



ABN 85 003 622 866
GPO Box 5015, Sydney NSW 2001
Level 1, 160 Pitt Street Mall, Sydney NSW 2000

Clover Corporation Limited

ASX Appendix 4D

Half Year Financial Report

31 December 2009

Lodged with the ASX under Listing Rule 4.2A

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Reporting Period

The reporting period is the half-year ended 31 December 2009 with the previous corresponding period to 31 December 2008.

Results for Announcement to the Market

		% Change	Amount of Change \$'000		\$'000
Revenue from ordinary activities	Up	58.3%	6,173	to	16,760
Profit from ordinary activities after tax attributable to members	Up	18.8%	303	to	1,912
Net profit for the period attributable to members	Up	18.8%	303	to	1,912

Dividends/distributions	Amount per security	Franked amount per security
Final dividend – 30 June 2009	1 cent	1 cent
Interim dividend – 31 December 2009	Nil	Nil

Record date for determining entitlements to the dividend: N/A

Explanation of Operating Results

For a further explanation of the half-year's operating result, please refer to the Directors' Report in the financial report for the half year ended 31 December 2009.

NTA Backing

	31/12/2009	31/12/2008
Net tangible asset backing per ordinary share after tax	15.82 cents	14.03 cents

Results for Announcement to the Market – Continued

Controlled entities acquired or disposed of

Disposed entities

No entity was disposed of during the half-year ended 31 December 2009.

Acquired entities

No entity was acquired during the half-year ended 31 December 2009.

Additional dividend/distribution information

A fully franked final dividend of 1 cent per share for the year ended 30 June 2009 was paid during the half year period ended 31 December 2009. No dividend or distribution was declared for the half year ended 31 December 2009.

Dividend reinvestment plans (“DRP”)

There are no dividends or distribution reinvestment plans as at 31 December 2009.

Associates and Joint Venture entities

Details of shares and results in associates:

	Interest in Associates	31 Dec 2009 \$'000	31 Dec 2008 \$'000
Future Food Ingredients Pty Limited	50%		
- share of net assets		2,730	3,408
- share of net loss		(441)	(195)
- loan from Clover Corporation Limited		1,618	1,618

Foreign Accounting Standards

N/A

Independent Review Report

Refer to the attached Clover Corporation Limited 31 December 2009 Half-Year Report for the Independent Review Report to the Members of Clover Corporation Limited



ABN 85 003 622 866

REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

CLOVER CORPORATION LIMITED
ABN 85 003 622 866

CORPORATE DIRECTORY

Directors

Mr Peter R. Robinson	Non-Executive Director & Chairman
Dr Ian L. Brown	CEO & Managing Director
Mr Guy H. Drummond	Non-Executive Director (resigned 24 November 2009)
Mrs Cheryl L. Hayman	Non-Executive Director
Dr Marilyn J. Sleigh	Non-Executive Director
Mr David E. Wills	Non-Executive Director

Secretary

Mr Ian D. Bloodworth

Registered Office

Level 1
160 Pitt Street Mall
Sydney 2000
NSW
Telephone: (02) 9232 7166
Facsimile: (02) 9233 1025

Auditors

Lawler Partners
Level 9
1 O'Connell Street
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney 2000

Australian Stock Exchange Code

Ordinary Shares CLV

Website

<http://www.clovercorp.com.au>

DIRECTORS' REPORT

The directors of Clover Corporation Limited (the Company) present the following report for the six months to 31 December 2009.

Directors

The names of directors who held office during the whole of the half-year and up to the date of this report are as follows unless otherwise stated:

Mr Peter R. Robinson	Non-Executive Director & Chairman
Dr Ian L. Brown	CEO & Managing Director
Mr Guy H. Drummond	Non-Executive Director (resigned 24 November 2009)
Mrs Cheryl L. Hayman	Non-Executive Director
Dr Marilyn J. Steigh	Non-Executive Director
Mr David E. Wills	Non-Executive Director

Review of Operations

Clover Corporation Limited (Clover) has reported a profit after tax of \$1.912 million for the half year ended 31 December 2009 (2008: \$1.609 million), an increase of 18.8%. The results were impacted by:

- Significant increase in sales revenue of 80% to \$16.353 million (2008: \$9.091 million) with particular emphasis on infant formula applications in Asian markets.
- Decrease in other income due to lower foreign exchange gains of \$13,000 (2008: \$984,000).
- Increase in working capital requirements associated with sales growth.
- An equity accounted loss to the Company of \$441,000 (2008: \$195,000) for the period under review contributed by Future Foods Ingredients Pty Ltd (FFI), the company's joint venture with Austgrains Pty Ltd (Austgrains). Although sales increased, issues associated with product sales mix, operations and inventory, including a stock write down of \$410,000, contributed significantly to the loss.

Clover's core business is in manufacturing and supplying HiDHA[®] tuna oil, a rich source of omega-3 DHA, and encapsulated powdered oils, for inclusion in infant and children's formulas, foods, and as health supplements and pharmaceuticals. Clover continues to expand its range of products to support growth for the future, through an active innovations program, building on the broader potential of the Company's patented encapsulation technology.

Sales of omega-3 oil products rose by 83% during the half year compared to the same period last year, with strong sales reported into Asia. Sales for the first two months of calendar year 2010 continue this positive trend. To support the expansion in sales, customer requirements and the changing regulatory environment in some markets, additional sources of high quality long chain omega-3 oil have been identified and are currently being incorporated into the Company's supply chain.

As advised at Clover's Annual General Meeting held in November 2009, a strategic and operational review of FFI has been undertaken. FFI is a 50:50 joint venture between Clover and Austgrains to manufacture and distribute a range of debittered soy ingredients. The FFI joint venture was established in 2005 and structured whereby Austgrains was responsible for the management of FFI including the manufacturing operations in Moree, NSW.

DIRECTORS' REPORT (Continued)

As a consequence of the strategic review it was agreed that Austgrains will no longer be responsible for the management of FFI. Management changes in association with an intensive business development program and financial review are underway to refocus FFI and reduce the losses in the second half of the year.

The outlook for Clover in the second half of the financial year is encouraging, with continuing strong sales of omega-3 products and an expected improved performance from FFI.

The Board has resolved that no interim dividend will be paid.

For more information please refer to;

www.clovercorp.com.au

www.nu-mega.com

www.dha-in-mind.com

www.omega-3centre.com

www.goedomega3.com


Rounding of Amounts

The economic entity has applied the relief available to it in ASIC Class Order 98/0100 and accordingly amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditors Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2009 has been received and is set out on page 19.

This report is signed in accordance with a resolution of the directors.



Peter Robinson
Director
Sydney

Date: 24 February 2010

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR TO 31 DECEMBER 2009**

	Notes	31-Dec-09 \$'000	31-Dec-08 \$'000
Revenue	2	16,353	9,091
Cost of goods sold		<u>(11,515)</u>	<u>(6,458)</u>
Gross profit		4,838	2,633
Other income	2	407	1,496
Sales and marketing expenses		(855)	(867)
Administration and corporate expenses		(896)	(757)
Research and development expenses		(314)	(234)
Management fee expense		(40)	(12)
Share of net loss of associate accounted for using equity accounting	6	<u>(441)</u>	<u>(195)</u>
Profit before income tax		2,699	2,064
Income tax expense		<u>(787)</u>	<u>(455)</u>
Profit after tax for the period		<u>1,912</u>	<u>1,609</u>
Other comprehensive loss			
Foreign currency translation adjustment loss, net of 30% tax		<u>(15)</u>	<u>(138)</u>
Other comprehensive loss for the period		<u>(15)</u>	<u>(138)</u>
Total comprehensive income for the period		<u>1,897</u>	<u>1,470</u>
 Earnings per share (EPS)			
Basic earnings per share (cents per share)		1.16	0.97
Diluted earnings per share (cents per share)		1.16	0.97

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Notes	31-Dec-09 \$'000	30-Jun-09 \$'000
Current Assets			
Cash and cash equivalents		8,055	9,192
Trade and other receivables		8,557	5,452
Inventories		6,942	6,373
Other current assets		377	188
		23,931	21,205
Non-Current Assets			
Trade and other receivables		1,618	1,618
Financial assets		4	4
Investments accounted for using the equity method		2,643	3,084
Property, plant and equipment		2,136	2,172
Deferred tax assets		1,257	1,522
Intangible assets		1,960	1,976
		9,618	10,376
Total Assets		33,549	31,581
Current Liabilities			
Trade and other payables		3,978	2,326
Current tax liabilities		526	418
Short-term provisions		283	317
		4,787	3,061
Non-Current Liabilities			
Deferred tax liabilities		171	183
Long-term provisions		72	63
		243	246
Total Liabilities		5,030	3,307
Net Assets		28,519	28,274
Equity			
Issued Capital	4	32,920	32,920
Reserves		(37)	(22)
Accumulated losses		(4,364)	(4,624)
Total Equity		28,519	28,274

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Clover Corporation Limited
Half Year ended 31 December 2009

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR TO 31 DECEMBER 2009

	Issued Capital \$'000	Retained Profits/ (Accumulated Losses) \$'000	Foreign Currency Translation Reserve \$'000	Total \$'000
Balance at 1 July 2008	32,920	(6,054)	91	26,957
Profit for the period	-	1,609	-	1,609
Dividend Paid	-	(1,652)	-	(1,652)
Foreign Currency Translation Reserve	-	-	(138)	(138)
Balance at 31 December 2008	32,920	(6,097)	(47)	26,776
Balance at 1 July 2009	32,920	(4,624)	(22)	28,274
Profit for the period	-	1,912	-	1,912
Dividend Paid	-	(1,652)	-	(1,652)
Foreign Currency Translation Reserve	-	-	(15)	(15)
Balance at 31 December 2009	32,920	(4,364)	(37)	28,519

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR TO 31 DECEMBER 2009

	Note	31-Dec-09 \$ '000	31-Dec-08 \$ '000
Cash flows from operating activities			
Receipts from customers		13,913	12,101
Payments to suppliers and employees		(13,028)	(11,326)
Interest received		126	333
Income tax paid		(426)	(489)
Net cash inflow from operating activities		585	619
Cash flows from investing activities			
Purchases of plant and equipment		(70)	(244)
Purchases of patents and trademarks		-	(17)
Net cash outflow from investing activities		(70)	(261)
Cash flows from financing activities			
Dividends paid	3	(1,652)	(1,652)
Net cash outflow from financing activities		(1,652)	(1,652)
Net decrease in cash held		(1,137)	(1,294)
Cash at the beginning of the period		9,192	10,759
Cash at the end of the period		8,055	9,465

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2009 (continued)

1. Significant accounting policies

Statement of Compliance

This financial report for the half-year ended 31 December 2009 is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The half-year financial report does not include notes of the type normally included in an annual financial report, therefore, it cannot be expected to provide as full an understanding of the income statement, balance sheet and cash flow statement of Clover Corporation Limited and its controlled entities ('the Company') as the full financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements made by Clover Corporation Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

The economic entity has applied the relief available to it in ASIC Class Order 98/0100 and accordingly amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The accounting policies and methods of computation have been consistently applied by the entities in the economic entity and are consistent with those applied in the 30 June 2009 annual report and the corresponding interim reporting period unless otherwise stated.

Change in accounting policy

From 1 July 2009 the Company has adopted the following Standards for annual reporting periods beginning on or after 1 January 2009. Adoption of these standards does not have any effect on the financial performance or position of the Company.

- AASB 8: Operating Segments
- AASB 101: Revised Presentation of Financial Statements

Clover Corporation Limited
Half Year ended 31 December 2009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2009 (continued)

	31 Dec 2009	31 Dec 2008
	\$'000	\$'000
2. Revenue		
Profit before income tax expense includes the following items of income and expense which, together with other disclosures in this report are relevant in explaining the financial performance for the half-year:		
Revenue		
Sales of goods	16,353	9,091
Government grants	50	-
Foreign exchange (loss)/gain	13	984
Interest revenue	199	406
Other	144	106
Total Revenue	16,760	10,587
Expenses		
Cost of goods sold	(11,515)	(6,458)
Depreciation and amortisation expenses	(122)	(152)
3. Dividends		
(a) Dividends paid during the year		
Final dividend for the year ended 30 June 2009 of 1.0 cent per share (2008: 1.0 cent) fully franked at the tax rate 30%	(1,652)	(1,652)
(b) Dividends declared		
On the 19 November 2009, the Company paid the final dividend in respect of the year ending 30 June 2009 of 1.0 cent per share (2008: final 1.0 cent per share).		
The Directors have not declared an interim dividend in respect of the current financial year ending 31 December 2009.		
4. Events subsequent to reporting date		
No events have occurred subsequent to balance date which would materially affect the half-year financial report.		
5. Contributed equity		
Issued and paid up capital		
165,181,696 (2008: 165,181,696) ordinary shares, fully paid	32,920	32,920
Movements in ordinary share capital:		
Balance at the beginning of the reporting period	32,920	32,920
Balance at the end of the reporting period	32,920	32,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2009 (continued)

6. Associates

	Interest in Associates	31 Dec 2009 \$'000	31 Dec 2008 \$'000
Future Food Ingredients Pty Limited	50%		
- share of net assets		2,730	3,408
- share of net loss		(441)	(195)
- loan from Clover Corporation Limited		1,618	1,618

Interest on the loan from Clover Corporation Limited is at a rate of 9% p.a.

7. Related party transactions

Clover Corporation Limited is the ultimate parent entity of the economic entity.

Other related parties and Director- related entities with whom the economic entity continues to transact are:

- Corporate & Administrative Services Pty Limited – accounting fees

8. Segment information

Identification of reportable segments

The company has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the Board of Directors in assessing performance and in determining the allocation of resources.

The Company operates entirely in the industry of manufacturing tuna oils and related products in Australia. The operating segments are identified by management based on the oil derived omega-3 oils and microencapsulated powders. The reportable segments are split between the omega-3 oil and soy bean products. Financial information about each of these segments is reported to the Chief Executive Officer and Board of Directors on a monthly basis.

Accounting policies and inter-segment transactions

The accounting policies used by the Company in reporting segments are the same as those contained in note 1 to the accounts and in the prior period. The following items are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest income

Clover Corporation Limited
Half Year ended 31 December 2009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2009 (continued)

8. Segment information (continued)

The following represents profit and loss information for reportable segments for the half-years ended 31 December 2009 and 31 December 2008.

Primary Reporting – Business Segments

	Soy ingredients sales and distribution		Tuna Oil and DHA product refinement, development and supply		Investment/Treasury		Economic Entity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenue								
Sales Revenue	768	595	15,585	8,496	-	-	16,353	9,091
Other revenue	-	-	208	1,090	199	406	407	1,496
Total segment revenue	768	595	15,793	9,586	199	406	16,760	10,587
Total revenue consolidated							16,760	10,587
Results								
Share of net profits/(losses) of equity accounted associate	(441)	(195)	-	-	-	-	(441)	(195)
Segment result	132	84	2,809	1,768	199	406	3,140	2,258
Profit before income tax							2,699	2,064
Income tax expense							(787)	(455)
Profit for the half year							1,912	1,609


DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Clover Corporation Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity as set out in this financial report:
 - 1. give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
 - 2. comply with Accounting Standards and the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Peter R Robinson
Director

Sydney
24 February 2010

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF CLOVER CORPORATION LIMITED

Report on the Half Year Financial Report

We have reviewed the accompanying half-year financial report of Clover Corporation Limited (the consolidated entity) which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Auditing Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Clover Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

INDEPENDENT REVIEW REPORT (continued)
TO THE MEMBERS OF CLOVER CORPORATION LIMITED

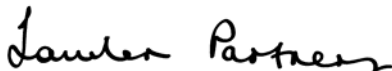
Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Clover Corporation Limited is not in accordance with the Corporations Act 2001, including:

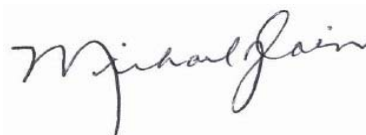
- (i) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



LAWLER PARTNERS
Chartered Accountants

Sydney

Date: 24 February, 2010



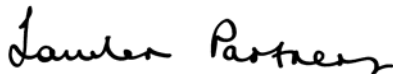
MICHAEL CAIN
Partner

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF CLOVER CORPORATION LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2009, there have been:


- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review



LAWLER PARTNERS
Chartered Accountants

Sydney

Date: 24 February, 2010



MICHAEL CAIN
Partner