



Clover Corporation Limited

ABN 85 003 622 866

ASX ANNOUNCEMENT 23 March 2016

Clover Corp announces results for 1H16 -new customers drive growth in sales and profits

- Total revenue in 1H FY2016 of \$19.9m (1H 2015: \$16.1m) an increase of 23.9%.
- Net Profit after Tax 1H FY2016 \$0.8m (1H 2015: \$0.7m) an increase of 12.6%
- Improved selling conditions reflect increased demand from new and existing customers
- Capital investment delivers increased manufacturing capability
- Customer demand expected to remain strong for the second half of 2016
- A strong cash position \$7m allows for further investment in operations
- Clover declares an interim fully franked dividend of 0.25 cent per share

Clover Corporation Ltd (ASX: CLV) today released its results for the half year ended 31 January, 2016. Revenue for the half year was \$19.9 million (2015: \$16.1 million), an increase of 23.9% on the prior year. Whilst margin pressure continues, the business has delivered an improved Net Profit after Tax for the half year ended 31 January 2016 of \$0.8 million (2015: \$0.7 million), an increase of 12.6%.

Clover has benefited from focused business development activity adding new customers and a recovery in traditional business, reflecting improved consumer confidence in the global Infant Formula (IF) market.

CEO, Peter Davey said "It is pleasing to see a significant improvement in the revenue line, with demand growing in China for overseas IF product. We have seen a promising recovery across major accounts with New Zealand and Australia benefiting from high demand. The level of inquiry and new customers is excellent, and we expect that demand will remain strong for the second half of FY16".

The Company maintains a strong balance sheet, recording a positive cash balance of \$7 million at the end of the half year, which positions Clover well for further business development.

Dividend

Based on the company's cash position Directors have declared a fully franked interim dividend for 1H16 of 0.25 cent per share. Relevant dates for the dividend are as follows;

Ex-dividend Date: Monday 11 April 2016

Record Date: Tuesday 12 April 2016

Payment Date: Monday 2 May 2016

Shareholders with a registered address in Australia or New Zealand should ensure the share registry has their correct banking details, as the dividend will only be paid to these shareholders via direct credit.

Market developments

The IF market continues to provide the key customer base for Clover's encapsulated products, with encouraging signs of growth in the important Chinese market. In addition, new legislation is expected in the European Union (EU) requiring all EU Infant Formula products to contain DHA with a minimum of 20mg/kcal up to 50mg/kcal of DHA for 0-12 month formula by the year 2020. Clover's major product Nu-Mega Driphorm® powder, utilising CSIRO's MicroMax technology, serves this requirement and expansion of opportunities in the EU market can be expected.

Enhanced manufacturing capability

Clover is focused on broadening its market presence, and has product development and trials in progress with food manufacturers. Samples from early production runs from the Waikato (NZ) spray drying facility have been supplied to customers to undertake the often-lengthy shelf testing of products before new food products can be launched.

Preterm Product PremNeo

Clover licensed its preterm product to PremNeo Pharmaceuticals Pty Limited in October 2015 in order to maximize its market reach and potential. The product remains in clinical trials which do not conclude until all children using the product are released from hospital, with results to be available after completion of the extensive data analysis required.

Shareholder Communications

Clover has launched a newsletter called "The Good Oil" which provides updates on key projects and market information. The newsletter can be accessed via the Clover website at www.clovercorp.com.au

For further information, please contact:

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About Clover Corporation Limited

Clover Corporation is an Australian company listed on the Australian Stock Exchange (ASX:CLV). Clover has evolved from being a research and development, manufacturing and marketing company to one concentrating on forming strategic relationships focused on technology, new product development and commercialisation.

Clover's superior microencapsulation technology enables nutritional oils, such as tuna, fish, algal and fungal oils, to be added to infant formula, foods and beverages. Developed through extensive research and development, our proprietary technologies protect those sensitive oils from oxidation, allowing them to be incorporated into a range of applications. All of our ingredients reach the highest standards of purity, stability and performance, allowing customers to deliver and maximise nutritional benefits to consumers of their products.

For more information about Clover visit www.clovercorp.com.au