



**Clover Corporation Limited**  
ABN 85 003 622 866

ASX ANNOUNCEMENT

22 March 2012

## **CLOVER CORPORATION – STRONG ORGANIC GROWTH CONTINUES**

- Sales revenue increased by 27.8% to \$17.93 million
- Profit down by 13.1% to \$1.70 million due to a \$0.97 million charge associated with the holding costs of assets and carrying value of assets of joint venture Future Food Ingredients Pty Limited (FFI)
- Normalised (excluding the FFI provision) profit after tax increased 36.6% to \$2.67 million.
- Continued growth of sales in Asia and Oceania
- Customer trials are underway evaluating new products released in 2011.
- Positive outlook for the second half of FY12

Clover Corporation Limited (Clover, ASX CLV) reported significant sales revenue growth of 27.8% to \$17.93 million (Dec 2010: \$14.03 million) during the first half of FY12.

Sales of encapsulated ingredients for infant formula and related applications continue to grow strongly, particularly in Asia and Oceania. This sales growth reflects Clover's focus on these developing markets, its strong customer relationships and the suitability of its products in targeted applications. Clover Corporation is pursuing a strategic program to expand its customer base, geographic representation and product portfolio. The development of the supply chain to support future requirements is supported by activities such as the upgrade of the Altona facility.

Clover Corporation has reported an after-tax profit of \$1.70 million for the half year ended 31 January 2012 (Dec 2010: \$1.95 million), a decrease of 13.1%. Prior to the charge against FFI the increase in sales revenue has flowed through to an increase in after-tax profit of 36.6% to \$2.67 million (Dec 2010: \$1.95) for the continuing activities of the group. FFI has sold its total stock of soy beans and detailed negotiations are underway with several interested parties for the sale of the remaining assets. The sale of these assets is anticipated before the end of the financial year.

Innovation and new product development are major parts of the strategic plan of the group in order to promote the Company's profitable growth. The expansion of the innovation program (R&D expenditure increased by 12.7% to \$0.70 million) is being pursued both through internal and external programs, such as the recently announced Australian Growth Partnership with the CSIRO.

Due to regulatory requirements all infant formula and related applications require products to successfully complete extensive customer evaluation before approval and this supports their longer product life cycle. New products released for evaluation in 2011 are being trialled and are expected to progressively make a significant impact on sales over the next 2 to 3 years.

Clover Corporation is seeking to protect the novel outcomes of its innovation program through the filing of patent applications. This allows the company to protect the output of its new product development program and where applicable allow Clover Corporation to explore opportunities to license technology that it does not wish to manufacture directly.

The outlook for Clover, based on normal operating conditions, continues to be positive for second half of FY2012.

**Company Contacts:**

Ian Brown – Managing Director +612 9232 7166

Ian Bloodworth – Company Secretary +612 9232 7166