



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 December 2010

Lodged with the ASX under Listing Rule 4.2A

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Reporting Period

The reporting period is the half-year ended 31 December 2010 with the previous corresponding period to 31 December 2009.

Results for Announcement to the Market

		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities	Down	(14.2%)	(2,319)	to	14,034
Profit from ordinary activities after tax attributable to members	Up	2.2%	43	to	1,954
Net profit for the period attributable to members	Up	2.2%	43	to	1,954

Explanation of Operating Results

Whilst the sales were below the prior corresponding period, they represent an increase of 54% on those of the half year ended 31 December 2008.

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 December 2010.

Dividends/distributions	Amount per security	Franked amount per security
Final dividend – 30 June 2010	1.25 cents	1.25 cents
Interim dividend – 31 December 2010	Nil	Nil

Record date for determining entitlements to the dividend:

N/A

NTA Backing

	31/12/2010	31/12/2009
Net tangible asset backing per ordinary share after tax	14.20 cents	15.82 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 December 2010.

Acquired entities

No entity was acquired during the half-year ended 31 December 2010.

Additional dividend/distribution information

A fully franked final dividend of 1.25 cents per share for the year ended 30 June 2010 was paid during the half year ended 31 December 2010. No dividend or distribution was declared for the half year ended 31 December 2010.

Dividend reinvestment plans (“DRP”)

There are no dividends or distribution reinvestment plans as at 31 December 2010.

Associates and Joint Venture entities

Details of shares and results in associates:

Refer to Note 6 of the accompanying financial statements for information regarding the results of the Company’s 50% interest in Future Foods Ingredients Pty Ltd.

Foreign Accounting Standards

N/A

Independent Review Report

Refer to the attached Clover Corporation Limited 31 December 2010 Half-Year Report for the Independent Review Report to the Members of Clover Corporation Limited.



ABN 85 003 622 866

REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

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 December 2010.

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 \$1.95 million for the half year ended 31 December 2010 (2009: \$1.91 million) an increase of 2.2%. The result was affected by the following:

- Sales revenue decreased to \$14.03 million (2009: \$16.35 million). This result was affected by a significant amount of sales (\$2.00 million) being deferred, at customer requests, from December 2010 to January 2011 and the cessation of sales of NuSoya products. Whilst the sales were below the prior corresponding period, they represent an increase of 54% on those of the half-year ended 31 December 2008.
- NuSoya sales of \$312,000 (2009: \$768,000) were made prior to the business being closed in October 2010. NuSoya sales for the whole of FY10 were \$1.25 million.
- There was continued growth of sales into China.
- The development of sales in the Americas and Europe by GTC Nutrition (GTC) continues to be slower than anticipated. Clover has been assured that the sales, marketing and technical organization currently being formed by GTC and its parent Corn Products International to support the sale of nutritional ingredients, including Nu-Mega Ingredients products, will move aggressively to meet sales targets.
- Expenditure on Research and Development increased by 20.8% to \$622,000 (2009: \$515,000) in support of the expanding innovation pipeline. In FY11 the R&D program has resulted in 3 new microencapsulated products that are currently under evaluation by customers. A further 3 products, demonstrating a number of new technologies, are on schedule for release in the third quarter of the financial year. Where appropriate, patent applications have been filed to protect the intellectual property inherent in these differentiated products.
- Other cost increases relate mainly to the provision of personnel necessary for the growth of the business and include the appointment of a Chief Financial Officer.

DIRECTORS' REPORT (Continued)

Future Food Ingredients Pty Limited (FFI) ceased operation in October 2010 and activities have been undertaken to sell the business located in Moree, which comprises the land, building and equipment. The stock of soybeans is currently in the process of being sold. A number of interested parties have inspected the site and activities directed towards the sale of the business continue. A review of the value of the assets and liabilities associated with FFI has indicated that no additional provision needs to be made at this time.

Traditionally, performance of the Company in the second half has been stronger than in the first half and this trend is expected to continue in the current financial year.

After careful consideration the Board has decided that no interim dividend will be paid.

For more information please refer to;

www.clovercorp.com.au
www.nu-mega.com
www.dha-in-mind.com
www.omega-3centre.com
www.goedomega3.com

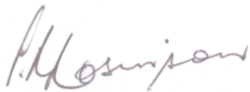
Rounding of Amounts

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 December 2010 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: 23 February 2011

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR TO 31 DECEMBER 2010**

	Notes	31-Dec-10 \$'000	31-Dec-09 \$'000
Revenue	2	14,034	16,353
Cost of goods sold		(8,655)	(10,928)
Gross profit		5,379	5,425
Other income	2	140	407
Sales and marketing expenses		(1,192)	(1,391)
Administration and corporate expenses		(1,023)	(786)
Research and development expenses		(622)	(515)
Share of net loss of associate accounted for using equity accounting	6	-	(441)
Profit before income tax		2,682	2,699
Income tax expense		(728)	(787)
Profit after tax for the period		1,954	1,912
Other comprehensive loss			
Foreign currency translation adjustment loss, net of 30% tax		(1)	(15)
Other comprehensive loss for the period		(1)	(15)
Total comprehensive income for the period		1,953	1,897
 Earnings per share (EPS)			
Basic earnings per share (cents per share)		1.18	1.16
Diluted earnings per share (cents per share)		1.18	1.16

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Notes	31-Dec-10 \$'000	30-Jun-10 \$'000
Current Assets			
Cash and cash equivalents		9,185	12,153
Trade and other receivables		7,115	8,162
Inventories		9,233	6,463
Other current assets		406	36
		25,939	26,814
Non-Current Assets			
Financial assets		3	4
Property, plant and equipment		2,298	2,088
Deferred tax assets		849	832
Intangible assets		2,052	2,008
		5,202	4,932
Total Assets		31,141	31,746
Current Liabilities			
Trade and other payables		4,050	4,080
Current tax liabilities		799	1,309
Short-term provisions		527	458
		5,376	5,847
Non-Current Liabilities			
Deferred tax liabilities		168	200
Long-term provisions		82	72
		250	272
Total Liabilities		5,626	6,119
Net Assets		25,515	25,627
Equity			
Issued Capital	5	32,920	32,920
Reserves		(51)	(50)
Accumulated losses		(7,354)	(7,243)
Total Equity		25,515	25,627

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 DECEMBER 2010

	Issued Capital \$'000	Retained Profits/ (Accumulated Losses) \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
Balance at 1 July 2009	32,920	(4,624)	(22)	28,274
Profit for the period	-	1,912	-	1,912
Dividend Paid	-	(1,652)	-	(1,652)
Foreign Currency Translation Reserve	-	-	(15)	(15)
Balance at 31 December 2009	32,920	(4,364)	(37)	28,519
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

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

Clover Corporation Limited
Half Year ended 31 December 2010

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR TO 31 DECEMBER 2010

	Note	31-Dec-10 \$ '000	31-Dec-09 \$ '000
Cash flows from operating activities			
Receipts from customers		14,564	13,913
Payments to suppliers and employees		(14,106)	(13,028)
Interest received		300	126
Income tax paid		(1,286)	(426)
Net cash outflow from operating activities		(528)	585
Cash flows from investing activities			
Purchases of plant and equipment		(177)	(70)
Purchases of patents and trademarks		(198)	-
Net cash outflow from investing activities		(375)	(70)
Cash flows from financing activities			
Dividends paid	3	(2,065)	(1,652)
Net cash outflow from financing activities		(2,065)	(1,652)
Net decrease in cash held		(2,968)	(1,137)
Cash at the beginning of the period		12,153	9,192
Cash at the end of the period		9,185	8,055

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2010 (continued)

1. Significant accounting policies

Statement of Compliance

This financial report for the half-year ended 31 December 2010 is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The half-year financial report does not include notes of the type normally included in an annual financial report, therefore, it cannot be expected to provide as full an understanding of the income statement, balance sheet and cash flow statement of Clover Corporation Limited and its controlled entities ('the Company') as the full financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Clover Corporation Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

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.

The accounting policies and methods of computation have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2010 annual report and the corresponding interim reporting period.

Clover Corporation Limited
Half Year ended 31 December 2010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2010 (continued)

	31-Dec-10 \$'000	31-Dec-09 \$'000
2. Revenue		
<p>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:</p>		
Operating activities:		
Sales of goods	<u>14,034</u>	<u>16,353</u>
Other income:		
Government grants	-	50
Foreign exchange (loss)/gain	(227)	13
Interest revenue	300	199
Other	<u>67</u>	<u>144</u>
	<u>140</u>	<u>407</u>
Total revenue	<u>14,174</u>	<u>16,760</u>
Expenses		
Cost of goods sold	(8,655)	(10,928)
Depreciation and amortisation expenses	(121)	(122)
3. Dividends		
(a) Dividends paid during the year		
<p>Final dividend for the year ended 30 June 2010 of 1.25 cents per share (2009: 1.0 cent) fully franked at the tax rate of 30%</p>		
	<u>(2,065)</u>	<u>(1,652)</u>
(b) Dividends declared		
<p>On the 3 December 2010, the Company paid the final dividend in respect of the year ending 30 June 2010 of 1.25 cents per share (2009: final 1.0 cent per share). The Directors have not declared an interim dividend in respect of the current financial year ending 30 June 2011.</p>		
4. Events subsequent to reporting date		
<p>No events have occurred subsequent to balance date which would materially affect the half-year financial report.</p>		
5. Contributed equity		
Issued and paid up capital		
165,181,696 (2009: 165,181,696) ordinary shares, fully paid	<u>32,920</u>	<u>32,920</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2010 (continued)

6. Associates

Future Food Ingredients Pty Ltd ("FFI")

On 8 July 2010 the directors announced their decision to fully impair the Company's investment in, and loans owing from, its associate company Future Food Ingredients Pty Ltd. The effect of the impairment was reflected in the Company's financial result for the year ended 30 June 2010. The directors' announcement on 8 July 2010 also referenced their intention to divest this investment.

Since this announcement, Clover and its 50% joint venture partner ("the Joint Venture Partners") have been actively engaged in the sale of this business. As reported at the Annual General Meeting on 23 November 2010, negotiations with interested parties had begun, and these negotiations are continuing as at the date of this report.

Following ongoing production issues in the first quarter of this financial year the Joint Venture Partners took the decision to discontinue manufacturing and the plant subsequently closed on 15 October 2010. Since this date, and up to the date of this report, costs have been minimised to those associated with the security and maintenance of the plant and all remaining finished inventory has been sold. FFI produced an (unaudited) operating loss of \$0.69m (EBITDA \$0.5m loss).

The Company has not recognised its share of this loss of \$0.35m (31 December 2009: \$0.44m loss), as the Company has now fully impaired its investment in the Associate.

As at 31 December 2010 the assets of FFI include the land, buildings, plant and equipment, approximately 840 tonnes of unprocessed soy beans, offset by liabilities which include loans from the Joint Venture Partners of \$3.11m (30 June 2010, \$2.61m) and loans owing to FFI's debt provider of \$2.94m (30 June 2010: \$3.35m).

Clover has provided guarantees to the Associate's debt provider to underwrite the Company's share of any potential shortfall between the proceeds from sale of the business and the current debt obligations. The Associate's debt provider has agreed to a continuation of all current credit facilities until at least 31 March 2011.

The directors estimate that the net proceeds from the sale process, will be sufficient to meet FFI's debt obligations to its external debt providers and ongoing maintenance and security costs up to the date of sale, but will be insufficient to repay, wholly or partly, the loans owing to the Joint Venture Partners.

Based on the above the directors consider that the loans provided to the Associate by Clover of \$2.6m at 31 December 2010 (30 June 2010: \$2.6m) and Clover's investment in the Associate should remain fully impaired.

7. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2010 (continued)

8. Segment information

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the Board of Directors in assessing performance and in determining the allocation of resources.

The consolidated entity operates entirely in the industry of manufacturing tuna oils and related products in Australia. The operating segments are identified by management based on the oil derived omega-3 oils and microencapsulated powders.

The reportable operating segments are split between the omega-3 oil and soy bean products. Financial information about each of these segments is reported to the Chief Executive Officer and Board of Directors on a monthly basis.

In addition to the operating segments, an investment / treasury segment is reported. The assets within this segment are cash and cash equivalents and other financial assets. Interest income is allocated to this segment.

No segments are identified or reported on the basis of major customers. Disclosure of this information would be prejudicial against the consolidated entity.

Accounting policies and inter-segment transactions

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. An internally determined transfer price is set for all inter-segment sales. This price is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the consolidated entity's financial statements.

Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

The accounting policies used by the consolidated entity in reporting segments are the same as those contained in note 1 to the accounts and in the prior period. The following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Income tax expense
- Current tax liability
- Deferred tax asset
- Deferred tax liability

Clover Corporation Limited
Half Year ended 31 December 2010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2010 (continued)

8. Segment information (continued)

The following represents profit and loss information for reportable segments for the half-years ended 31 December 2010 and 31 December 2009.

Primary Reporting – Business Segments

	Soy production and supply		Tuna Oil and DHA product refinement, development and supply		Investment/Treasury		Economic Entity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Revenue								
Sales Revenue	311	768	13,723	15,585	-	-	14,034	16,353
Other revenue	-	-	(160)	208	300	199	140	407
Total segment revenue	311	768	13,562	15,793	300	199	14,174	16,760
Total revenue consolidated							14,174	16,760
Results								
Operating result	-	-	2,382	2,941	300	199	2,682	3,140
Share of net losses of equity accounted associate	-	(441)	-	-	-	-	-	(441)
Profit before income tax		(441)	2,382	2,941	300	199	2,682	2,699
Income tax expense							(728)	(787)
Profit for the year							1,954	1,912
Profit attributable to members of the parent entity							1,954	1,912

9. Contingent liabilities

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

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 December 2010 and of its performance for the half year ended on that date; and
 - 2. comply with Accounting Standards 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
23 February 2011

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 comprises the statement of financial position as at 31 December 2010, 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 directors' 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*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 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

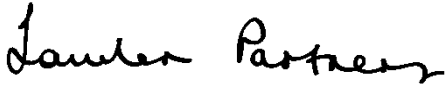
TO THE MEMBERS OF CLOVER CORPORATION LIMITED

Report on the Half Year Financial Report

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Clover Corporation Limited is not in accordance with the *Corporations Act 2001*, including:


- (i) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



LAWLER PARTNERS
Chartered Accountants

Sydney

Dated this 23rd day of February 2011



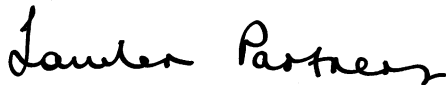
CLAYTON HICKEY
Partner

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF CLOVER CORPORATION LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010, 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
Chartered Accountants

Sydney

Dated this 23rd day of February 2011



CLAYTON HICKEY
Partner