



**Clover Corporation Limited**  
ABN 85 003 622 866

ASX ANNOUNCEMENT

10 October 2013

## **MILK POWDER CONTAMINATION AFFECTS CLOVER SALES IN THE FIRST HALF FY2014**

As reported in Clover Corporation Limited's (Clover) release to the ASX on the 18 September 2013 there was an incident involving contaminated milk powder in a manufacturing facility in New Zealand in August 2013. The contamination was a result of a defective manufacturing process and Clover's products were not involved in the incident. Milk powder is, however, an important ingredient in most infant formula preparations.

As a consequence of extensive media coverage and precautionary product recalls in several countries, including New Zealand and China, the heightened concern about the safety of infant formula has resulted in a decline in imported infant formula sales in some markets.

Clover has a diversified sales strategy and supplies specialised encapsulated lipid ingredients to both local and international infant formula manufacturing companies. As a result of these market events, however, demand for Clover's ingredients has been adversely affected and as expected, sales have declined.

Clover now expects that sales revenue in the first half of the financial year 2014 will be approximately 20% lower than the sales in the prior corresponding period.

The Company expects this disruption to sales to be temporary. The recovery in sales revenue in the second half of the financial year will be dependent on the length of time it takes our customers to return to normal trading conditions.

Clover will ensure the market is informed of any material developments.

### **About Clover Corporation:**

Clover Corporation Limited seeks to identify, develop and commercialize functional and nutritional ingredients in the infant formula and nutraceutical market. Its wholly owned subsidiary, Nu-Mega Ingredients Pty. Ltd., is a world class manufacturer and supplier of HiDHA omega-3 tuna oil and Driphorm microencapsulated nutritionally important lipid ingredients.

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