



Clover Corporation Limited

ABN: 85 003 622 866

ASX Appendix 4D

Half Year Financial Report

31 December 2008

Lodged with the ASX under Listing Rule 4.2A

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Reporting Period *(Appendix 4D item 1)*

The reporting period is the half-year ended 31 December 2008 with the previous corresponding period to 31 December 2007.

Results for Announcement to the Market

(Appendix 4D item 2)

		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities <i>(Appendix 4D item 2.1)</i>	Down	-3.9%	(386)	to	9,603
Profit/(loss) from ordinary activities after tax attributable to members <i>(Appendix 4D item 2.2)</i>	Up	134.8%	924	to	1,609
Net profit/(loss) for the period attributable to members <i>(Appendix 4D item 2.3)</i>	Up	134.8%	924	to	1,609

Dividends/distributions <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend – 30 June 2008	1 cent	1 cent
Interim dividend – 31 December 2008	Nil	Nil

Record date for determining entitlements to the dividend: N/A
(Appendix 4D item 2.5)

Explanation of Operating Results *(Appendix 4D item 2.6)*

For a further explanation of the half-year's operating result, please refer to the Directors' Report in the financial report for the half year ended 31 December 2008.

NTA Backing *(Appendix 4D item 3)*

	31/12/2008	31/12/2007
Net tangible asset backing per ordinary share after tax	14.03 cents	11.95 cents

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

Disposed entities

No entity was disposed of during the half-year ended 31 December 2008.

Acquired entities

No entity was acquired during the half-year ended 31 December 2008.

Additional dividend/distribution information *(Appendix 4D item 5)*

A fully franked final dividend of 1 cent per share for the year ended 30 June 2008 was paid during the half year period ended 31 December 2008. No dividend or distribution was declared for the half year ended 31 December 2008.

Dividend reinvestment plans (“DRP”) *(Appendix 4D item 6)*

There are no dividends or distribution reinvestment plans as at 31 December 2008.

Associates and Joint Venture entities *(Appendix 4D item 7)*

Details of shares and results in associates:

Associates	Interest in Associates	31-Dec-08	31-Dec-07
Future Food Ingredients Pty Limited	50%		
- share of net assets		3,408	3,712
- share of net loss		(195)	(160)
- loan from Clover Corporation Ltd		1,618	1,618

Foreign Accounting Standards *(Appendix 4D item 8)*

N/A

Independent Review Report *(Appendix 4D item 9)*

Refer to the attached Clover Corporation Limited 31 December 2008 Half-Year Report for the Independent Review Report to the Members of Clover Corporation Limited

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CLOVER CORPORATION
LIMITED

ABN 85 003 622 866

REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

CLOVER CORPORATION LIMITED
ABN 85 003 622 866

CORPORATE DIRECTORY

Directors

Peter R. Robinson	Non-Executive Director & Chairman
David E. Wills	Non-Executive Director
Guy H. Drummond	Non-Executive Director
Cheryl L. Hayman	Non-Executive Director
Dr Marilyn J. Sleight	Non-Executive Director
Dr Ian L. Brown	CEO & Managing Director

Secretary

Ian D. Bloodworth

Registered Office

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Auditors

Lawler Partners
Level 9
1 O'Connell Street
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney 2000

Australian Stock Exchange Code

Ordinary Shares CLV

Website

<http://www.clovercorp.com.au>

DIRECTORS' REPORT

The directors of Clover Corporation Limited (the Company) present the following report for the six months to 31 December 2008.

Directors

The names of directors who held office during the whole of the half-year and up to the date of this report are as follows unless otherwise stated:

Peter R. Robinson
David E. Wills
Guy H. Drummond
Ian L. Brown
Cheryl L. Hayman (appointed 9 July 2008)
Marilyn J. Sleigh (appointed 9 July 2008)

Review of Operations

Clover Corporation Limited ("Clover") has achieved a net profit in the first half of July 2008 to December 2008 of \$1,609,000 (2007: \$685,000) an increase of 135%. The results were affected by:

- Increased focus on the sale of value added products.
- A small decline in revenue (-3.9%) during the period due in part to the timing of despatches in the month of December and a slow down in sales into Asia during the second quarter. Sales amounting to \$1.4 million (2007: \$0.987 million) have been deferred to January 2009.
- Strict control of expenditure in this time of economic uncertainty.
- Share of losses \$195,000 in the soy flour joint venture with Future Food Ingredients Pty Limited.
- Foreign exchange gains recognised on intercompany balances and forward exchange contracts of \$984,000.
- The acquisition of the remaining 30% equity in Nu-Mega Ingredients Pty Limited ('Nu-Mega') on 30 November 2007. The half year ended 31 December 2008 is the first full reporting period during which Nu-Mega was owned 100% by Clover.

DIRECTORS' REPORT (Continued)

Significant activities carried out during the half year include;

- A significant international company has been identified to assist in expanding the sales, marketing and distribution of Nu-Mega's products in the America's and Europe. Formal agreements are being finalised.
- Researchers from the University of Adelaide reported in the Journal of the American Medical Association the results obtained from the large DINO study, indicating that the consumption of Nu-Mega tuna oil by premature babies resulted in improvements in their cognitive and physical development.
- Work has continued on the development of new products utilising Clover's microencapsulation technology, with a focus on the infant formula market.
- Review of regulatory requirements for the importation of fish oil products into Indonesia and the EC was reported at the Annual General meeting in November 2008. Since that time, Clover has worked closely with other companies and regulatory authorities in Indonesia to allay concerns on safety aspects of fish oil-derived products, while requirements for the EC are still being clarified.

The focus in Future Foods Ingredients Pty Ltd, Clover's Joint Venture soy flour manufacturing operations, during the first half of FY09 has been on the preparation and evaluation of Nu-Soya and enzyme active ingredients developed in response to customer and market needs. Increased commercial activity has resulted in sales of \$1.7 million (2008: \$1.4 million) in the first half of the financial year. This activity has focused on enzyme active ingredients while market development of Nu-Soya products continues.

Outlook

Sales for the first two months of the second half of FY09 have been encouraging. Any decisions regarding dividends will be dependent upon the full year results.

For more information please refer to;

www.clovercorp.com.au

www.nu-mega.com

www.dha-in-mind.com

www.omega-3centre.com

www.goedomega3.com

DIRECTORS' REPORT (Continued)

Rounding of Amounts

The economic entity has applied the relief available to it in ASIC Class Order 98/0100 and accordingly amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditors Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2008 has been received and is on the following page.

This report is signed in accordance with a resolution of the directors.



Peter Robinson
Director
Sydney

Date: 25 February 2009

**Clover Corporation Limited
Half Year ended 31 December 2008**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

TO THE DIRECTORS OF CLOVER CORPORATION LIMITED

I declare that, to the best of my knowledge and beliefs, during the half year ended 31 December 2008 there have been:

- i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Lawler Partners

LAWLER PARTNERS
Chartered Accountants

Sydney

Date: 25 February 2009

Clayton Hickey

CLAYTON HICKEY
Partner

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Clover Corporation Limited
Half Year ended 31 December 2008

INCOME STATEMENT
FOR THE HALF YEAR TO 31 DECEMBER 2008

	Notes	Half Year to 31-Dec-08 \$'000	31-Dec-07 \$'000
Revenue	2	9,091	9,438
Cost of goods sold		(5,474)	(6,216)
Gross profit		3,617	3,222
Other income	2	512	551
Sales and marketing expenses		(879)	(1,032)
Administration and corporate expenses		(757)	(1,035)
Research and development expenses		(234)	(377)
Share of net loss of associate accounted for using equity accounting	6	(195)	(160)
Profit before income tax		2,064	1,169
Income tax expense		(455)	(244)
Profit for the period		1,609	925
Profit attributable to minority equity interest		-	(240)
Profit attributable to members of the parent entity		1,609	685
Earnings per share (EPS)			
Basic earnings per share (cents per share)		0.97	0.41
Diluted earnings per share (cents per share)		0.97	0.41

This Income Statement should be read in conjunction with the accompanying notes.

Clover Corporation Limited
Half Year ended 31 December 2008

BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	As at	
		31-Dec-08 \$'000	30-Jun-08 \$'000
Current Assets			
Cash and cash equivalents		9,465	10,759
Trade and other receivables		3,259	5,280
Inventories		4,668	3,795
Current tax receivable		37	242
Financial Assets		191	-
Other current assets		1,084	191
		18,704	20,267
Non-Current Assets			
Trade and other receivables		1,618	1,618
Financial assets		5	5
Investments accounted for using the equity method		3,319	3,514
Property, plant and equipment		2,327	2,146
Deferred tax assets		1,954	1,939
Intangible assets		1,907	1,979
		11,130	11,201
Total Assets		29,834	31,468
Current Liabilities			
Trade and other payables		2,443	3,666
Current tax liabilities		-	247
Short-term provisions		313	237
		2,756	4,150
Non-Current Liabilities			
Deferred tax liabilities		257	235
Long-term provisions		45	126
		302	361
Total Liabilities		3,058	4,511
Net Assets		26,776	26,957
Equity			
Issued Capital	4	32,920	32,920
Reserves		(47)	91
Accumulated losses	5	(6,097)	(6,054)
Total Equity		26,776	26,957

This Balance Sheet should be read in conjunction with the accompanying notes.

Clover Corporation Limited
Half Year ended 31 December 2008

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR TO 31 DECEMBER 2008

Consolidated	Issued Capital \$'000	Retained Profits/ (Accumulated Losses) \$'000	Minority Equity Interest \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
Balance at 1 July 2007	32,920	(10,189)	937	-	23,668
Profit for the period	-	685	240	-	925
Dividend Paid	-	-	(1,042)	-	(1,042)
Decrease in minority interest	-	-	(135)	-	(135)
Foreign Currency Translation Reserve	-	-	-	-	-
Balance at 31 December 2007	32,920	(9,504)	-	-	23,416
Balance at 1 July 2008	32,920	(6,054)	-	91	26,957
Profit for the period	-	1,609	-	-	1,609
Dividend Paid	-	(1,652)	-	-	(1,652)
Decrease in minority interest	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	(138)	(138)
Balance at 31 December 2008	32,920	(6,097)	-	(47)	26,776

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Clover Corporation Limited
Half Year ended 31 December 2008

CASH FLOW STATEMENT
FOR THE HALF YEAR TO 31 DECEMBER 2008

	31-Dec-08	31-Dec-07
	\$ '000	\$ '000
Cash flows from operating activities		
Receipts from customers	12,101	11,305
Payments to suppliers and employees	(11,326)	(9,806)
Interest received	333	361
Income tax paid	(489)	(392)
Net cash inflow from operating activities	619	1,468
Cash flows from investing activities		
Purchases of plant and equipment	(244)	(86)
Purchases of patents and trademarks	(17)	-
Payment for investments	-	(2,041)
Net cash outflow from investing activities	(261)	(2,127)
Cash flows from financing activities		
Dividends paid	(1,652)	-
Dividends paid by related party	-	(1,042)
Net cash outflow from financing activities	(1,652)	(1,042)
Net decrease in cash held	(1,294)	(1,701)
Cash at the beginning of the period	10,759	10,960
Cash at the end of the period	9,465	9,259

This Cash Flow Statement should be read in conjunction with the accompanying notes.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2008

1. Significant accounting policies

Statement of Compliance

This financial report for the half-year ended 31 December 2008 is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The half-year financial report does not include notes of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the income statement, balance sheet and cash flow statement of Clover Corporation Limited and its controlled entities as the full financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Clover Corporation Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

The economic entity has applied the relief available to it in ASIC Class Order 98/0100 and accordingly amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Subsequent to the release of the 30 June 2008 Annual Report, and prior to informing the Australian Tax Office of its intentions, Clover Corporation Limited undertook a review of its decision to form a tax consolidated group with its wholly owned subsidiary as at 1 December 2007. As a result of this review, Clover Corporation Limited will no longer form a tax consolidated group. The re-estimation of the tax position has not given rise to any material changes to the financial statements of Clover Corporation Limited.

With the exception of the instance noted above, the accounting policies and methods of computation have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2008 annual report and the corresponding interim reporting period unless otherwise stated.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2008 (continued)**

2. Profit before income tax expense

Profit before income tax expense includes the following items of income and expense which, together with other disclosures in this report are relevant in explaining the financial performance for the half-year:

	Half-year ended 31 Dec 2008 \$'000	Half-year ended 31 Dec 2007 \$'000
Revenue		
Sales of goods	9,091	9,438
Government grant	-	75
Interest revenue	406	456
Other	106	20
Total Revenue	9,603	9,989
Expenses		
Cost of goods sold	(5,474)	(6,216)
Depreciation and amortisation expenses	(152)	(43)

3. Events subsequent to reporting date

No events have occurred subsequent to balance date which would materially affect the half-year financial report.

4. Contributed equity

	Half-year ended 31 Dec 2008 \$'000	Half-year ended 31 Dec 2007 \$'000
Issued and paid up capital		
165,181,696 (2007: 165,181,696) ordinary shares, fully paid	32,920	32,920
Movements in ordinary shares capital:		
Balance at the beginning of the reporting period	32,920	32,920
Shares issued resulting from share options exercised during the period	-	-
Balance at the end of the reporting period	32,920	32,920

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2008 (continued)

5. Accumulated losses

	Half-year ended 31 Dec 2008 \$'000	Half-year ended 31 Dec 2007 \$'000
Accumulated losses at the beginning of the period	(6,054)	(10,189)
Net profit attributable to members	1,609	685
Dividends provided for or paid	(1,652)	-
Accumulated losses at the end of the financial period	(6,097)	(9,504)

6. Associates

	Interest in Associates	31-Dec-08 \$'000	31-Dec-07 \$'000
Future Food Ingredients Pty Limited	50%		
- share of net assets		3,408	3,712
- share of net loss		(195)	(160)
- loan from Clover Corporation Ltd		1,618	1,618

The working capital loan from Clover Corporation is charged 9% interest per annum and is payable when Future Food Ingredients Pty Ltd has the surplus cash flows.

7. Related Party Transactions

Clover Corporation Limited is the ultimate parent entity of the economic entity.

Other related parties and Director- related entities with whom the economic entity continues to transact are:

- Food Spectrum Pty Limited – reimbursements for labour, travel and other expenses for services provided (2007 only)
- Nutraspec Pty Limited – management service fees for management of the Joint Venture (2007 only)
- Corporate & Administrative Services Pty Limited – accounting fees

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2008 (continued)**

8. Segment information

Primary Reporting – Business Segments

	Soy Production		Tuna Oil and DHA product refinement, development and supply		Investment/Treasury		Economic Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue								
Sales Revenue	-	-	9,091	9,438	-	-	9,091	9,438
Share of net profits/(losses) of equity accounted associate	(195)	(160)	-	-	-	-	-	-
Other revenue	-	-	22	6	406	456	428	462
Total segment revenue	(195)	(160)	9,113	9,444	406	456	9,519	9,900
Total revenue consolidated							9,519	9,900
Results								
Segment result	(195)	(160)	1,769	784	406	456	1,980	1,080
Net of unallocated revenue							84	89
Profit from ordinary activities							2,064	1,169
Income tax expense							(455)	(244)
Profit for the half year							1,609	925
Profit attributable to minority equity interest							-	(240)
Profit attributable to members of the parent entity							1,609	685

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Clover Corporation Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity as set out in this financial report:

1. give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date; and
2. comply with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Peter R Robinson
Director

Sydney
25 February 2009

**Clover Corporation Limited
Half Year ended 31 December 2008**

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF
CLOVER CORPORATION LIMITED**

STATEMENT

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 Clover Corporation Limited is not in accordance with:

(a) the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

SCOPE

The financial report and directors' responsibility

The financial report comprises the condensed consolidated income statement, condensed consolidated balance sheet, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and notes to the condensed consolidated financial statements, and the directors' declaration for Clover Corporation Limited for the half-year ended 31 December 2008. The consolidated entity comprises both Clover Corporation Limited (the company) and the entities it controlled during that half-year.

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INDEPENDENT REVIEW REPORT (Continued)

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for accounting policies and accounting estimates inherent in the financial report.

Review approach

We have performed an independent review in order for the company to lodge the financial report with the Australian Securities and Investments Commission and the Australian Stock Exchange Limited. Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described, anything has come to our attention that would indicate the financial report does not present fairly, in accordance with the Corporations Act 2001, Accounting Standard AASB 134; Interim Financial Reporting and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the consolidated entity's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our statement on the basis of the review procedures performed, which included:

- (a) inquiries of company personnel
- (b) analytical procedures applied to data

When this review report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

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INDEPENDENT REVIEW REPORT (Continued)

While we consider the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of the Australian professional ethical pronouncements and the Corporations Act 2001.

Lawler Partners

LAWLER PARTNERS
Chartered Accountants

Sydney

Date: 25 February 2009

Clayton Hickey

CLAYTON HICKEY
Partner