



FY 2014 Results

24 September 2014

NEXT GENERATION NUTRITION

VISION AND MISSION STATEMENT CLOVER CORPORATION

- **Vision: To optimise the health and development of infants and children.**

Mission: To deliver science based bioactives to the global infant, children and medical food markets that provide health benefits.

FY2014 RESULTS



AUD million	4E Reported 31 July 2014	4E Reported 31 July 2013	4E Reported 31 July 2012	4E Normalised* 31 July 2012
Revenue	\$27.2	\$44.1	\$38.4	\$38.4
Profit before tax	\$1.2	\$8.5	\$6.4	\$7.4
EBITDA	\$1.6	\$8.8	\$6.7	\$7.9
EBIT	\$1.1	\$8.3	\$6.2	\$7.4
Tax	(\$0.3)	(\$2.43)	(\$1.99)	(\$1.99)
NPAT	\$1.0	\$6.1	\$4.4	\$5.6
EPS	0.59 cps	3.80 cps	2.65 cps	3.38 cps
ROE (annualised)	3.4%	19.2%	14.5%	18.6%

* Expenses totalling \$1.22 million in respect of the joint venture, Future Food Ingredients Pty. Limited, have been excluded from the normalised results.

BALANCE SHEET

31 July 2014



AUD million	Reported 31 July 2014	Reported 31 July 2013	Movement
Cash	\$8.0	\$8.3	0.3↓
Trade Receivables	\$6.9	\$12.0	5.1↓
Inventories	\$16.5	\$14.0	2.5↑
Total Current Assets	\$32.9	\$34.7	1.8↓
PPE/Intangible Assets	\$4.9	\$5.3	0.4↓
Total Assets	\$39.5	\$41.5	2.0↓
Trade Payables	(\$8.6)	(\$7.7)	0.9↑
Total Current Liabilities	(\$9.2)	(\$8.7)	0.5↑
Total Liabilities	(\$9.4)	(\$9.1)	0.3↑
Net Assets	\$30.1	\$32.4	2.3↓

CASH FLOW

Year ended 31 July 2014



AUD million From Operations	Reported 31 July 2014
EBITDA	\$1.6
Working Capital Movement	\$3.5
Net Interest	\$0.1
Tax Paid	(\$2.0)
Cash Flow from Operations	\$3.2
Financing Activities	(\$3.3)
Capex	(\$0.2)
Net Cash Flow	(\$0.3)

FY2014 KEY ITEMS



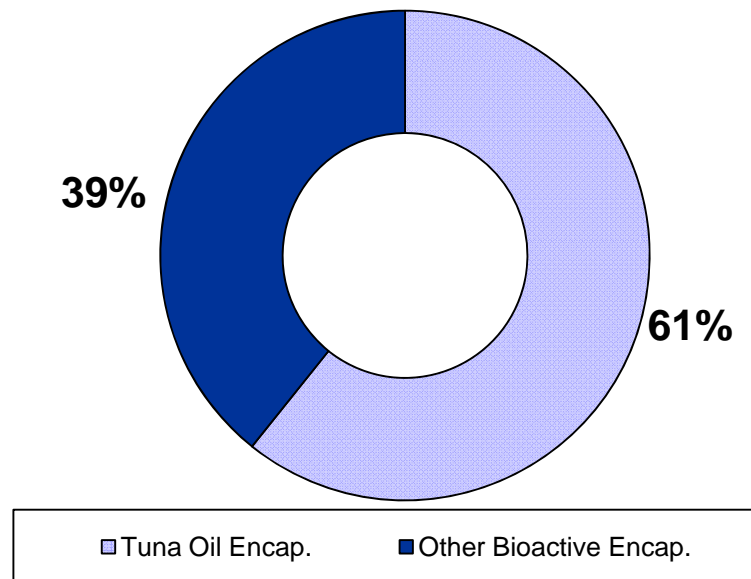
- Significant negative revenue impact NZ WPC (-38.3% PCP)
- Some recovery evident CY14 Q3
- Oceania and Asia remain key geographic sales regions
- Derivative powder products gaining traction
- Continued gross margin pressure, down to 29.0% (PCP 35.1%)
- Fixed costs managed downwards
- Future supply of oil assured
- Low NPAT result 1.0m (PCP \$6.1m)
- Cash balance strong (\$8.0m), reduced final dividend payment of 0.5c (PCP 1.5c)

DELIVERY SYSTEMS BASED ON A VARIETY OF NUTRITIONAL BIOACTIVES



- Product portfolio includes encapsulated powders containing marine oil, algal oils, other specialty oils and important micronutrients
- Encapsulation technologies protect important and sensitive nutritional materials and allow their use in many applications

Sales Revenue based on Diversified Bioactives in FY2014



SALES BY GEOGRAPHY/PRODUCT



- Continued strong presence though Oceania and Asia
- Encapsulation technology strong and proven

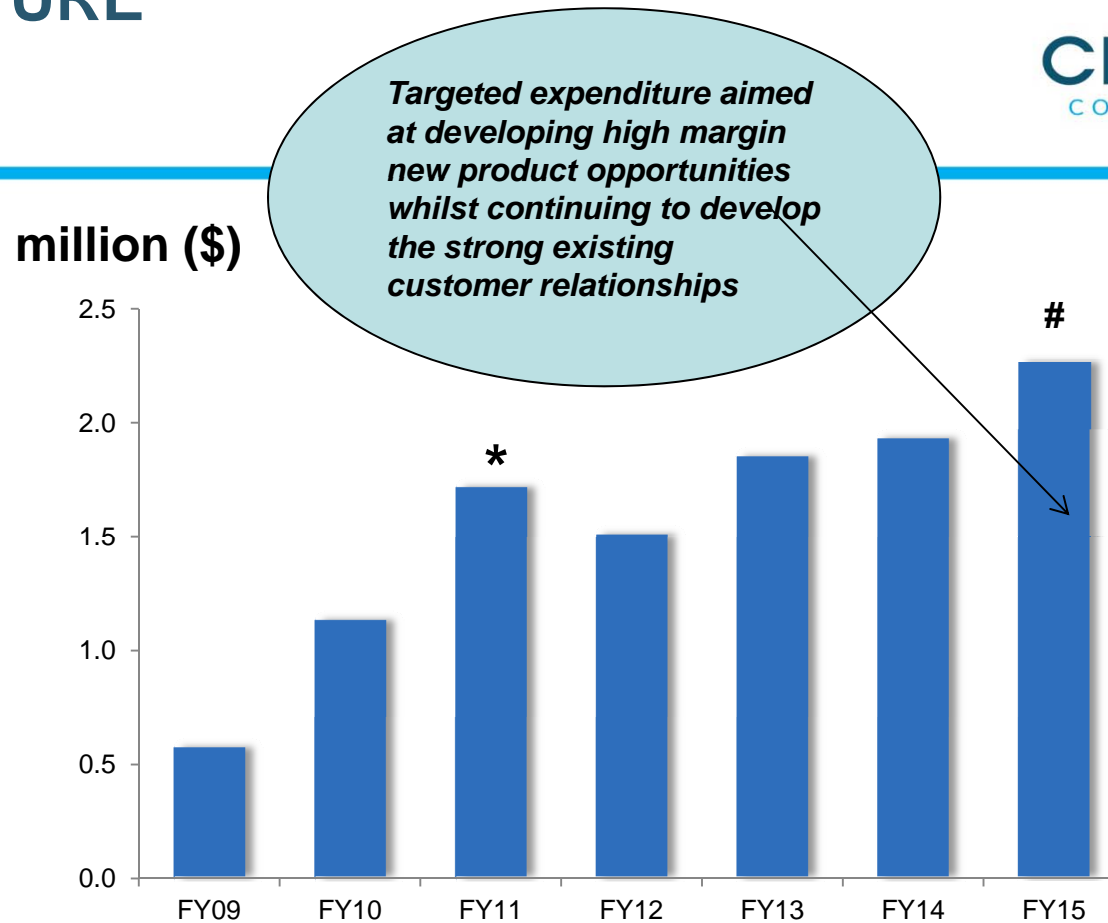
FY2014 Geographic

Australia/New Zealand	22%
Asia	58%
Europe	14%
Americas	6%

FY2014 Products

Oil	4%
Encapsulated Powders	96%

RESEARCH & DEVELOPMENT EXPENDITURE



R&D Expenditure

* FY11 represents 13 months
FY15 Budget estimate

GROWTH OBJECTIVES



- **Continued focus on the infant formula market**
 - **Specialist delivery systems**
 - **Developing new markets/applications**
 - **Improved bioactive protection**
- **Develop medical food program**
 - **Product pipeline to improve the health of preterm infants**
 - **Major clinical trial underway for respiratory health (730 of 1,244 target babies recruited)**
 - **Clinical trial on target for completion mid 2015**
- **NZ spray dryer investment and product diversification to stabilise the gross margin**
- **Assessing new bioactives and growth opportunities**

FY2015 OUTLOOK & PRIORITIES



- **Work with existing customers to regain lost revenue**
- **Continued organic growth with emphasis on Oceania, Asia and Europe**
- **Investment in NZ spray dryer to partner with customers to supply new sources of oil to address new market opportunities**
- **Continue to advance the Medical Food Program**
- **Continue to improve efficiencies and reduce costs**
- **Add value through strategic acquisition and/or partnership**



THANK YOU
Questions?

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