



Clover Corporation Limited
ABN 85 003 622 866

ASX ANNOUNCEMENT

18 September 2013

CLOVER DELIVERS ON EXPECTATIONS

- Sales revenue up 14.9% to \$44.1 million
- Strong growth of sales in Oceania (up 67% pcp)
- Profit after tax up 39.1% to \$6.1 million
- Building an exciting new business in medical foods
- Strong net cash balance \$8.3 million to fund future growth
- Dividend increased by 14.3% demonstrates board's confidence in outlook
- Re-signed 5 year supply agreement with a multi-national infant formula company

CEO, Dr Ian Brown, commented "FY2013 was a good year for the business and Clover's results exceeded market expectations. Clover saw strong growth in our infant formula ingredients products with a 67% increase in Oceania. This growth was supported by our proprietary product advantages, including high oil content, long shelf-life, superior stability at ambient temperature and the potential to deliver multiple bioactives in one powdered ingredient. Combined with our technical expertise, superior customer support and flexibility, these features differentiate Clover and its products in the market place."

The Directors anticipate some challenges for Clover in FY2014. As a result of local government moves, there is consolidation of the infant formula market in China, and Clover is in the process of diversifying its products and delivery channels to take advantage of this shifting but growing market. The recent milk powder contamination incident in New Zealand will have a negative impact for some of our customers, leading to a reduction in infant formula sales. The Directors are uncertain as to the extent of this impact on supply of ingredients by Clover at this stage. They are closely monitoring the situation and will inform the market as more information emerges.

In 2014 Clover should also see some contribution from sales of new products and it will make further progress in the development of its exciting new medical food business. A Phase 3 clinical trial is currently underway which is trialling Clover's proprietary high DHA product and its ability to improve the health of premature infants. This trial will include some 1,250 premature infants. The trial is due to be completed by the end of 2014 with the results in mid 2015. Clover is currently developing the commercial, regulatory, intellectual property and manufacturing plans for this first product.

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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