



Microequities Microcap Conference

June 2013

NEXT GENERATION NUTRITION

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STRATEGIC VISION



Clover Corporation seeks to:

- **Identify, develop and commercialise speciality functional and nutritional ingredients in the growing nutraceutical & medical markets**
- **Develop and commercialise leading edge proprietary and patented delivery technologies including the utilisation of encapsulation**
- **Work with innovative and multinational industry partners to leverage core technical and manufacturing strengths to develop and launch new products, expand in core markets and explore strategic opportunities**
- **While retaining a conservative financial base, deliver growth on earnings and dividends**

COMPANY DESCRIPTION

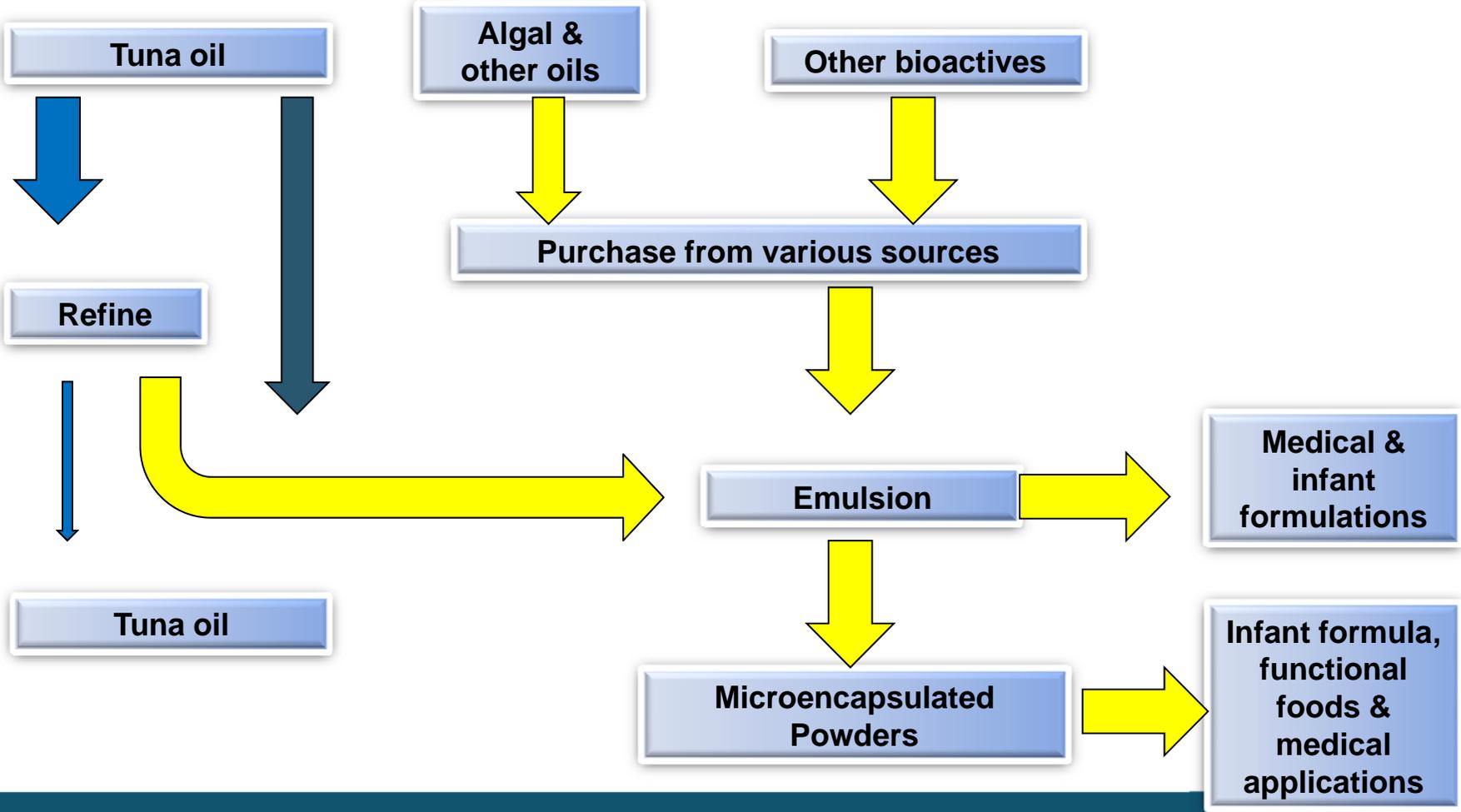


- **Focus on two business units:**
 - Clover Corporation focuses on innovation, obtaining the optimal return from proprietary technology and developing new business opportunities
 - Nu-Mega Ingredients (100% owned subsidiary) commercialises proprietary ingredient delivery and encapsulation technology in targeted value added markets
- **Work with customers to identify, design, develop, test & launch new products**
- **Maintain strong links with technical & academic agencies including CSIRO**

OVERVIEW OF NU-MEGA OPERATIONS



Maximize the use of proprietary bioactive delivery technology



TRADING UPDATE & OUTLOOK FOR FY2013



- **12.5% increase in sales revenue in the first half FY2013 (pcp)**
 - Increased sales in infant formula applications
 - Featuring Oceania and Asia
- **Re-signed 5 year supply contract with major multi-national infant formula manufacture.**
- **Anticipated decrease in gross margins in 1H FY2013 due to product mix, some changes in customer manufacturing techniques and market competition for Clover and its customers.**
- **Focus on improving manufacturing efficiencies and controlling operational expenditure.**
- **Increased expenditure on Research and Development**
- **Phase 3 clinical study in preterm infants on track for results by the end 2014.**
- **Expect strong demand for products to continue in the second half of FY2013.**
- **Fully franked interim dividend of 0.5 cps.**

CLOVER Half Year FY2013 RESULTS

Period ended 31 January 2013



AUD \$ million	1H FY2013 to 31 January 2013	1H FY2012 to 31 January 2012 (as reported)	Underlying 1HFY2012 (Unaudited, eliminating FFI cost)	
Revenue (\$m)	20.2	17.9	17.9	
Profit before tax (\$m)	3.8	2.8	3.8	
EBITDA (\$m)	3.9	2.9	3.9	
EBIT (\$m)	3.7	2.6	3.6	
NPAT (\$m)	2.7	1.7	2.7	
Cash (\$m)	9.7	7.1	7.1	

HISTORICAL FINANCIAL PERFORMANCE



AUD million	FY2012 Adjusted	FP2011 (13 months)	FY2010 #	FY2009	FY2008
Shares on issue (m)	165.2	165.2	165.2	165.2	165.2
Total contributed equity (\$m)	29.9	28.1	25.6	28.3	27.0
Cash total (\$m)	9.7	7.4	12.2	9.2	10.8
Sales Revenue (\$m)	38.4	35.6	34.9	21.1	21.6
EBIT (\$m)	7.4	5.7	0.7	2.7	1.7
NPAT (\$m)	5.6	4.6	(0.97)	3.1	4.1
EPS (cents)	3.38	2.79	(0.59)	1.87	2.5
ROE (%)	14.6	16.4	-3.8	10.9	15.3
Dividend (cps)	1.75	1.50	1.25	1.00	1.00
Market capitalisation* (\$m)	66.1	52.0	46.3	35.5	26.4

CONTINUED FOCUS ON GROWTH MARKETS & VALUE ADDED PRODUCTS



- Sales revenue increased with the strongest performance in Oceania.
- Focus has been on infant formula & children's food applications.
- In some mature infant formula markets there are barriers to entry such as;
 - USA mainly uses patent protected algal oils.
 - Europe uses mainly oils rather than encapsulated powders and there are regulatory restrictions.

FY2012 Geographic

Oceania	26%
Asia	64%
Europe	6%
Americas	4%

FY2012 Products

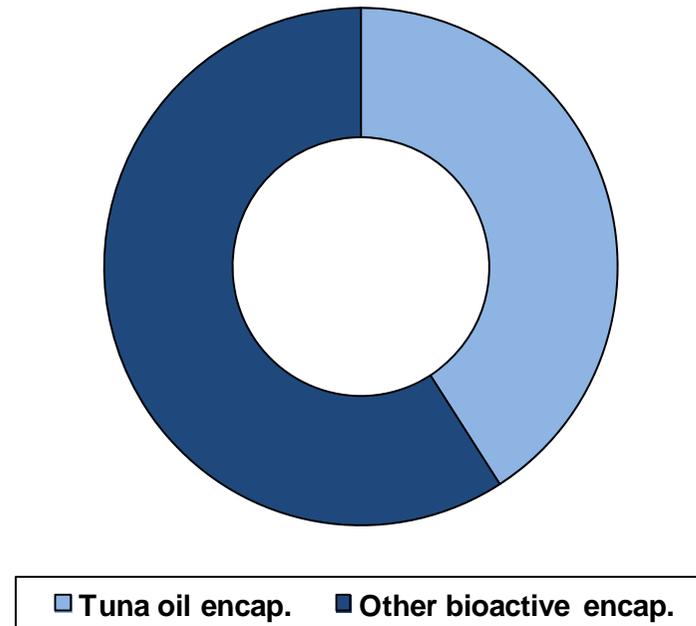
Oil	3%
Encapsulated Powders	97%

DELIVERY SYSTEMS BASED ON A VARIETY OF NUTRITIONAL BIOACTIVES



- Product portfolio includes refined tuna oil and encapsulated powders containing marine oil, algal oils, other specialty oils and important micronutrients.
- Encapsulation technologies to improve the stability of important and sensitive nutritional materials and allow their use in many applications.
- Innovation program focuses on developing products that deliver valuable nutrients in infant formula and other applications.

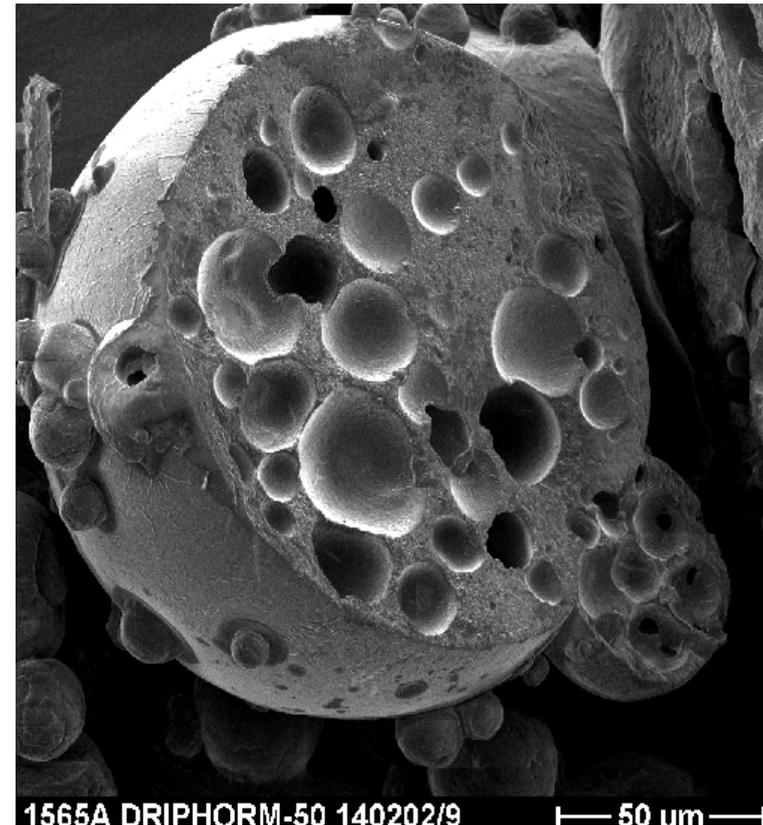
Sales Revenue based on Diversified Bioactives in FY2012



COMPETITIVE STRENGTHS – A CULTURE OF COMMERCIAL INNOVATION



- **Clover's core strengths;**
 - Focus on value added markets
 - Proprietary & patented technology
 - Commercial focus on innovation program
 - High quality differentiated products
 - Excellent reputation with clients
 - Dedicated and skilled staff
- Long term commercial relationships
- Strategic discipline focusing on core competencies
- 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



THE OPPORTUNITIES FOR MEDICAL FOOD APPLICATIONS



- Clover has supported strategic clinical studies for many years and this assists in identifying new commercial opportunities.
- Medical issues that affect preterm infants include:
 - Cognitive or mental impairment.
 - Respiratory impairment .
- Incidence of premature births (per year):
 - Preterm births globally approx. 13 million.
 - Preterm births receiving tertiary care approx. 4 million.
- Results of the initial clinical study reported in 2009 (+600 infants):
 - Improved cognitive development in girls at 18 months.
 - Reduced oxygen requirement at 36 weeks in boys.
 - Reduced incidence of hayfever.



PRETERM INFANT FORMULATION



- **Clover developed a specialty formulation for hospital use:**
 - Licence agreements signed & patent applications filed.
 - Proprietary formulation & delivery system being manufactured for trials.
 - Successful clinical testing of the formulation and delivery system.
 - Product development supported by a major clinical trial underway.
- **Currently involved in Phase 3 international clinical study using the Clover product:**
 - Clinical study supported by grant funds.
 - Clinical trial (multiple sites) involves +1000 preterm infants.
 - Clinical results are projected to be available by end 2014.
 - Clinical study on time.
 - Clover is providing the proprietary formulation for the trials.
- **Current focus:**
 - Obtaining required regulatory approvals.
 - Finalising the business, marketing & distribution plans.





THANK YOU
Questions?