



Investor Presentation March 2012

NEXT GENERATION NUTRITION

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MANAGING FOR GROWTH



- **Who is Clover**
- **What happened in the past year**
- **Clover's competitive position and challenges**
- **Clover's strategy for the current year**
- **The year so far**

STRATEGIC VISION



Clover Corporation seeks to:

- **Identify, develop and commercialise speciality functional and nutritional ingredients in the growing “nutraceutical” market**
- **Develop and commercialise leading edge proprietary and patented delivery technology including encapsulation**
- **Work with innovative and multinational industry partners to leverage core technical and manufacturing strengths to innovate and launch new products and expand in core markets**
- **While retaining a conservative financial base, deliver growth on earnings and dividends**

COMPANY DESCRIPTION



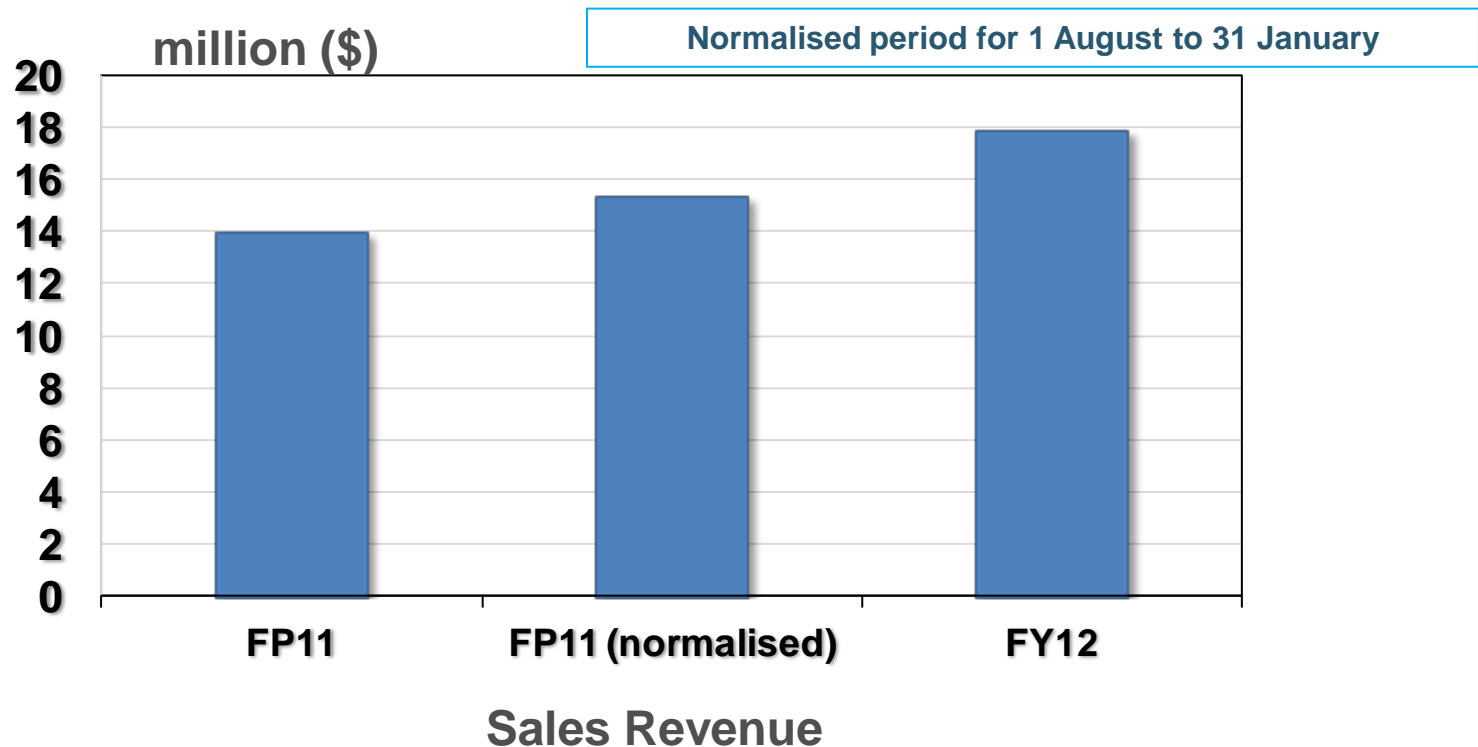
- **Focus on two business units:**
 - Clover Corporation focuses on innovation & obtaining the optimal return from proprietary technology
 - Nu-Mega Ingredients commercialises proprietary ingredient delivery and encapsulation technology in targeted value added markets
- **Work with customers to identify, design, develop, test & launch new products**
- **Generate sales directly and through specialist distribution partners**
- **Maintain strong links with technical & academic agencies including CSIRO**
- **Employ 33 staff, including 4 PhD's, with offices in Sydney, Melbourne, Brisbane and UK**

TRADING UPDATE & OUTLOOK FP2012



- **27%** increase in sales revenue for the first half FY2012
 - Increased sales in infant formula applications.
 - Featuring Asia & Oceania.
 - Market is competitive for Clover and its customers
- Continued expansion in growing markets such as China
- 3-year agreement supply with multi-national infant formula manufacturer
- Customer evaluation of new products are underway
- Expansion of innovation program with CSIRO Australian Growth Partnership program (\$1.2 million over 3 years)
- Upgrade of the Altona manufacturing facility (\$1.5 million).
- Generating positive cash flow
- Positive outlook for the second half of FY2012

SALES REVENUE +27.8% IN THE FIRST HALF FY2012



* Normalised results are non-statutory measures and represent results from continuing operations. Expenses totalling \$970,000 in respect of the joint venture, Future Food Ingredients Pty. Limited have been excluded from the normalised results.

CLOVER HALF YEAR RESULTS

ended 31 January 2012



	4D Reported 31 Jan 2012	4D Normalised* 31 Jan 2012	4D Reported 31 Dec 2010	PCP 1 Aug'10 – 31 Jan '11
Revenue	\$17.93 million	\$17.93 million	\$14.03 million	\$15.395 million
Profit before tax	\$2.80 million	\$3.77 million	\$2.68 million	\$3.29 million
Depreciation/Amort	(\$0.257 million)	(\$0.257 million)	(\$0.121 million)	(\$0.117 million)
Interest	\$0.154 million	\$0.154 million	\$0.300 million	\$0.276 million
EBITDA	\$2.90 million	\$3.87 million	\$2.50 million	\$3.13 million
EBIT	\$2.64 million	\$3.61 million	\$2.38 million	\$3.01 million
Tax	(\$1.10 million)	(\$1.10 million)	(\$0.73 million)	(\$0.99 million)
NPAT	\$1.70 million	\$2.67 million	\$1.95 million	\$2.30 million
EPS	1.03	1.62	1.18	1.39
ROE (annualised)	12.4%	19.5%	13.9%	17.4%

* Normalised results are non-statutory measures and represent results from continuing operations. Expenses totalling \$970,000 in respect of the joint venture, Future Food Ingredients Pty. Limited, have been excluded from the normalised results.

KEY COMPANY DEVELOPMENTS



Clover Corporation

- **1988** Private Co.
- **1999** – ASX listed
- JV with Heinz for tuna oil processing
- Research in encapsulation

2002-2007

- Clover Corp JV with Food Spectrum = Nu-Mega Ingredients
- Uses encapsulated tuna oil in foods & infant formula
- Focus on Asian and European markets
- **2004** – Clover Corp JV to form FFI for proprietary soy ingredients

2007-2011

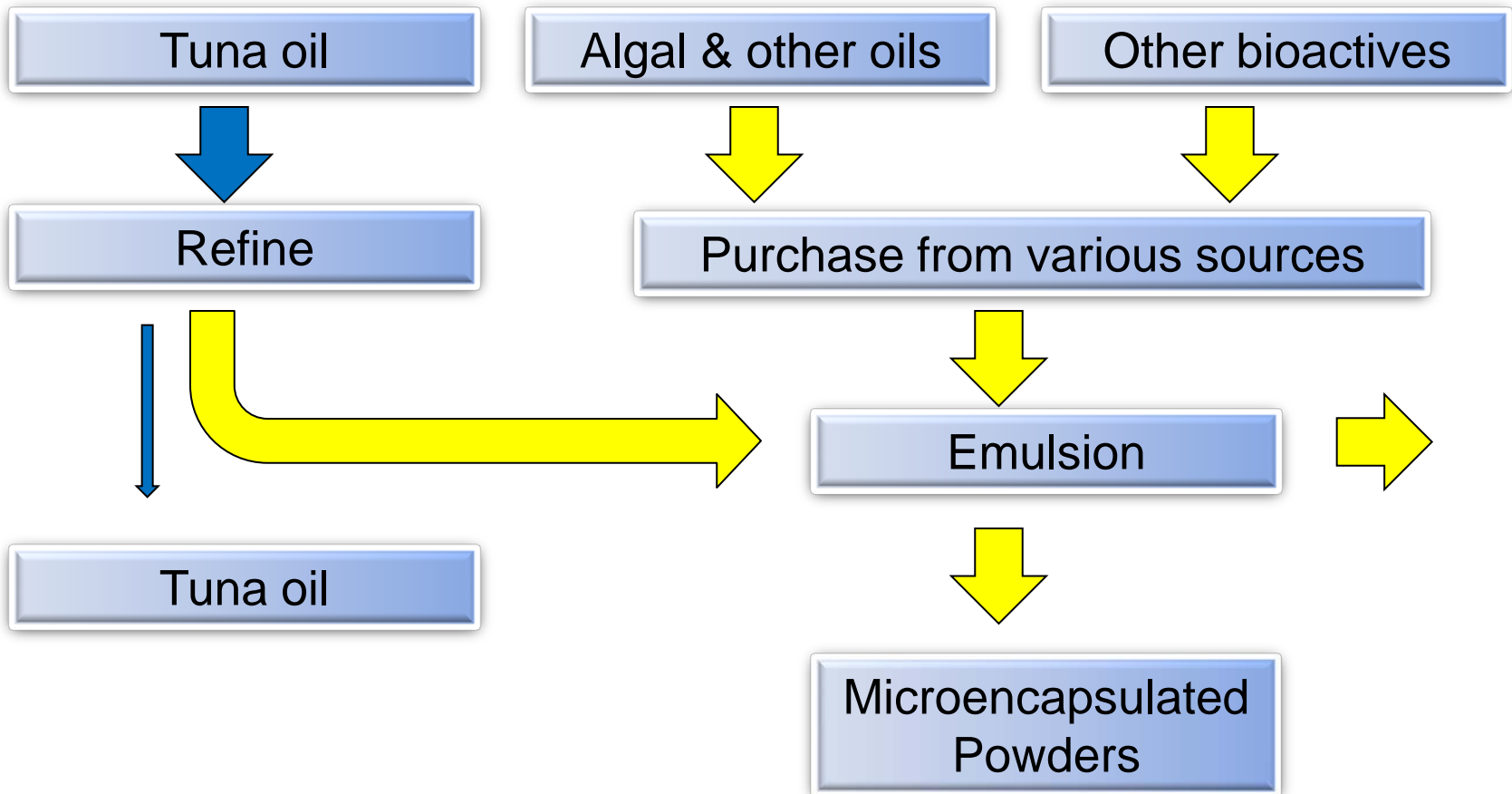
- Nu-Mega Ingredients 100% subsidiary of Clover Corporation
- **2008** - New Innovation & Sales facility in Brisbane
- Development of the innovations program
- Multi-year supply contracts with infant formula companies
- **2009** - Frost & Sullivan Ingredient Company of the Year
- **2011** – AGP NPD program with CSIRO



OVERVIEW OF NU-MEGA PRODUCTS



Maximize the use of proprietary bioactive delivery technology



SUMMARY OF FINANCIAL PERFORMANCE

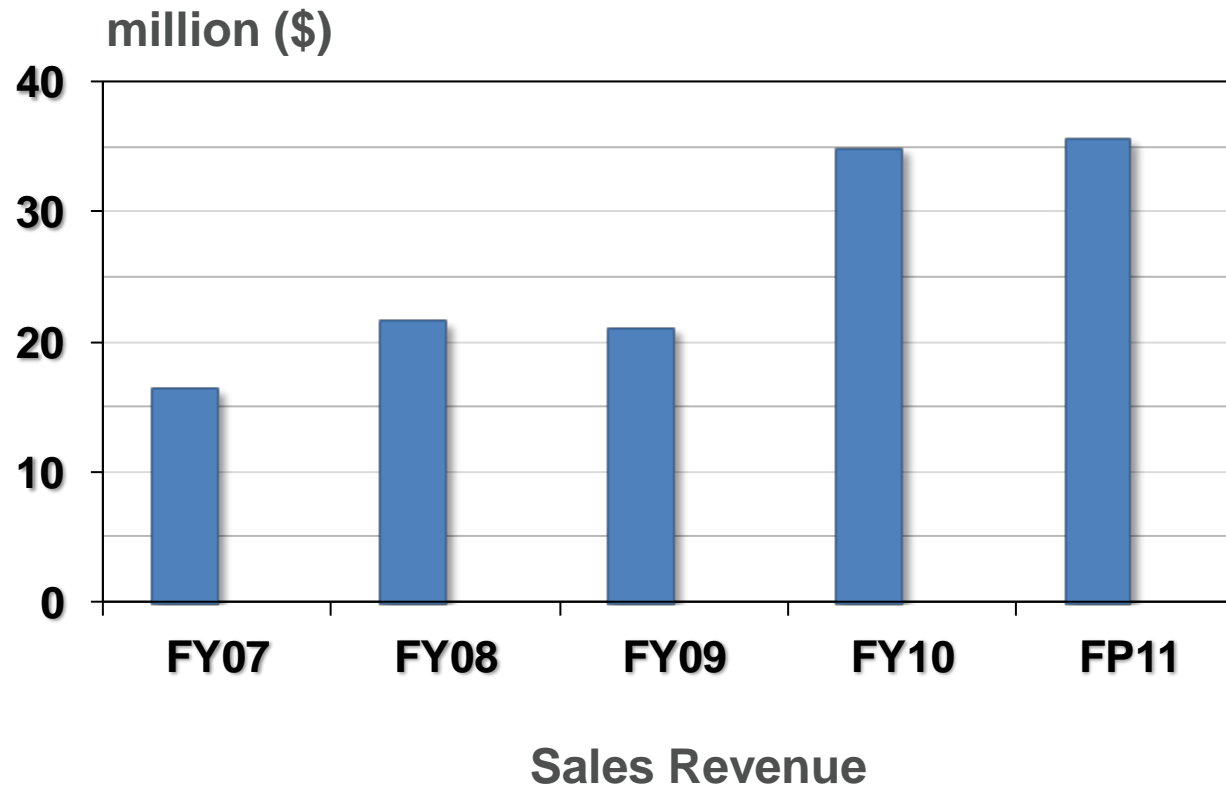


	FP2011 (13 months)	FY2010	FY2009	FY2008	FY2007
Shares on issue	165.2 m	165.2 m	165.2 m	165.2 m	165.2 m
Total contributed equity	\$32.9 m	\$32.9 m	\$28.3 m	\$27.0 m	\$23.7 m
Cash total	\$7.4 m	\$12.2 m	\$9.2 m	\$10.8 m	\$11.0 m
Sales Revenue	\$35.6 m	\$34.9 m	\$21.1 m	\$21.6 m	\$16.5 m
Total Revenue	\$36.0 m	\$35.9 m	\$22.9 m	\$22.9 m	\$17.7 m
Profit before tax	\$6.1 m	\$1.6 m	\$4.5 m	\$3.0 m	\$1.3 m
Profit after tax	\$4.60 m	(\$0.97) m	\$3.1 m	\$4.1 m	\$0.6 m
EPS (cents)	2.70 cents	(0.59) cents	1.87 cents	2.5 cents	0.38 cents
Dividend	1.50 cents/share	1.25 cents/share	1.00 cent/share	1.00 cent/share	

HISTORICAL SALES REVENUE GROWTH



CAGR (over 4 years) = 21% p.a.



FP11 represents 13 months

CONTINUED FOCUS ON GROWTH MARKETS & VALUE ADDED PRODUCTS



- Nu-Mega activities in the infant formula area has resulted in increases in sales during FP2011 of;
 - Americas +32%
 - Europe +65%
- In FY2012 sales increasing, particularly in Asia & Oceania
- Currently in negotiations with alternative distributors for the development of the functional food opportunities in the Americas and Europe

FP2011 Geographic

Australia/New Zealand	16%
Asia	73%
Europe	7%
Americas	4%

FP2011 Products

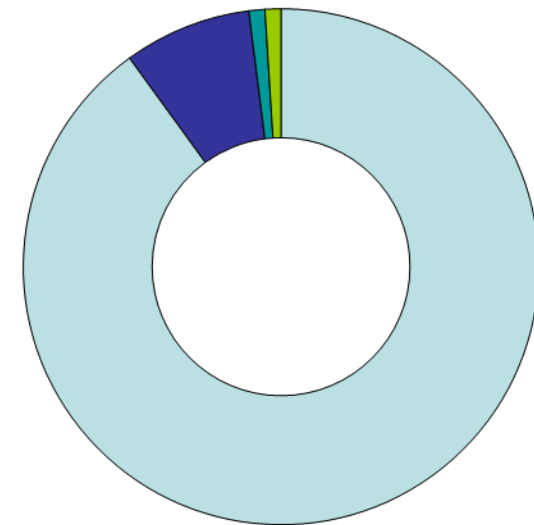
Oil	6%
Encapsulated Powders	93%
Soy	1%

MULTIPLE GROWTH DRIVERS & DELIVERY



- **Maintaining a position at the forefront of technical development for bioactive delivery and encapsulation technology**
 - *4 patent applications filed in FP2011*
- **Working with our customers to develop & provide market relevant proprietary products in a timely manner**
 - *Multi-year supply agreements with major infant formula companies in FY2012*
- **Focus on growing and emerging markets**
 - *China sales +60% increase in sales revenue in FP2011*
- **Identifying value added applications**
 - *Infant formula (CAGR +12%)**

Product mix in FP2011



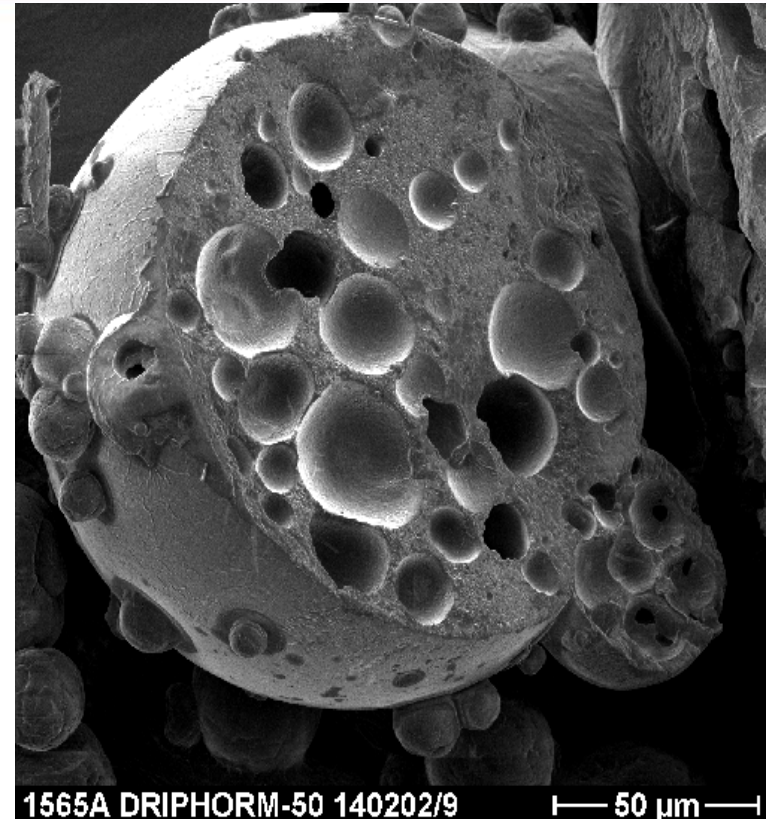
■ Infant formula ■ Food ■ Supplement ■ Animal feed

* Frost & Sullivan Report , 2011

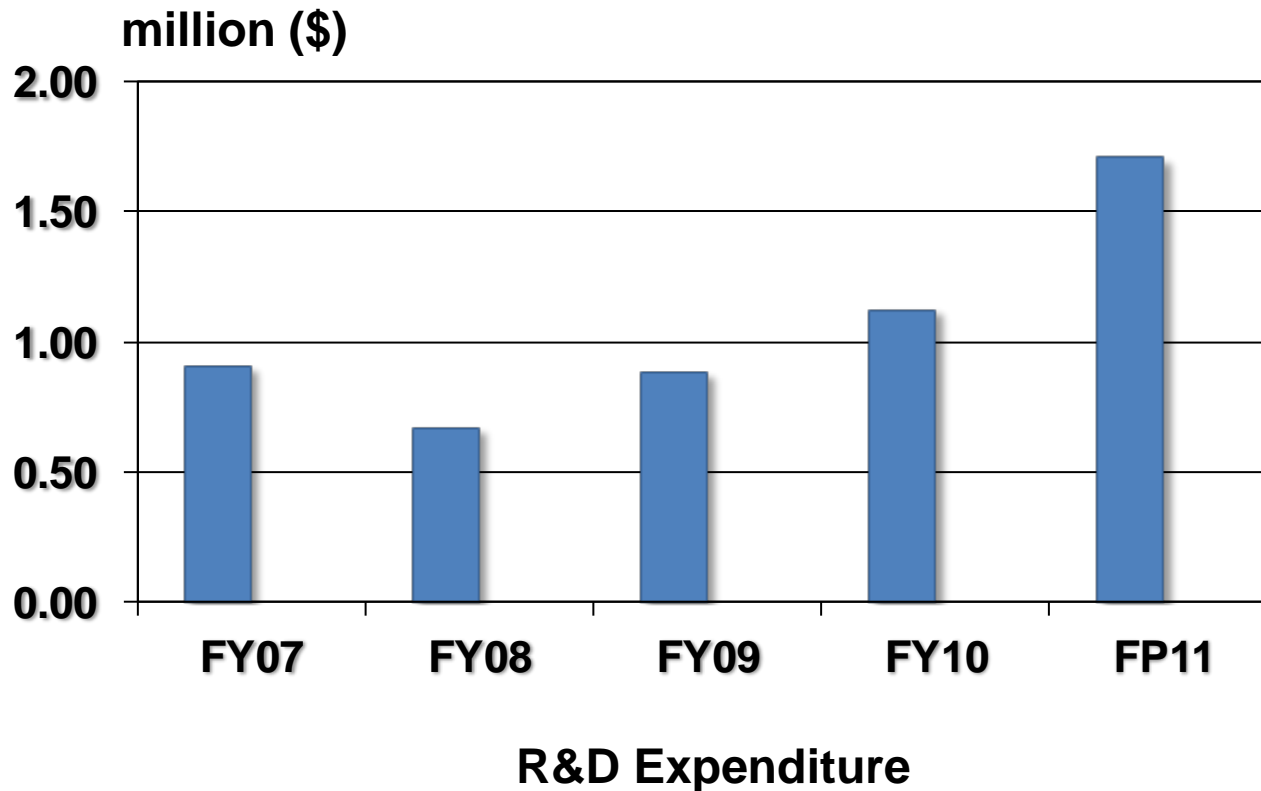
COMPETITIVE STRENGTHS – A CULTURE OF COMMERCIAL INNOVATION



- **Clover's core strengths;**
 - Growing share in value added markets
 - Proprietary & patented technology
 - Commercial focus with high returns on R&D
 - High quality products & excellent reputation with clients
 - Dedicated and skilled staff
- **Long term commercial relationships**
- **Expanding product portfolio supported by sound science**
- **Targeted external research program**
- **Long product life cycle supported by rigorous customer evaluation**
- **Excellent customer & applications support**
- **Specialised distribution network**
- **Low capital model**



HISTORICAL RESEARCH & DEVELOPMENT EXPENDITURE



FP11 represents 13 months

INNOVATION LEADS TO NEW PRODUCTS & REVENUES

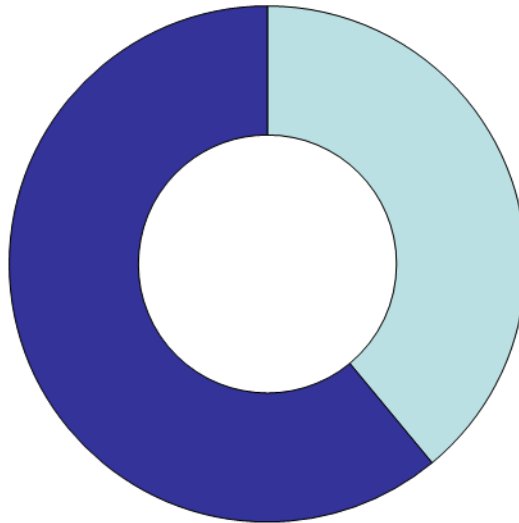


	<u>Company rights</u>	<u>Form</u>	<u>Bioactive</u>	<u>Application</u>
TECH 1	(OWNED)	ENCAPSULATION	Omega 3 lipids	Infant formula
	# Carbohydrate based encapsulation system for foods.			
TECH 2	(LICENSED)	ENCAPSULATION	Omega 3 &/or 6 lipids	Infant formula / Functional foods
	# Carbohydrate & protein encapsulation system with enhanced stability.			
TECH 3	(LICENSED)	ENCAPSULATION	Omega 3 &/or 6 lipids	Infant formula / Functional foods / Medical foods
	# Carbohydrate & protein system for targeted Gastrointestinal delivery.			
TECH 4	(OWNED)	ENCAPSULATION	Single or multiple bioactives	Infant formula / Medical foods
	# Specialist encapsulations system for infant formula manufacture.			
TECH 5	(OWNED/ LICENSED)	EMULSION	Omega 3 lipids	Infant formula / Functional foods / Medical foods / Pharmaceutical
	# Specialised delivery system for infants.			
TECH 6	(OWNED/ LICENSED)	ENCAPSULATION	Single or multiple bioactives	Infant formula / Functional foods / Medical foods
	# Delivery system for sensitive bioactives with improved sensory performance			

IMPACT IN FP2011 OF NEW PRODUCTS & THE DIVERSIFICATION OF BIOACTIVES



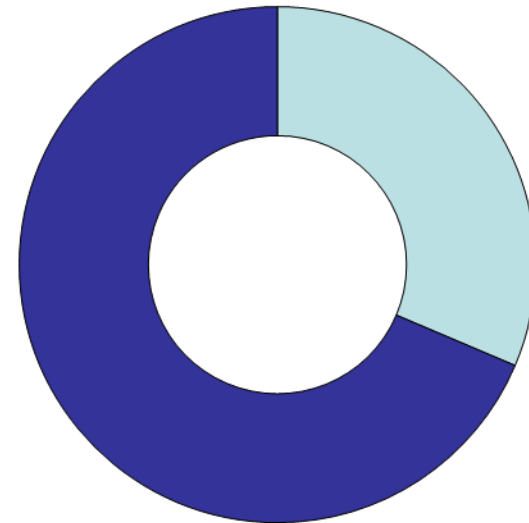
Sales Revenue from New Products in FP2011



■ Existing Products ■ New Products (4 years)

* Increased 5% from FY2010

Sales with Diversified Bioactives in FP2011



■ Tuna oil encap. ■ Other bioactive encap.

* Increased 14% from FY2010

THANK YOU
Questions?