



Investor Presentation

September 2010

NEXT GENERATION NUTRITION

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INTRODUCTION



Clover Corporation Limited provides nutritional and functional ingredients for use in infant formula, foods and specialty applications using proprietary technology.



(100%)

**Future Food
Ingredients**

(50%)

COMPANY OVERVIEW



- Mission is to identify, develop and commercialise specialty functional and nutritional ingredients.
- Consistently profitable, strong cash position & zero debt.
- Competitive position in the growing “nutraceutical” market.
- Strong technical, manufacturing and sales organisation.
- Focus on proprietary & patented technology.
- Innovative technology for bioactive delivery including microencapsulation.

SUMMARY OF FINANCIAL PERFORMANCE FY2010



	FY2010	FY2009
Shares on issue	165.2 million	165.2 million
Total contributed equity	\$32.9 million	\$32.9 million
Market capitalization	\$49.6 million (# as at 9/9/10)	\$32.2 million (as at 23/11/09)
Cash at year end	\$12.1 million	\$9.2 million
Sales Revenue	\$34.9 million	\$21.1 million
Total Revenue	\$35.9 million	\$22.9 million

SUMMARY OF FINANCIAL PERFORMANCE FY2010



FY2010

FY2009

Profit before tax	\$1.57 million	\$4.47 million
Profit after tax *	(\$0.97 million)	\$3.08 million
EPS	(0.59 cents/share)	1.87 cents/share
Major shareholder	WHSP & Co. Ltd (28.55%)	WHSP & Co. Ltd (28.55%)
Top 20 shareholders	60.42% of shares	60.12% of shares

FULL YEAR ENDED 30 JUNE 2010



		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities	Up	56.6%	12,960	to	35,851
Profit before tax (excluding FFI)	Up	48.8%	2,394	to	7,292
Profit before tax (including FFI)	Down	35.1%	2,901	to	1,567
Profit (loss) from ordinary activities after tax	Down	-131.4%	(4,049)	to	(967)
Net profit (loss) for the period	Down	-131.4%	(4,049)	to	(967)

FFI- Full Impairment and Divestment



- Full impairment of Clovers' 50% investment in FFI.
 - FFI developed a range of debittered functional soy ingredients that were sold to food manufacturers.
 - Marginal impact on top-line sales revenue
 - Low margin and competitive markets
 - Continued disappointing results led Clover to fully impair its investment in, and loans advanced to FFI (announced to the market on the 9 July 2010)
 - Currently investigating options for the sale of the business.
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- **FFI is not core to Clover Corporation's Nu-Mega Ingredients business, a profitable world-class manufacturer and supplier of omega-3 ingredients for infant and children's formulas, foods, supplements and pharmaceuticals.**

FULL YEAR ENDED 30 JUNE 2010

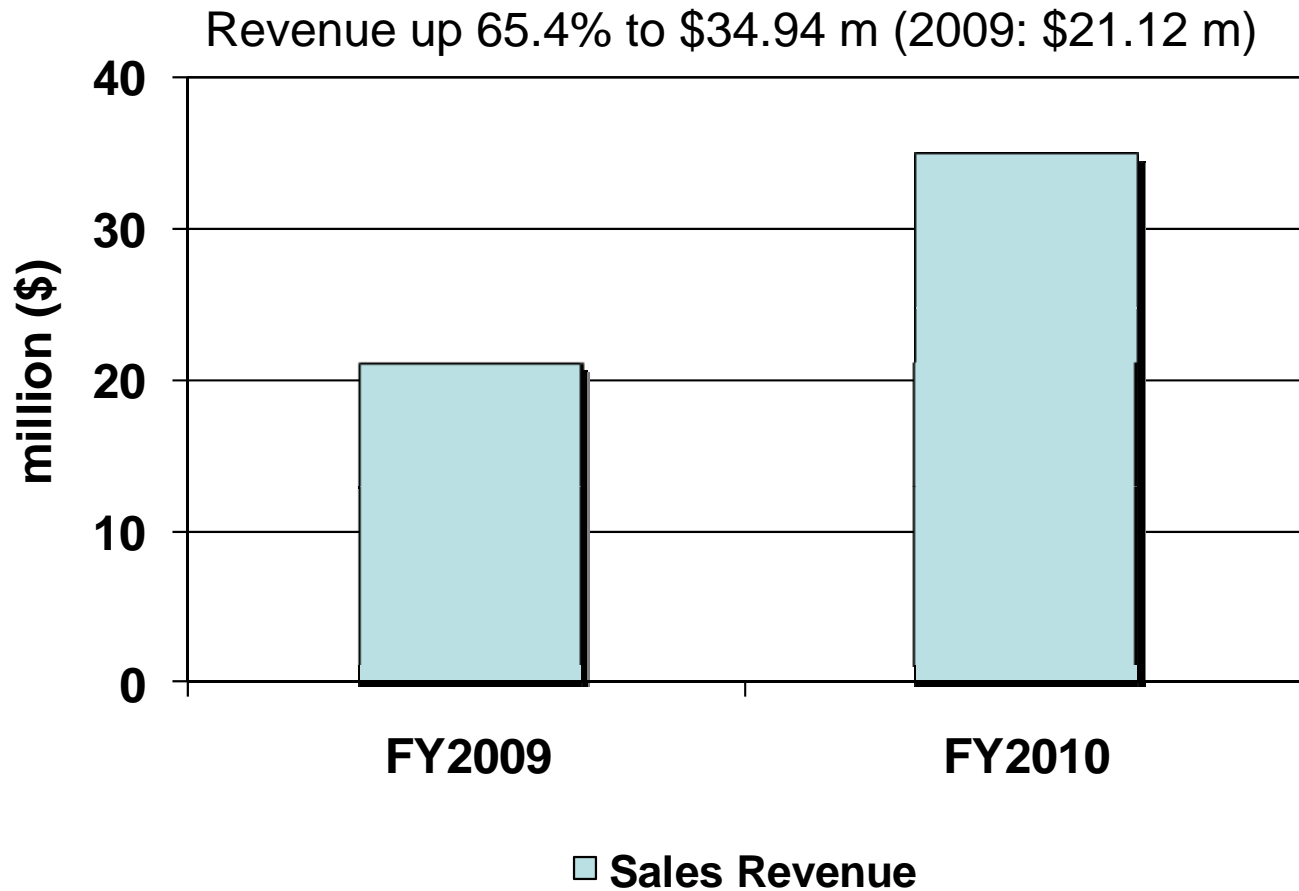


Dividends/distributions increased

This period	Amount per Security	Franked %
Final dividend (subject to amendment of the Company's constitution)	1.25 cents	100%
Interim dividend	Nil	Nil
Previous corresponding period		
Final dividend	1 cent	100%
Interim dividend	Nil	Nil

Record date for determining entitlements to the final dividend **3 December 2010**
Payment date for determining entitlements to the final dividend **15 December 2010**

65.4% INCREASE IN SALES REVENUE DURING FY10



FY10 KEY MILESTONES



- **Strong growth in Clovers' core business.**
- **Sales increased by 65.4%.**
- **Increased cash generation with \$12.15 million (2009: \$9.10million) in cash reserves at the end of the period.**
- **Decision to exit Future Food Ingredients Pty Ltd Joint Venture specialising in debittered soybean ingredients due to continuing disappointing results. This resulted in the investment & loan impairment and operational losses \$5.7 million. FFI and de-recognition of prior year capital tax losses contributed to a loss for the year of (\$0.97 million).**
- **Establishment of additional sources of tuna oil support growing sales requirements.**
- **Developed new products and applications during the year.**
- **Expanded strategic associations to increase the impact of the Company's product innovation efforts.**



Overview

- Australian producer & international supplier of microencapsulated powders.
- Encapsulation process is patented in many countries.
- Current specialties include omega-3 & omega-6 oils (marine & algal sources).
- Process protects oil from oxidation (“fishy” taste & smell).
- Refine and prepare high quality tuna oil in Altona, Victoria.
- Extensive expertise in application technology.
- Actively involved in clinical research.
- Dedicated & professional staff.

FY10 KEY MILESTONES FOR NU-MEGA INGREDIENTS



- Sales increased by 67.6%.
- Increased market reach with sales in China increasing by 90%.
- Expanded use of non marine nutritional oils and other bioactive materials in encapsulated products.
- Increased R&D activity (expenditure up 28%) to provide new products.
- Continued commitment to the development of new products for the infant formula & food applications.
- Long term technical agreements with CSIRO and CPI.
- Strategic appointments in sales, marketing and operations to support expanded business activity.
- Support clinical studies around the world involving Nu-Mega HiDHA[®] tuna oil and other bioactives.
- Effective risk management.

A GLOBAL MARKET: NU-MEGA SALES & DISTRIBUTION NETWORK



NU-MEGA INGREDIENTS SALES IN FY2010



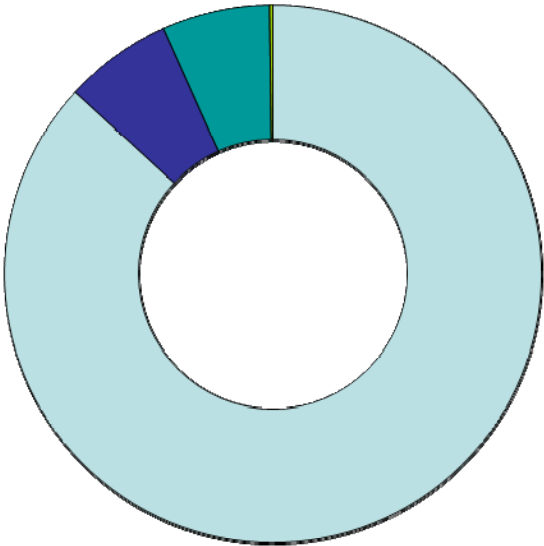
Geographic

Australia/New Zealand	11%
Asia	78%
Europe	6%
USA	5%

Products

Oil	9%
Powder	87%
Soy	4%

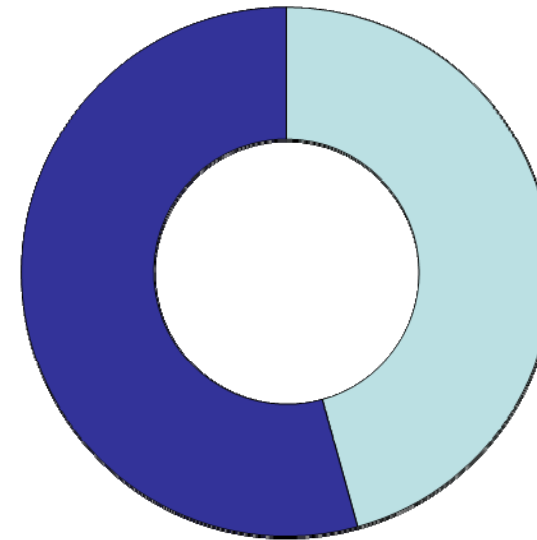
Applications



DIVERSIFYING ENCAPSULATED PRODUCTS & INTRODUCING NEW PRODUCTS IN FY2010



Revenue from Existing Products	50%
Revenue from New Products (released in the past 4 years)	50%



■ Tuna oil encaps. ■ Other bioactive encaps.

NU-MEGA – TECHNICAL COOPERATION AGREEMENT WITH CPI



Heart Health	Bone Health	Immune Health	Glycemic Health	Digestive Health	Cognitive Health
<p>NuMega OMEGA-3 DHA</p>	<p>NutraFlora PREBIOTIC + SOLUBLE FIBER</p> <p>Aquamin Nature's Perfect Calcium</p> <p>NuMega OMEGA-3 DHA</p>	<p>NutraFlora PREBIOTIC + SOLUBLE FIBER</p> <p>Purimune HIGH PURITY GOS</p> <p>NuMega OMEGA-3 DHA</p>	<p>NutraFlora+ Natural Xylitol</p> <p>NuMega OMEGA-3 DHA</p>	<p>NutraFlora PREBIOTIC + SOLUBLE FIBER</p> <p>NutraFlora+ Natural Xylitol</p> <p>Bio Agave INULIN FIBER</p> <p>NuMega OMEGA-3 DHA</p>	<p>NuMega OMEGA-3 DHA</p>

SUPPORT FOR CLINICAL RESEARCH



Neurodevelopmental Outcomes of Preterm Infants Fed High-Dose Docosahexaenoic Acid A Randomized Controlled Trial

Maria Makrides, BSc, BND, PhD
Robert A. Gibson, BSc, PhD
Andrew J. McPhee, MBBS
Garnett T. Collins, RN, BSc, PhD

Context Uncertainty exists about the benefit of dietary docosahexaenoic acid (DHA) on the neurodevelopment of preterm infants.

Objective To determine the effect of meeting the estimated DHA requirement of preterm infants on neurodevelopment at 18 months' corrected age.



Fish oil supplementation in the treatment of major depression: A randomized double-blind placebo-controlled trial

Brian E. Gentry*, Trevor Cross, Barbara Meyer, Alice J. Chen, Elizabeth M. Grigori-Denis, Peter Ciputi, Peter R.C. Howe

Major depression is a prevalent mental health condition that is associated with depression and other health risks. This study aimed to determine whether fish oil supplementation could improve outcomes in major depression. The study included 100 participants who were randomized to either a fish oil supplement or a placebo. The primary outcome was the remission rate of major depression at 12 weeks. The fish oil group showed a significantly higher remission rate compared to the placebo group.

The Lipid-Lowering Effects of Phytosterols and In-30 Polyunsaturated Fatty Acids Are Synergistic and Complementary in Hyperlipidemic Men and Women^{1,2}

Phytosterols and polyunsaturated fatty acids (PUFAs) are both known to lower cholesterol levels. This study investigated whether their effects are synergistic and complementary. The study included 100 participants who were randomized to either a phytosterol supplement, a PUFA supplement, or a combination of both. The primary outcome was the change in total cholesterol levels. The combination of phytosterols and PUFAs resulted in a significantly greater reduction in total cholesterol levels compared to either supplement alone.

Dietary (n-3) Long-Chain Polyunsaturated Fatty Acids Inhibit Ischemia and Reperfusion Arrhythmias and Infarction in Rat Heart Not Enhanced by Ischemic Preconditioning^{1,2}

Docosahexaenoic acid (DHA) and eicosapentaenoic acid (EPA) are known to have anti-inflammatory and anti-arrhythmic properties. This study investigated whether these fatty acids could inhibit ischemia and reperfusion arrhythmias and infarction in a rat heart model. The study included 100 rats who were randomized to either a control group, a DHA/EPA group, or a DHA/EPA group with ischemic preconditioning. The primary outcome was the size of the infarct. The DHA/EPA group showed a significantly smaller infarct size compared to the control group, and this effect was not enhanced by ischemic preconditioning.

Neurodevelopmental Outcomes of Preterm Infants Fed High-Dose Docosahexaenoic Acid A Randomized Controlled Trial

Objective To determine the effect of meeting the estimated DHA requirement of preterm infants on neurodevelopment at 18 months' corrected age.

Design, Setting, and Participants Randomized, double-blind controlled trial conducted in a tertiary care neonatal intensive care unit between February 2010 and October 2010. The study included 100 preterm infants who were randomized to either a high-dose DHA group or a control group. The primary outcome was the Bayley Scales of Infant Telligence (BSIT) score at 18 months' corrected age.

Results The mean gestational age at birth was 30.5 weeks. The mean birth weight was 1,200 g. The mean BSIT score at 18 months' corrected age was 75. The high-dose DHA group had a significantly higher BSIT score compared to the control group.

Conclusions Meeting the estimated DHA requirement of preterm infants with high-dose DHA supplementation resulted in improved neurodevelopmental outcomes at 18 months' corrected age.



DHA-rich fish oil lowers heart rate during submaximal exercise in elite Australian Rules footballers

Jonathan D. Buckley*, Shane Baggett, Karen J. Matherly, Peter R.C. Howe

DHA-rich fish oil lowers heart rate during submaximal exercise in elite Australian Rules footballers. The study included 100 elite Australian Rules footballers who were randomized to either a DHA-rich fish oil supplement or a placebo. The primary outcome was the heart rate during submaximal exercise. The DHA-rich fish oil group showed a significantly lower heart rate compared to the placebo group.

Dose-Dependent Effects of Docosahexaenoic Acid Supplementation on Blood Lipids in Statin-Treated Hyperlipidemic Subjects

Robert J. Moore*, Tony Hammond, Aida Ch. Reston, Peter R. C. Howe

Docosahexaenoic acid (DHA) supplementation has been shown to improve blood lipid profiles in hyperlipidemic subjects. This study investigated the dose-dependent effects of DHA supplementation on blood lipids in statin-treated hyperlipidemic subjects. The study included 100 subjects who were randomized to either a control group, a low-dose DHA group, or a high-dose DHA group. The primary outcome was the change in total cholesterol levels. The high-dose DHA group showed a significantly greater reduction in total cholesterol levels compared to the control group.

Conclusions High-dose DHA supplementation resulted in a significantly greater reduction in total cholesterol levels compared to low-dose DHA supplementation in statin-treated hyperlipidemic subjects.

Keywords Docosahexaenoic acid, Hyperlipidemia, Cholesterol therapy

Introduction Hyperlipidemia is a major risk factor for cardiovascular disease. Statin therapy is the first-line treatment for hyperlipidemia. However, statin therapy does not always achieve the desired lipid control. DHA supplementation has been shown to improve blood lipid profiles in hyperlipidemic subjects. This study investigated the dose-dependent effects of DHA supplementation on blood lipids in statin-treated hyperlipidemic subjects.

Outlook 2011

Clover Corporation

OUTLOOK FY2011



- Clover exit from the FFI Joint Venture.
- Focus on core business.
- Continued strong sales of ingredients for infant formula and foods.
- Capitalise on expanded sales & distribution network.
- Expand the customer base.
- Increase opportunities in food applications.
- Selectively recruit for growth.
- Strategic development & commercialization of innovative encapsulated ingredients.
- Expand access to bioactive raw materials including omega-3 oils.
- Protect & utilize intellectual property.



THANK YOU
Questions?