



Clover Corporation Limited

ABN 85 003 622 866

ASX ANNOUNCEMENT

24 September 2014

Clover Rebuilding for the Future

- Sales impacted by the New Zealand whey protein concentrate incident;
- Ordering patterns suggest that affected customers are beginning to regain lost market share;
- Strong net cash balance of \$8.0m to fund future growth;
- Future oil supply assured;
- Investment in New Zealand spray dryer facility to expand product range;
- Medical Foods program, phase 3 clinical trial tracking to plan;

As a result of the New Zealand whey protein concentrate incident first reported in September 2013, sales in FY2014 declined by 38.3%. Chairman, Peter Robinson, commented 'Management has worked closely with affected customers over the past 12 months and this has assisted in significant progress being made to regain market share. As a result Clover is starting to see ordering patterns returning to higher levels in the new financial year'. New products emerging from the company's R&D pipeline are also beginning to attract significant sales in a changing market.

Working capital decreased during the year with cash levels (\$8m) in line with last year. During FY2014 Clover signed up additional crude oil suppliers to ensure high quality oil supply into the future.

To assist in new product development and manufacture the Company has invested \$500,000 in a New Zealand spray dryer facility. This will allow Clover to supply new types of oil to meet demand from existing and new customers. These products are expected to be under evaluation by customers by early calendar year 2015.

The Medical Foods program continues to make good progress. A Phase 3 clinical trial is currently underway trialling Clover's proprietary high DHA product and its ability to improve the health of premature infants. The trial, which involves hospitals in three countries and 1,250 premature infants, is progressing to plan. Enrolment of babies in the trial is scheduled to be concluded by early 2015 with results available mid 2015. Clover is currently seeking regulatory approvals required for the sale of the DHA emulsion once trial results are available, and plans for rollout to the market are being evaluated.

Directors have declared a final fully franked dividend of 0.50 cents per share (2013: 1.5 cents per share) taking the total dividend paid for the year to 1.0 cent per share (2013: 2.0 cents per share).

Directors continue to review the vacant CEO role with an announcement expected over the next six weeks. In the interim, CFO Darren Callahan continues in the role of acting CEO. Mr Robinson further added that 'Mr Callahan and the management team have worked tirelessly to stabilize the business during 2014 to ensure a better outcome in 2015.'

About Clover Corporation:

Clover Corporation Limited seeks to identify, develop and commercialize functional and nutritional ingredients in the infant formula and nutraceutical market. Its wholly owned subsidiary, Nu-Mega Ingredients Pty. Ltd., is a world class manufacturer and supplier of HiDHA omega-3 tuna oil and Driphorm microencapsulated nutritionally important lipid ingredients.

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