company secretary

Mr Brian Green

Location of share registry

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