



Clover Corporation Limited

ABN 85 003 622 866

ASX ANNOUNCEMENT

23 September 2015

Clover sales improve despite difficult trading conditions

- Sales revenue in FY2015 was \$29.9m (2014: \$27.2m) an increase of 10.0%.
- Margins under pressure from a weak AU\$:US\$
- Market recovery evident in Australia and New Zealand
- A strong cash position \$9.5m provides for future investment
- New Spray Dryer facility in New Zealand set to start production, introducing new products and customers
- Clover declares dividend of 0.50 cent per share

Clovers revenue for the year ended 31 July 2015 was \$29.9 million (2014: \$27.2 million), an increase of 10% on the prior year. Difficult trading conditions and margin pressure have delivered Net Profit after Tax for the year ending 31 July 2015 of \$0.1 million.

As foreshadowed in the Company's announcement on 30th July 2015, the performance of Clover Corporation Limited (ASX: CLV) (**Clover**) has been impacted by a slower than expected recovery in Chinese markets, the weakening Australian dollar (against the USD), and a change in sales product mix. Increased competition in the marketplace has placed further pressure on operating margins.

CEO, Peter Davey said "As we noted in our previous release to the market, Clover is very active in developing effective responses to the market conditions that have affected our results for the year. It is pleasing that we are seeing a recovery in sales to some of our traditional customers, as well as interest from new customers. We have also reduced our costs by 10% but we have additional work to do, and the weak Australian dollar has not helped our position". The Company maintains a strong balance sheet recording a positive cash balance of \$9.5 million positioning it well for future investments.

Dividend

Based on the company's cash position Directors have decided to declare a fully franked final dividend for FY15 of 0.50 cent per share. The record date for this dividend will be 30 October 2015, with payment due on 20 November 2015.

Building for the Future

A major plank of Clover's strategy for future growth is the development of new products for which there is an established demand in the market. To this end, Clover has invested in a new spray dryer facility in New Zealand. Mr. Davey commented "This new facility will provide Clover with the ability to commercialise new microencapsulated technologies and products which meet the changing needs of Clover's customers. The new plant is currently undergoing final trials with production expected to commence in October". He also noted that a recent trend of Chinese infant formula manufacturers is to invest in Australia and New Zealand along with licensing of local businesses to manufacture products for access to the Chinese market. The new manufacturing capability places Clover on the door step of this expanding New Zealand market and scope to access new customers in China and other overseas markets.

For further information, please contact:

Mr Peter Robinson – Chairman Clover Corporation +61 3 8347 5000

Peter Davey – MD & CEO Clover Corporation +61 3 8347 5000

About Clover Corporation Limited

Clover Corporation is an Australian company listed on the Australian Stock Exchange (ASX:CLV). Clover evolved from being a research and development, manufacturing and marketing company to one concentrating on forming strategic relationships focused on technology, new product development and commercialisation.

Clover's superior microencapsulation technology enables nutritional oils, such as tuna, fish, algal and fungal oils, to be added to infant formula, foods and beverages. Developed through extensive research and development, our proprietary technologies protect those sensitive oils from oxidation, allowing them to be incorporated into a range of applications. All of our products reach the highest standards of purity, stability and performance, allowing customers to maximise and deliver nutrition.

For more information about Clover visit www.clovercorp.com.au