



ABN 85 003 622 866
GPO Box 5015, Sydney NSW 2001
Level 1, 160 Pitt Street Mall, Sydney NSW 2000

Clover Corporation Limited

ASX Appendix 4D

Half Year Financial Report

31 January 2012

Lodged with the ASX under Listing Rule 4.2A

Contents

Appendix 4D - Results for Announcement to the Market	2-3
Half Year Financial Report	4-16
Directors' Declaration	17
Independent Review Report	18-19
Auditor's Independence Declaration	20

Reporting Period

The reporting period is the half-year ended 31 January 2012 with the previous corresponding period the half year ended to 31 December 2010.

Results for Announcement to the Market

		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities	Up	27.8%	3,895	to	17,929
Profit from ordinary activities after tax attributable to members	Down	13.1%	255	to	1,699
Net profit for the period attributable to members	Down	13.1%	255	To	1,699

Explanation of Operating Results

The half year result includes a further cost associated with the holding costs of the property and the carrying value of the assets of Future Food Ingredients Pty Ltd of \$970,000. This cost excluded, the profit from ordinary activities of the group after tax attributable to members is \$2,669,000, an increase of \$715,000 (36.6%) over the comparative period.

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 January 2012.

Dividends/distributions	Amount per security	Franked amount per security
Final dividend – 31 July 2011	1.5 cents	1.5 cents
Interim dividend – 31 January 2012	Nil	Nil

Record date for determining entitlements to the dividend: N/A

NTA Backing

	31/1/2012	31/12/2010
Net tangible asset backing per ordinary share after tax	15.35 cents	14.20 cents

Results for Announcement to the Market – Continued

Controlled entities acquired or disposed of

Disposed entities

No entity was disposed of during the half-year ended 31 January 2012.

Acquired entities

No entity was acquired during the half-year ended 31 January 2012.

Additional dividend/distribution information

A fully franked final dividend of 1.50 cents per share for the period ended 31 July 2011 was paid during the half year ended 31 January 2012. No dividend or distribution was declared for the half year ended 31 January 2012.

Dividend reinvestment plans (“DRP”)

There are no dividends or distribution reinvestment plans as at 31 January 2012.

Associates and Joint Venture entities

Details of shares and results in associates:

The FFI joint venture has ceased operations; remaining costs associated with the joint venture are interest and holding costs

Foreign Accounting Standards

N/A

Independent Review Report

Refer to the attached Clover Corporation Limited 31 January 2012 Half-Year Report for the Independent Review Report to the Members of Clover Corporation Limited

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ABN 85 003 622 866

REPORT
FOR THE HALF YEAR ENDED 31 JANUARY 2012

CLOVER CORPORATION LIMITED
ABN 85 003 622 866

CORPORATE DIRECTORY

Directors

Mr Peter R. Robinson	Non-Executive Director & Chairman
Dr Ian L. Brown	Managing Director - Executive
Ms Cheryl L. Hayman	Non-Executive Director
Dr Marilyn J. Sleigh	Non-Executive Director
Mr David E. Wills	Non-Executive Director

Secretary

Mr Ian D. Bloodworth

Registered Office

Level 1
160 Pitt Street Mall
Sydney NSW 2000
Telephone: (02) 9232 7166
Facsimile: (02) 9233 1025

Auditors

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

Share Registry

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney NSW 2000

Australian Securities 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 January 2012.

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:

Mr Peter R. Robinson	Non-Executive Director & Chairman
Dr Ian L. Brown	Managing Director - Executive
Ms Cheryl L. Hayman	Non-Executive Director
Dr Marilyn J. Sleight	Non-Executive Director
Mr David E. Wills	Non-Executive Director

Review of Operations

Clover Corporation Limited ("Clover") has reported a profit after tax of \$1.70 million for the half year ended 31 January 2012 (31 Dec 2010: \$1.95 million). The result was affected by the Company recognising a loss of \$970,000 against the property and assets held in Future Food Ingredients Pty Limited (FFI) made up of \$220,000 for interest and holding costs and a provision of \$750,000 arising under the company's joint guarantee to FFI's banker.

The core business of Clover (excluding the FFI adjustment mentioned above) has recorded a net profit from ordinary activities after tax of \$2.67 million (31 Dec 2010: \$1.95 million), an increase of 36.6%.

Financial Highlights

- Clover's core business is the development, manufacture and sale of omega-3 oils and encapsulated bioactive ingredients for infant formula, children's foods, supplements and medical foods. This core business continued its strong growth during the half year under review. Sales revenue for the period increased by 27.8% to \$17.9 million (31 Dec 2010: \$14.0 million) with a significant expansion of sales in Asia and Oceania.
- Clover Corporation has changed its reporting year to the 12 months ended 31 July. A review of the company's performance on the basis of the same period rather than by reporting period would show a revenue increase of approximately 16.5% (6 months to 31 Jan 2011: \$15.39 million).

Operational Highlights

- A 3 year supply agreement was signed with a multi-national infant formula manufacturer to which the Clover Corporation subsidiary Nu-Mega Ingredients Pty Ltd (Nu-Mega) has been a supplier for more than a decade.
- The Distribution Agreement with Corn Products International for the sale of Nu-Mega's ingredients in functional foods in the America's and Europe has been terminated. Negotiations are underway for these territories with new distributors who have better access to the functional foods market. Nu-Mega will continue its successful program of in house marketing of its products for infant formula and related applications world wide.

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- Capital expenditure has increased in association with a program to upgrade the Altona facility to support increasing manufacturing activity and product sales.
 - Increased expenditure on Research and Development (+12.7%) to \$701,000 (31 Dec 2010: \$622,000) in support of the expanding innovation and product development pipeline.
 - Customer trials are underway evaluating 5 new products released by Nu-Mega Ingredients from the product development pipeline in 2011. It is anticipated that sales of these products will progressively make a significant impact over the next two to three years.
 - Clover Corporation is increasingly seeking patent protection for the novel value added products it develops. This strategy has allowed the company to begin exploring opportunities for licensing of technology for which there is a significant market but which the company is not in a position to manufacture itself.
 - Clover Corporation Limited has commenced a \$1.2 million 3-year research program with the CSIRO under the auspices of the Australian Growth Partnership (AGP) Program. The AGP program assists in the delivery of research by high-potential small-to-medium size enterprises where this aligns with the CSIRO's Flagship programs. The AGP program is investigating how nutritional bioactives can be combined in formulas with essential omega-3 fatty acids to improve their stability in processing and to enhance their nutritional impact. The major target market for the products to be developed by this research program are in infant formula and children's food.
 - Improvements continue to be made to the Company's operational and reporting systems. These improvements are leading to increased efficiencies and reduced costs.

FFI continues to negotiate the sale of its soy flour mill in Moree. As a result of indicative offers to date the company has recognised a \$970,000 loss against the property and assets held in FFI made up of \$220,000 for interest and holding costs and a provision of \$750,000 arising under the company's joint guarantee to FFI's banker.

The outlook for the company, based on the normal operations, continues to be positive for the second half of the year.

For more information please refer to;

www.clovercorp.com.au

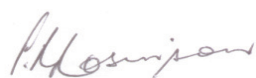
Rounding of Amounts

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 January 2012 has been received and is set out on page 20.

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



Peter Robinson
Director
Sydney

Date: 21 March 2012

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR TO 31 JANUARY 2012**

	Notes	31-Jan-12 \$'000	31-Dec-10 \$'000
Revenue	2	17,929	14,034
Cost of goods sold		<u>(10,639)</u>	<u>(8,655)</u>
Gross profit		7,290	5,379
Other income	2	219	140
Sales and marketing expenses		(1,566)	(1,192)
Administration and corporate expenses		(1,477)	(1,023)
Research and development expenses		(701)	(622)
Other Expenses	2	<u>(970)</u>	<u>-</u>
Profit before income tax		2,795	2,682
Income tax expense		<u>(1,096)</u>	<u>(728)</u>
Profit after tax for the period		<u>1,699</u>	<u>1,954</u>
Other comprehensive income			
Foreign currency translation adjustment, net of 30% tax		<u>96</u>	<u>(1)</u>
Other comprehensive income for the period		<u>96</u>	<u>(1)</u>
Total comprehensive income for the period		<u>1,795</u>	<u>1,953</u>
Earnings per share (EPS)			
Basic earnings per share (cents per share)		1.03	1.18
Diluted earnings per share (cents per share)		1.03	1.18

*The reporting period is the half-year ended 31 January 2012 with the previous corresponding period the half year ended to 31 December 2010.

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

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2012**

	Notes	31-Jan-12 \$'000	31-Jul-11 \$'000
Current Assets			
Cash and cash equivalents		7,050	7,425
Trade and other receivables		9,674	10,453
Inventories		11,401	8,675
Other current assets		500	574
		28,625	27,127
Non-Current Assets			
Financial assets		3	4
Property, plant and equipment		2,258	2,084
Deferred tax assets		1,072	1,075
Intangible assets		2,039	2,050
		5,372	5,213
Total Assets		33,997	32,340
Current Liabilities			
Trade and other payables		5,121	3,393
Current tax liabilities		(369)	173
Obligation under guarantee		750	-
Short-term provisions		509	408
		6,011	3,974
Non-Current Liabilities			
Deferred tax liabilities		158	153
Loan- Third Party		300	-
Long-term provisions		140	143
		598	296
Total Liabilities		6,609	4,270
Net Assets		27,388	28,070
Equity			
Issued Capital	5	32,920	32,920
Reserves		(49)	(145)
Accumulated losses		(5,483)	(4,705)
Total Equity		27,388	28,070

This Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR TO 31 JANUARY 2012**

	Issued Capital \$'000	Retained Profits/ (Accumulated Losses) \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
Balance at 1 July 2010	32,920	(7,243)	(50)	25,627
Profit for the period	-	1,954	-	1,954
Dividend Paid	-	(2,065)	-	(2,065)
Foreign Currency Translation Reserve	-	-	(1)	(1)
Balance at 31 December 2010	32,920	(7,354)	(51)	25,515
Balance at 1 August 2011	32,920	(4,705)	(145)	28,070
Profit for the period	-	1,699	-	1,699
Dividend Paid	-	(2,477)	-	(2,477)
Foreign Currency Translation Reserve	-	-	96	96
Balance at 31 January 2012	32,920	(5,483)	(49)	27,388

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR TO 31 JANUARY 2012**

	Note	31-Jan-12 \$ '000	31-Dec-10 \$ '000
Cash flows from operating activities			
Receipts from customers		19,049	14,564
Payments to suppliers and employees		(15,352)	(14,106)
Interest received		154	300
Income tax paid		(1,629)	(1,286)
		<u>2,222</u>	<u>(528)</u>
Net cash inflow from operating activities			
Cash flows from investing activities			
Purchases of plant and equipment		(420)	(177)
Purchases of patents and trademarks		-	(198)
		<u>(420)</u>	<u>(375)</u>
Net cash outflow from investing activities			
Cash flows from financing activities			
Dividends paid	3	(2,477)	(2,065)
Third Party Loans		300	-
		<u>(2,177)</u>	<u>(2,065)</u>
Net cash outflow from financing activities			
Net decrease in cash held		(375)	(2,968)
Cash at the beginning of the period		<u>7,425</u>	<u>12,153</u>
Cash at the end of the period		<u>7,050</u>	<u>9,185</u>

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2012 (continued)

1. Significant accounting policies

Basis of preparation

The interim condensed consolidated financial statements of Clover Corporation Limited and its controlled entities ('the Company') for the half-year ended 31 January 2012 has been prepared in accordance with the requirements of Australian Accounting Standard AASB 134 Interim Financial Reporting. It was authorised for issue in accordance with a resolution of the directors on 20 March 2012.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements as at 31 July 2011, and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the ASX listing rules.

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

New Standards and Interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 July 2011, except for the adoption of new standards and interpretations as of 1 August 2011, noted below:

AASB 124 Related Party Disclosures (Revised)

The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The impacts of the Standard are not significant to the Company.

Changes implemented through AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The amendments to various Standards provide clarification and guidance relating primarily to disclosures, including matters prescribed by AASB 134 Interim Financial Statements. Disclosures have been amended, as appropriate.

The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Clover Corporation Limited
Half Year ended 31 January 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2012 (continued)

	31-Jan-12 \$'000	31-Dec-10 \$'000
2. Operating Result		
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:		
Operating activities:		
Sales of goods	<u>17,929</u>	<u>14,034</u>
Other income:		
Foreign exchange (loss)/gain	64	(227)
Interest revenue	154	300
Other	<u>1</u>	<u>67</u>
	<u>219</u>	<u>140</u>
Total revenue	<u>18,148</u>	<u>14,174</u>
Depreciation and amortisation expenses	(257)	(121)
Other Expenses		
Refers to the cost of the company's contribution under guarantee and make good conditions in relation to the closure of Future Food Ingredients Pty Limited and associated realization of its residual assets	(970)	-
3. Dividends		
(a) Dividends paid during the year		
Final dividend for the period ended 31 July 2011 of 1.50 cents per share (30 June 2010: 1.25 cent) fully franked at the tax rate 30%	<u>(2,477)</u>	<u>(2,065)</u>
(b) Dividends declared		
On 17 November 2011, the Company paid the final dividend in respect of the period ending 31 July 2011 of 1.50 cents per share (30 June 2010: final 1.25 cent per share). The Directors have not declared an interim dividend in respect of the current financial year ending 31 July 2012.		
4. Events subsequent to reporting date		
No events have occurred subsequent to balance date which would materially affect the half year financial report.		
5. Contributed equity		
Issued and paid up capital		
165,181,696 (31 Jul 2011: 165,181,696) ordinary shares, fully paid	<u>32,920</u>	<u>32,920</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2012 (continued)**

6. 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:

- Corporate & Administrative Services Pty Limited – accounting fees
- Washington H. Soul Patterson & Company Limited – company secretarial fees.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2012 (continued)

7. Segment information

The following represents profit and loss information for reportable segments for the half-years ended 31 January 2012 and 31 December 2010.

Primary Reporting – Business Segments

	Soy production and supply		Tuna Oil and DHA product refinement, development and supply		Investment/Treasury		Economic Entity	
	Jan 2012 \$'000	Dec 2010 \$'000	Jan 2012 \$'000	Dec 2010 \$'000	Jan 2012 \$'000	Dec 2010 \$'000	Jan 2012 \$'000	Dec 2010 \$'000
Revenue								
Sales Revenue	-	311	17,929	13,723	-	-	17,929	14,034
Other revenue	-	-	65	(160)	154	300	219	140
Total segment revenue	-	311	17,994	13,563	154	300	18,148	14,174
Total revenue consolidated							18,148	14,174
Results								
Operating result	-	-	2,641	2,382	154	300	2,795	2,682
Profit before income tax		-	2,641	2,382	154	300	2,795	2,682
Income tax expense							(1,096)	(728)
Profit for the period							1,699	1,954
Segment Assets	Jan 2012 \$'000	Jul 2011 \$'000	Jan 2012 \$'000	Jul 2011 \$'000	Jan 2012 \$'000	Jul 2011 \$'000	Jan 2012 \$'000	Jul 2011 \$'000
	-	-	26,943	24,911	7,054	7,429	33,997	32,340

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 JANUARY 2012 (continued)**

9. Contingent liabilities

There have been no changes in contingent liabilities since the last annual reporting period.

10. Capital Commitments

Nu-Mega Ingredients Pty Ltd has entered into a contract to the value of \$1.5 million for the upgrade of the Altona facility. Of this amount \$1.1 million remains unspent at January 31, 2012. The project is due for completion in May 2012.

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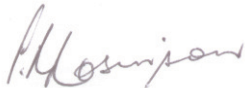
DIRECTORS' DECLARATION

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 January 2012 and of its performance for the half year ended on that date; and
 - 2. comply with Accounting Standard AASB134 Interim Financial Reporting and the Corporations Act 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.

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



Peter R Robinson
Director

Sydney
21 March 2012

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INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF CLOVER CORPORATION LIMITED

REPORT ON THE HALF YEAR FINANCIAL REPORT

We have reviewed the accompanying half-year financial report of Clover Corporation Limited (the consolidated entity) which comprise the statement of financial position as at 31 January 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the director's declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Auditing 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 and fair presentation 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 Auditing Standard on Review Engagements ASRE 2410 of a *Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 January 2012 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 Clover Corporation 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*.

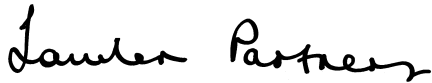
INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF CLOVER CORPORATION LIMITED

REPORT ON THE HALF YEAR FINANCIAL REPORT (Continued)

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year report of Clover Corporation Limited does not present fairly, in all material respects, the financial position of the consolidated entity as at 31 January 2012, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



LAWLER PARTNERS
Chartered Accountants

Dated this 21st day of March 2012

Sydney



ROBERT BELL
Partner

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**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT**

TO THE DIRECTORS OF CLOVER CORPORATION LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 January 2012. There have been:

- a) No contraventions of the auditor independence requirements as set out in 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.

Lawler Partners

Robert Bell

LAWLER PARTNERS
Chartered Accountants

ROBERT BELL
Partner

Dated this 21st day of March 2012

Sydney