



Investor Presentation June 2011

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%)

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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.

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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

NEXT GENERATION NUTRITION As per 4E & Annual Report # Last sale 9/9/10 = 30.0c/s

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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
Dividend (franked)	1.25 cents per share	1.00 cents per share
Major shareholder	WHSP & Co. Ltd (28.55%)	WHSP & Co. Ltd (28.55%)
Top 20 shareholders	60.42% of shares	60.12% of shares

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As per 2010 & 2009 Annual Report

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SUMMARY OF FINANCIAL PERFORMANCE FH FY2011



	FH FY2011	FH FY2010
Market capitalization	\$47.9 million (# as at 8/5/11)	\$49.6 million (as at 9/9/10)
Cash at half year	\$9.2 million	\$8.1 million
Sales Revenue at half year	\$14.0 million	\$16.4 million
Net Profit for half year	\$1.95 million	\$1.91 million
EPS	1.18 cents/share	1.16 cents/share

FFI - Progress on closure & sale



- Full impairment of Clovers' 50% investment in FFI at the end of FY10.
- Closure of FFI manufacturing plant in October 2010.
- External agent has been engaged to sell the FFI business.
- Tenders are due in June 2011.
- The stock of soybeans is currently being sold.
- Outstanding external loans associated with FFI are \$2.94 million. The directors estimate that the net proceeds from the sales process will be sufficient to meet FFI's debt obligations to its external debt providers and the ongoing maintenance and security costs up to the date of sale.



NU-MEGA INGREDIENTS PTY LTD



Overview

- Australian producer & international supplier of microencapsulated powders.
- Encapsulation processes are patented in many countries.
- Specialties include omega-3 & omega-6 oils (marine & algal sources).
- Process protects oil from oxidation and extends the shelf life.
- Refine and prepare high quality tuna oil.
- Extensive expertise in application technology.
- Actively involved in clinical research.
- Dedicated & professional staff.

FH FY11 KEY MILESTONES FOR NU-MEGA INGREDIENTS



- **Consolidate exceptional sales growth experienced in FY10.**
 - Anticipated sales revenue to be between \$32.5 million and \$33.0 million.
- **Continued growth of sales in Asia.**
- **Expansion of product range to meet customer requirements, particularly in the infant formula and related market segments.**
- **Increased R&D activity linked to commercial activities;**
 - Six new products launched in FY11.
 - Three new technology platforms under development.
 - Protection of Intellectual Property.
 - Expanding external technical alliances.
- **Strategic appointments in sales, marketing and operations to support expanded business activity.**

A GLOBAL MARKET: NU-MEGA SALES & DISTRIBUTION NETWORK



FOCUS ON THE GROWTH MARKETS



GOED Frost & Sullivan Report 2011

- Global market for marine and algal EPA & DHA ingredients approx. \$1.5 billion (2009).
- Asia-Pacific represented 25% of the market (i.e. USD\$363.5m in 2009).
- Global infant nutrition represented 3,103 MT (in 2009).
- Global encapsulated powders for food and beverages was 2,981 MT (in 2009).
- Major factors influencing the adoption of omega-3 ingredients;
 - Consumer need.
 - Perceived value.
 - Legislative support.
 - Promotion, access & distribution.
- Estimated market growth 2010 to 2015 CAGR 12.0%.

GOED 2010 Strategic Analysis of the Global EPA and DHA Omega-3 Ingredients Market (Frost & Sullivan January 2011)

APPLICATIONS FOR OMEGA-3 OIL INGREDIENTS



Use of marine and algal oil ingredients

- Marine oils ingredients;
 - Dietary Supplements
 - Functional Foods
 - Animal Feed
 - Infant & Clinical Nutrition
 - Pharmaceuticals
- Algal Oils ingredients;
 - Infant Nutrition and Clinical Nutrition.
 - Functional Foods & Beverages.
 - Dietary Supplements.
 - Animal & Pet Foods.



SEGMENTS OF THE INFANT FORMULA MARKET USING DHA



Infant formula market

- Tuna oil has a DHA: EPA ratio similar to human breast milk unlike other fish.
- Infant Formula markets are divided into four product ranges – Starting, Follow On, Toddler and Special.
- These products are provided in three major categories namely, Super Premium, Premium & Standard.
- Nu-Mega provides ingredients that are used in all product ranges and categories, particularly in Super Premium & Premium.
- Market ratio of Oil to Powder used in infant formula is estimated to be 80:20.
- Nu-Mega has an estimated market share of +10% for encapsulated powders.
- Markets in Asia and Central and South America is estimated to be growing at more than twice the rate of Europe or North America.

NU-MEGA INGREDIENTS SALES IN FY2010



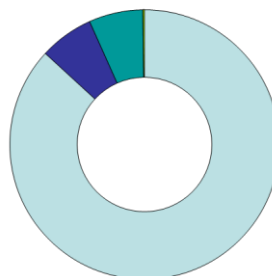
Geographic

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

Products

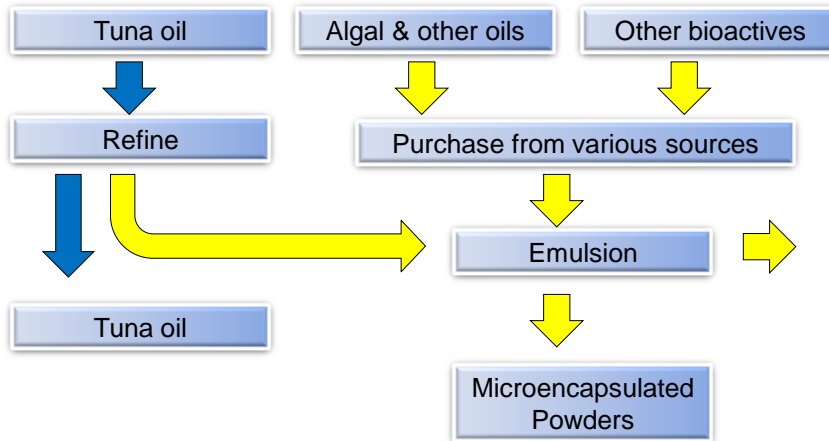
Oil	9%
Powder	87%
Soy	4%

Applications



□ Infant formula ■ Food ■ Supplement ■ Animal feed

OVERVIEW OF NU-MEGA PRODUCTS



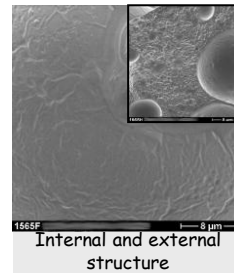
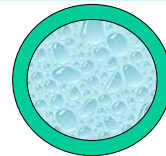
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THE IMPORTANCE OF NU-MEGA MICROENCAPSULATION



- Protects lipids against oxidation
- Protects against undesirable changes in taste and odour
- Ease of use in powder form
- Improved shelf life (at ambient temperature)
- Can provide control release properties
- Suitable for a wide range of product applications



Internal and external structure

Courtesy CSIRO 2007

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INNOVATION PROGRAM

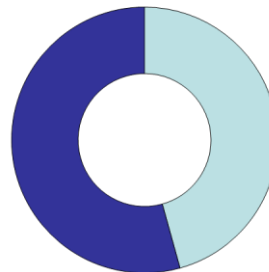


TECH 1	(OWNED)	ENCAPSULATION	Omega 3 lipids	Infant formula
TECH 2	(LICENSED)	ENCAPSULATION	Omega 3 &/or 6 lipids	Infant formula / Functional foods
TECH 3	(LICENSED)	ENCAPSULATION	Omega 3 &/or 6 lipids	Infant formula / Functional foods / Medical foods
TECH 4	(OWNED)	ENCAPSULATION	Single or multiple bioactives	Infant formula / Medical foods
TECH 5	(OWNED/ LICENSED)	EMULSION	Omega 3 lipids	Infant formula / Functional foods / Medical foods / Pharma
TECH 6	(OWNED/ LICENSED)	ENCAPSULATION	Single or multiple bioactives	Infant formula / Functional foods / Medical foods

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 encap. ■ Other bioactive encap.

SPONSORED RESEARCH IN 2008 - 2011



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

Maria Makris, ISc, PhD, PhD
Robert A. Gibson, BSc, PhD
Andrew J. McFlann, MBBS
Lorain J. Giblin, 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.

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



Outlook 2012 Clover Corporation

OUTLOOK FY2012



- Return to sales growth with the commercial adoption of new products.
- Continued expansion of the R&D program.
- Continued strong sales of ingredients for infant formula, infant nutrition & foods for children.
- Revitalize sales & distribution in the Americas and Europe.
- Continue to expand the customer base.
- Minimize the impact of FX volatility.
- Selectively recruit for growth.
- Identify new technical & commercial opportunities.
- Protect & utilize intellectual property.



THANK YOU

Questions?