

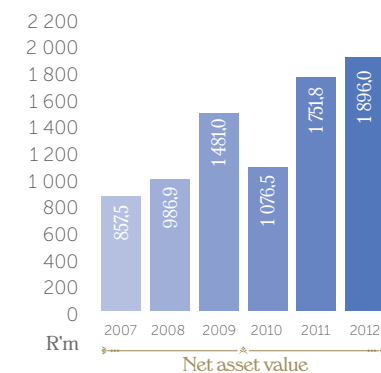
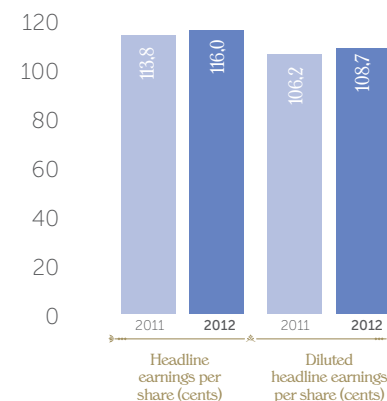
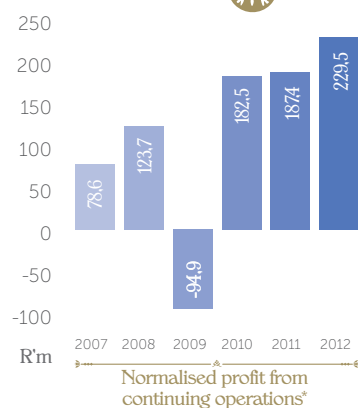
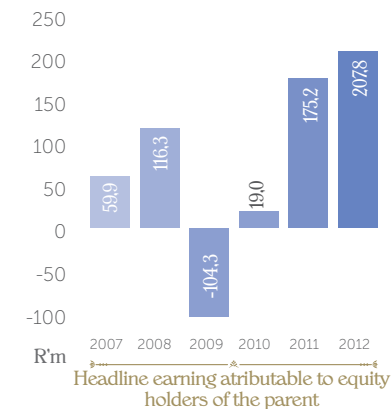
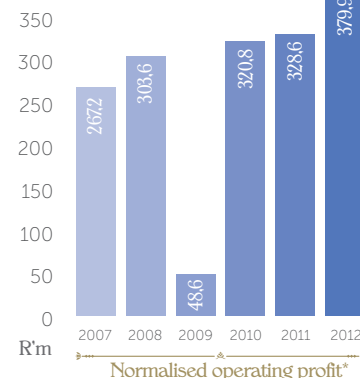
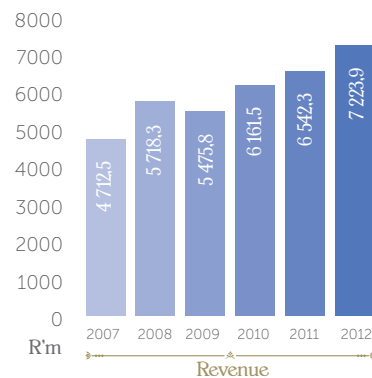


Overview



音乐

Financial highlights



Group activities	2012 R'm	2011 R'm	Change %
Revenue	7 223,9	6 542,3	10,4
Normalised operating profit*	379,9	328,6	15,6
Headline earnings attributable to equity holders of the parent Company	207,8	175,2	18,6
Normalised profit attributable to equity holders of the parent Company*	229,5	187,4	22,5
Normalised earnings per share (cents)*	128,1	121,8	5,2
Headline earnings per share (cents)	116,0	113,8	1,9
Diluted headline earnings per share (cents)	108,7	106,2	2,4
Net assets	1 896,0	1 751,8	8,2
Ratios	%	%	Change
Gearing percentage	(14,2)	(12,4)	1,7
Return on shareholders' funds	11,3	12,9	(1,6)
Return on net assets	14,9	15,0	(0,1)

* See note 9 to the financial statements for the calculation of normalised profit.

Clover Industries Limited

Clover Industries Limited ("Group" and/or "Clover") a branded foods and beverages group listed on the main board of the Johannesburg Stock Exchange on 14 December 2010.

Operating in one form or another since 1898, the Group has enjoyed a long and successful history as part of the development of South Africa's dairy and fast moving consumer goods industry ("FMCG"). Today, Clover is a leading and competitive branded consumer goods and products group operating in South Africa and other selected African countries with core competencies in:

- The production of dairy and non-alcoholic beverage consumer products.
- The distribution of chilled and ambient consumer products.
- The sales and merchandising of fast moving consumer goods.

The Group produces and distributes (for itself and other FMCG companies) a diverse range of dairy and consumer products to consumers and customers through one of the largest and most extensive distribution networks in South Africa (more specifically the largest chilled distribution network). The business platform, created and sustained by the dairy business, provides the perfect platform for the Group to reach an extensive cross section of South African customers and consumers. The Group's business platform spans the breadth of the value chain from production to sales and integrates key value-added support services such as logistics, supply chain management, sales and merchandising. Clover's market penetration (Clover delivers to approximately 14 000 delivery points across South Africa) coupled with its value-added services offering and high frequency of delivery, positions the Group to exploit attractive opportunities for organic and acquisitive growth.

Clover was converted from a co-operative society into a public company in 2003. Subsequent to the conversion, the Clover Group has evolved into a dynamic demand-driven branded consumer products business with attractive growth prospects. As part of its evolutionary process, Clover implemented a capital restructuring on 31 May 2010, which was a milestone in its corporate development and resulted in both economic benefits and voting control vesting in the ordinary shares. In addition, the delinking of the ordinary shares from the milk delivery agreements enabled persons other than dairy producers to acquire ordinary shares, facilitating its ability to raise equity capital. Capital scarcity has historically been a key constraint for Clover's growth and development.

Our vision, mission, strategy and building blocks for the future

We have a strong vision and robust values for the business. We support these with simple value measures and key performance indicators that we track to give a clear indication of our progress. We do not expect to achieve every value measure every year, but by making our targets clear, we believe we have a framework that will help us deliver long-term improvements for the benefit of all our stakeholders

Our vision

To be a leading and competitive company in South Africa and selected African countries, reaching every consumer on a daily basis with its most admired branded and trusted products, delivering improved and sustainable shareholder value by being a responsible corporate citizen and preferred employer.

Our mission

Clover is a branded foods and beverages group with a strong emphasis on value-added products. Clover's South African dairy business is the perfect enabler to reach the Group's widely dispersed customers and consumers. Extraordinary care is taken to develop brands which will occupy the number one or two position in its chosen segments. It believes in the superior procurement, production, marketing, sales and distribution of these branded consumer goods to its loyal consumers.

Our strategy

Clover's corporate strategy is to build onto existing competencies within the Group and to establish a culture of exceptional performance with a view to set a platform for future market expansion. Different companies within the Group have different strategies, all receiving company-specific support to maximise their potential. Key to all its activities is the expansion of capacities to share in the strong growth in consumption in the segments which it dominates.

Strategic Pillars

- To optimise the brand portfolio.
- To simplify and reduce costs in the supply chain by changing the operational model to fit with the business model.
- To increase market share through sales and distribution by leveraging off Clover's strong distribution capabilities (Clover's aim is to constantly redesign service offerings to customers and principals in order to increase sales volumes and profitability of the route to market).
- To actively support the business in the most effective and efficient manner.
- To constantly adapt Clover's human resources capabilities in order to fit its business model.
- To successfully complete value-enhancing capital projects through proper planning, project management and the tracking of the business case benefits.
- To actively seek value-enhancing corporate activity.

Competitive strengths

- An iconic South African consumer brand with market recognition.
- Exposure to an attractive industry with favourable fundamentals.
- Access to one of the largest chilled and ambient distribution networks in South Africa.
- Value-enhancing optimisation and expansion projects (Project Cielo Blu).
- Strong and unique relationships with its milk producers.
- Attractive growth opportunities.
- Dynamic management team with significant experience in the dairy and fast moving consumer goods industry.





Group structure

Over the 114 years since its establishment as Natal Creamery Limited in 1898, its transformation in 1934 into National Co-operative Dairies Limited operating in 32 centres countrywide, and its emergence in 2003 as Clover Industries Limited, the Company has evolved into the Clover Group of companies depicted in the organogram below.

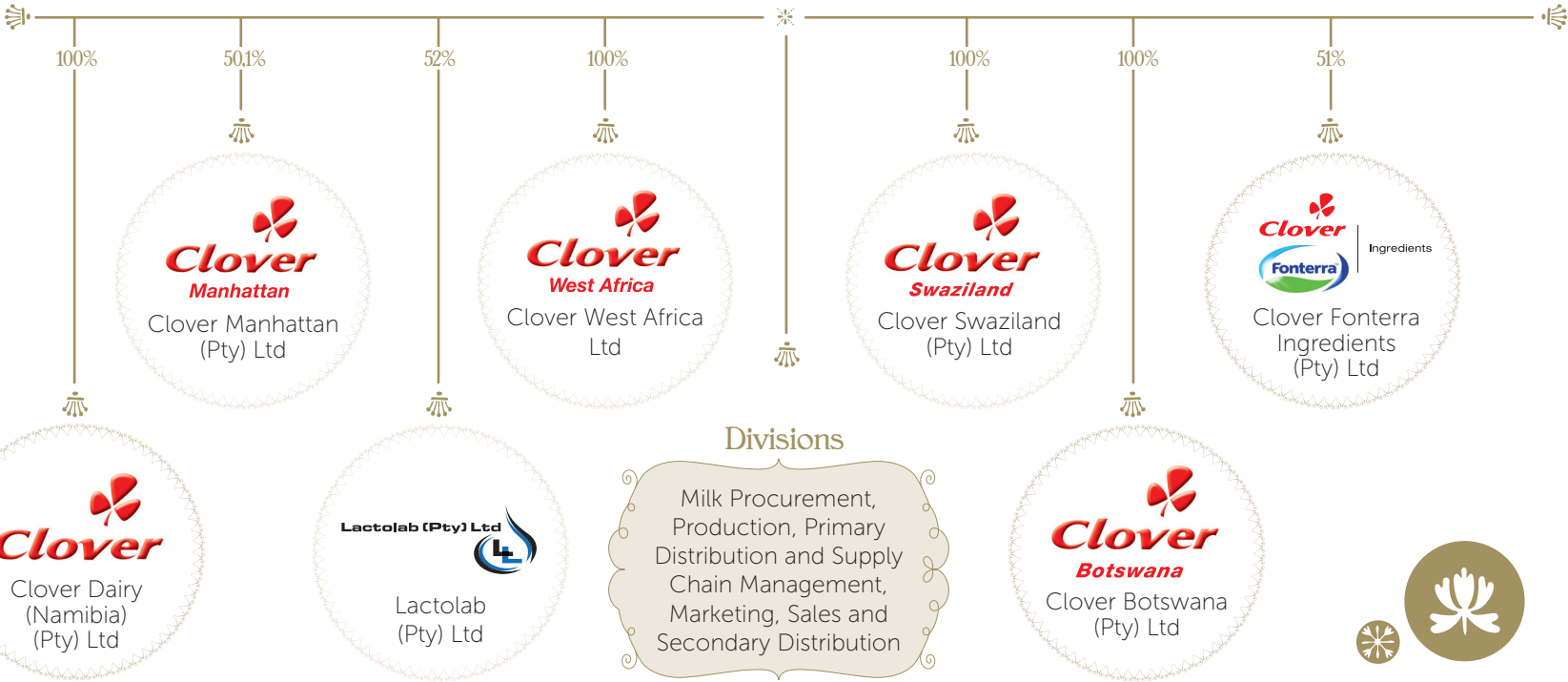


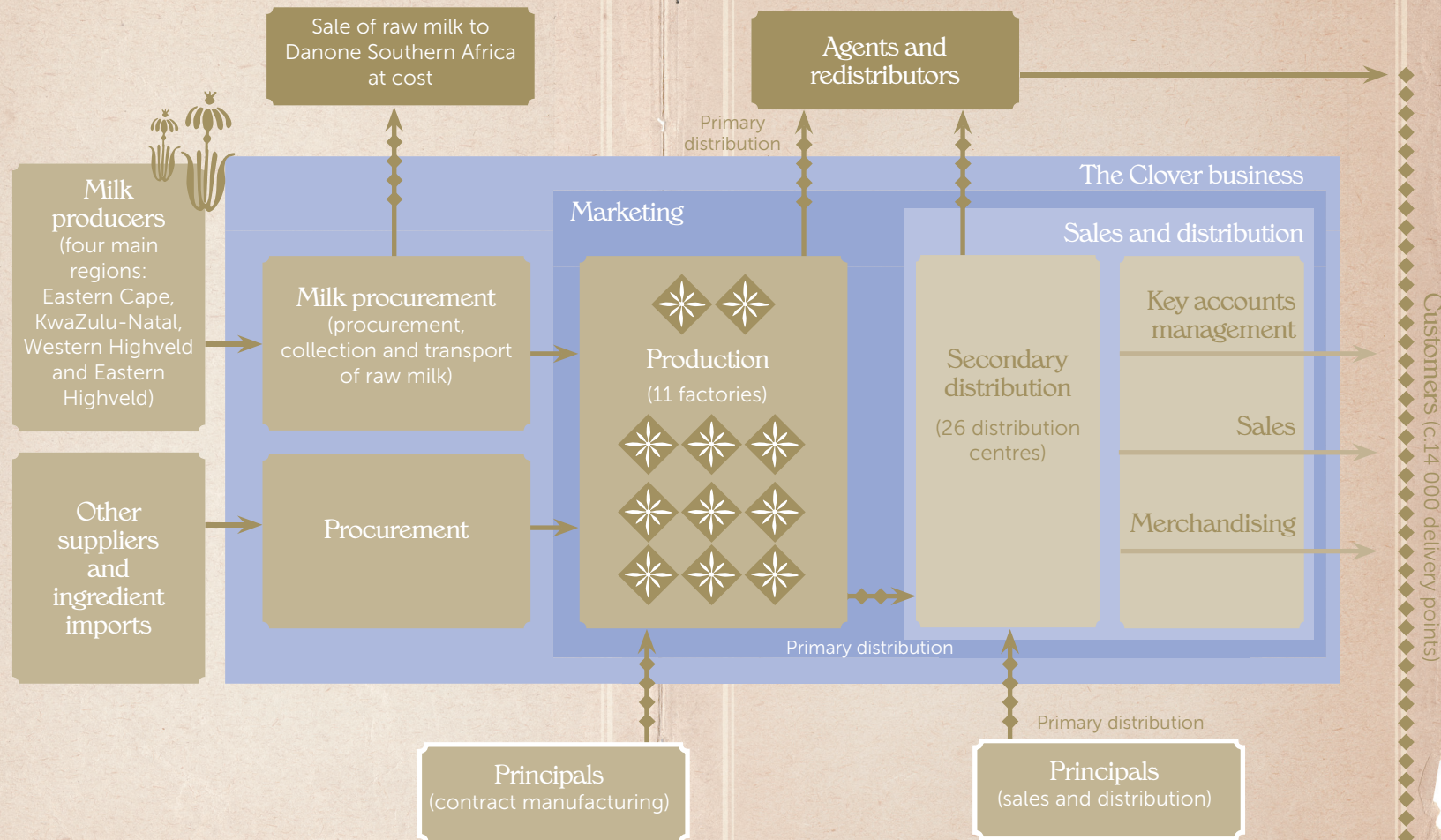
Clover Industries Ltd

100%



Clover SA (Pty) Ltd





Shareholder analysis – Clover Industries Ltd – ordinary shares

Issued shares

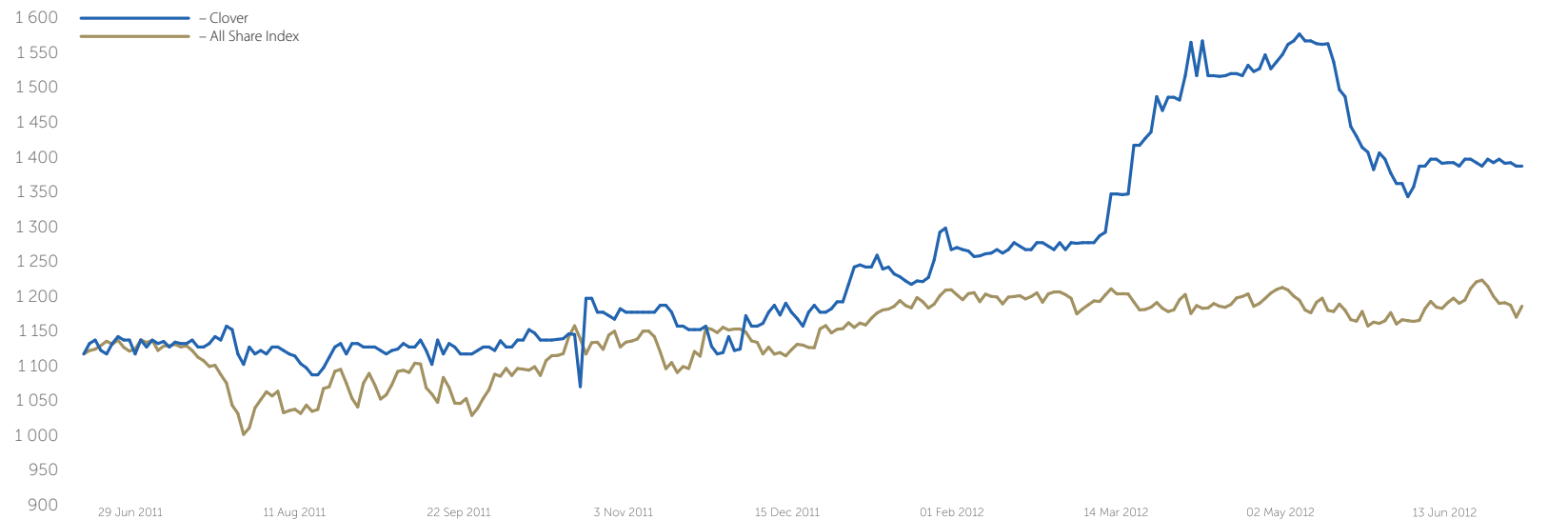
179 111 867

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	674	35.74	328 720	0.18
1 001 – 5 000 shares	569	30.17	1 512 390	0.84
5 001 – 10 000 shares	108	5.73	858 138	0.48
10 001 – 50 000 shares	205	10.87	5 285 395	2.95
50 001 – 100 000 shares	79	4.19	5 757 724	3.21
100 001 shares and over	251	13.30	165 369 500	92.34
Totals	1 886	100.00	179 111 867	100.00
Distribution of shareholders	Number of shareholders	%	Number of shares	%
Banks	13	0.69	4 512 233	2.52
Close corporations	13	0.69	66 319	0.04
Endowment funds	19	1.01	665 300	0.37
Individuals	1 266	67.13	26 034 883	14.54
Insurance companies	25	1.33	6 841 043	3.82
Investment companies	8	0.42	3 069 872	1.71
Clover Milk Producers Trust	1	0.05	21 530 353	12.02
Mutual funds	95	5.04	46 650 551	26.05
Nominees and trusts	121	6.42	4 342 686	2.42
Other corporations	14	0.74	61 988	0.03
Private companies	26	1.38	748 801	0.42
Producers	149	7.90	34 967 638	19.52
Retirement funds	136	7.20	29 620 200	16.54
Totals	1 886	100.00	179 111 867	100.00
Public/Non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders	14	0.74	45 410 344	25.35
Directors	11	0.58	22 808 562	12.73
Strategic holdings (more than 10%)	1	0.05	21 530 353	12.02
Other executives	2	0.11	1 071 429	0.60
Public shareholders	1 872	99.26	133 701 523	74.65
Totals	1 886	100.00	179 111 867	100.00
Beneficial shareholders holding 3% or more			Number of shares	%
Clover Milk Producers Trust			21 530 353	12.02
Coronation Fund Managers			11 458 190	6.40
JH Vorster			7 505 496	4.19
Government Employees Pension Fund			6 249 507	3.49
Sanlam			6 040 329	3.37
HB Roode			5 388 276	3.01
Totals			58 172 151	32.48

Clover Industries Ltd vs. Food Producers Index



Clover Industries Ltd vs. All Share Index



Shareholder analysis – Clover Industries Ltd – preference shares

Issued shares 89 442 022

Shareholder spread	Number of shareholders	%	Number of shares	%
1 – 1,000 shares	105	18,39	49 821	0,06
1,001 – 5,000 shares	102	17,86	292 460	0,33
5,001 – 10,000 shares	79	13,84	607 159	0,68
10,001 – 50,000 shares	168	29,42	4 191 344	4,69
50,001 – 100,000 shares	58	10,16	4 344 581	4,86
100,001 shares and over	59	10,33	79 956 657	89,38
Totals	571	100,00	89 442 022	100,00
Distribution of shareholders	Number of shareholders	%	Number of shares	%
Close corporations	12	2,10	404 376	0,45
Empowerment	1	0,18	25 000 000	27,95
Individuals	431	75,48	19 752 480	22,08
Insurance company	2	0,35	14 100	0,02
Investment companies	3	0,53	1 318 722	1,47
Mutual funds	13	2,28	7 587 394	8,48
Nominees and trusts	43	7,53	4 299 432	4,81
Private companies	17	2,98	27 815 192	31,10
Producers	47	8,22	3 234 786	3,62
Retirement funds	2	0,35	15 540	0,02
Totals	571	100,00	89 442 022	100,00
Public/non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders	6	1,06	48 716 166	54,47
Empowerment	1	0,18	25 000 000	27,95
Strategic Holdings (more than 10%)	1	0,18	16 285 387	18,21
Directors	4	0,70	7 430 779	8,31
Public shareholders	565	98,94	40 725 856	45,53
Totals	571	100,00	89 442 022	100,00
Beneficial shareholders holding 4% or more	Number of shareholders	%	Number of shares	%
HCI			25 000 000	27,95
Sanpref (Pty) Ltd			16 285 387	18,21
Move-On-Up 104 (Pty) Ltd			8 057 878	9,01
JH Vorster			3 696 232	4,13
Coronation Fund Managers			3 632 833	4,06
Totals			56 672 330	63,36



Executive Committee:

1. Johann Hendrik Vorster (48)

Chief Executive

Appointed to Exco 2000, and as CE 2006

BCompt (Hons), CA(SA), MBA

2. Hermanus Bernardus Roode (60)

Deputy Chief Executive and Managing Director Africa

Appointed to Exco 1998

BJuris, LLB

3. Louis Jacques Botha (50)

Chief Financial Officer and Milk Procurement

Appointed to Exco 2006

BCom (Hons), CA(SA), ACIS

4. Christiaan Philippus Lerm (Dr) (55)

Executive: Brands

Appointed to Exco 2002

DCom

5. Hendrikus Lubbe (42)

Executive: Supply Chain and Information Services

Appointed to Exco: 2006

MCom (Transport Economics) MBA

6. James Henry Ferreira Botes (Dr) (49)

Executive: Commercial

Appointed to Exco: 2009

DPhil

7. Elton Ronald Bosch (35)

Executive: Business Development, Risk and Africa

Appointed to Exco 2012

BCompt (Hons) CA(SA)

Directorate and management

Executive Directors:

1. Johann Hendrik Vorster (48)

Chief Executive

Appointed: 2004

BCompt (Hons), CA(SA), MBA

2. Hermanus Bernardus Roode (60)

Deputy Chief Executive

and Managing Director Africa

Appointed: 2003

BJuris, LLB

3. Louis Jacques Botha (50)

**Chief Financial Officer and Milk
Procurement**

Appointed: 2007

BCom (Hons), CA(SA), ACIS

4. Christiaan Philippus Lerm (Dr) (55)

Executive Brands

Appointed: 2007

DCom

Independent Non-executive Directors:

5. Thomas Alexander Wixley (72)

**Lead Independent Non-executive
Director**

Appointed: 2007

BCom, CA(SA)

6. Nkateko Peter Mageza (57)

Independent Non-executive Director

Appointed: 2010

FFCA (UK)

7. Stefanus Francois Booysen (Dr)

(49)

Independent Non-executive Director

Appointed: 2010

BCompt (Acc)(Hons), MCompt (Unisa);

DCom (Acc), CA(SA)



For the full CVs :

Visit our website
www.clover.co.za/content/3182/management-profiles/



Directorate and management



8. Johannes Nicolaas Stephanus Du Plessis (Adv) (62)

Independent Non-executive Director

Appointed: 2010

BCom, LLB

Non-executive Directors:

9. John Allan Hutchinson Bredin (64)

Non-executive Director – Chairman

Appointed: 2003

Agric Dip

10. Werner Ignatius Büchner (46)

Non-executive Director –

Vice-chairman

Appointed: 2006

B Eng

11. Hercules Petrus Fredrik Du Preez (47)

Non-executive Director

Appointed: 2003

BSc Agric (Hons)

12. Martin Geoff Elliott (59)

Non-executive Director

Appointed: 2003

BSc

13. Jacobus Christoffel Hendriks (Dr) (63)

Non-executive Director

Appointed: 2003

BVSc

14. Nigel Athol Smith (56)

Non-executive Director

Appointed: 2011

Agric Dip

Clover Fresh Milk

Clover milk undergoes 55 quality tests, is hygienically treated throughout production and is kept below 4°C to ensure excellent quality and freshness. Our milk is sourced from 270 specially selected farms – from producers who have certified that they don't use rBST growth hormones to produce milk.

Clover is the market leader in fresh milk. In order to maintain our number one position and reinforce our leadership, Clover focuses on innovation – providing consumers with solutions that make their lives Way Better. This has been done through the introduction of The One (1% low fat milk) that gives consumers a healthy fresh milk option, with the same great taste as our 2% low fat milk. Clover is the only company to offer this milk to consumers. Clover has also invested heavily in technology that will enable us to extend the shelf life of our core range of fresh milk to 18 days in Inland and KZN regions. We have done this by using bactofugation technology – a process of spinning the milk to remove more pathogens than pasteurisation alone, maintaining the cold chain below 4°C and using clean-fill technology when packing our milk. Clover has also invested in steam injection technology in order to launch an additional extended shelf life milk range, which will last for 30 days, unopened and refrigerated, from when it's packed. Clover will also continue to drive positive growth of niche products, such as Mmmilk through tactical below the line activities, and to compete regionally in the marketplace.



Awards:

PMR Africa – Golden Arrow 2012:

National Survey of FMCG Manufacturers:
Clover first overall for milk

Icon Brands 2012:

Clover Fresh Milk –
second in the beverages category after Coca-Cola
One of only 29 brands out of 8 000 in the
survey to achieve Icon Brand status

Clover UHT Milk

The quality and goodness of Clover UHT Milk is kept fresh for longer due to the UHT (ultra high temperature) process and special packaging that allows the product to be stored for a period of nine months without refrigeration.

Clover recognises the importance of driving innovation in this highly commoditised segment in order to differentiate our products and offer consumers unique benefits. In this regard, Clover has recently launched their new UHT milk packaging. Designed with improved functionality in mind, the new UHT milk pack will offer enhanced opening, pourability and resealability features making it Way Better to handle than the previous pack. The unique and elegant shape is simpler to hold and it weighs less than our current UHT milk packaging. The larger cap is more comfortable to grip, cuts an inner foil seal as you twist it and tucks the foil neatly under the lid, negating the need for a ring pull opening. The seal is also tamper proof and features a tamper proof evidence ring. With a 30% larger pouring area, less gulping occurs allowing for smoother product flow. In short, Clover's new packaging is easy to open, easy to pour and easy to store.



Awards:

PMR Africa – Golden Arrow 2012:

National Survey of FMCG Manufacturers:
First for milk

TGI Icon Brands 2012:

Clover Long Life Milk
achieved Gold status



Ultra Mel Milk

The quality and goodness of Ultra Mel UHT Milk is kept fresh for longer due to the UHT (ultra high temperature) process and special packaging that allows the product to be stored for a period of nine months without refrigeration.

Clover Mmmilk

Clover has added vanilla extracts to their full cream milk in order for consumers to indulge in its delicious smoothness while reaping all the benefits of milk.

The product strives to drive consumption of milk and can be used on its own, hot or cold, at any time of the day.

Clover Feta Cheese

Clover Feta Cheese is the second largest player in the market on a 12 moving months' basis, and competes for the number one position on a month-by-month basis. Clover's aim is to become the number one player on the feta cheese market on a 12 moving months' basis.

In this extremely price sensitive market, Clover recognises that it is important to ensure pricing is right. Further to this, Clover promotes feta below the line to drive growth. Consumers perceive feta to be a product for summer salads and thus it is seasonal. In order to drive consumption on feta, Clover drives sales in winter by providing consumers with delicious winter recipes. In doing so, Clover also hopes to change the perception of feta being a summer salad product to rather being a product to use in cooking all year round.



Awards:

Agri Expo SA Dairy Championships 2012:

Plain Feta – top honours
Herb Feta – top honours

Qualité Awards 2012:

Clover Herb Feta

Clover Pre-packed Cheese

For over 100 years, Clover cheeses have been making mealtimes more delicious. This is because they are made according to the highest quality standards, with care and dedication. Clover is the market leader in the pre-packed cheese segment. We have done this by recognising that taste and quality is important to consumers when purchasing cheese. As a result, Clover has developed a reason-to-believe for our cheese, which will be communicated through the line: Clover uses 10 litres milk to make 1 kilogram cheese.

Larger pack sizes and value-for-money offerings have also become increasingly important to consumers. Following the highly successful launch of the Clover 450g family pack, Clover has recently launched an 800g pack, which is proving to add incremental sales and market share to the portfolio, while also adding to Clover's shelf space and shelf impression in store.

Awards:

PMR Africa – Golden Arrow 2012:

National Survey of FMCG Manufacturers:
Clover first overall for cheese

Icon Brands 2012:

Clover Cheese –
third in the dairy category

Qualite Awards 2012:

Clover Cheddar



Elite cheese

Elite cheese is the third largest player in the pre-packed cheese market. Elite cheese undergoes a 30 point grading system and is the only pre-packed cheese in the market in resealable packaging. Elite Gouda is the only gouda in South Africa that is made in the traditional way. Clover will communicate these benefits using below the line communication to remind consumers of what makes Elite "elite".

Awards:

Agri Expo SA Dairy Championships 2012:

Elite Gouda – best gouda
Elite Cheddar – best cheddar

Qualite Awards 2012:

Elite Cheddar



Sacca

Sacca cheese enjoys great heritage as it has been available since 1914.

It is ideal for everyday use on sandwiches, snacks and for cooking purposes. It is available in cheddar and gouda variants.



Clover Cream

Clover Cream is a force in the market with continued market leadership year-on-year.

Clover Cream is available in attractive and innovative packaging, giving it stand out presence on shelf.

In order to grow even more, we are now including recipes on our cream packs. This will inspire consumers to use cream in their everyday cooking and help differentiate Clover Cream.



Milk powder

Elite instant skimmed milk powder produced by Clover is manufactured by concentrating and spray drying skimmed bovine milk. We are currently supporting rhino charities with our skimmed milk powder where it is used as food for baby rhinos that have been orphaned due to poaching.



Clover Condensed Milk

Clover Condensed Milk continues to show strong growth.

Clover Condensed milk helps bring confectionary to life and is available in an easy to open tin.

Butter and butter spreads

Butter:

Clover is the largest manufacturer of butter in the country. We are the market leader, with such well-known brands as Clover Mooi River salted butter and Clover Springbok unsalted butter. Mooi River and Springbok will be creating an even stronger impression on shelf with a packaging upgrade to foil.

Butter spread:

Clover Butro is trusted by consumers countrywide for the quality and taste. We are continuing to improve the quality of Butro by relaunching it with improved spreadability (straight from the fridge) in exciting new packaging.

Awards:

Butro and Springbok won South African Champion in their respective categories at the Agri Expo SA Dairy Championships

Clover won a Diamond Arrow at the PMR Awards for Fresh Dairy



Awards for the Milky Way Way Better campaign

1. Best animated TV in INFOCOM EME Awards 2011 (India)

- International Competition for Excellence in Media and Entertainment (EME Awards) to recognise the highest talent in Animation and VFX.

2. First place (a golden statuette) in 2011 Mobius Awards

- Mobius Awards is one of the world's oldest independent international advertising competitions. It was established in 1971 in Chicago. Entries come from professionals in more than 25 countries and are judged throughout the world by international panels.

3. Merit at the One Show awards

- The One Show, the premiere international advertising award show, sets the industry standard for creative advertising in print, television, radio, outdoor, innovative marketing, integrated branding and branded content. Each year, work is judged by an international jury of award-winning art directors, copywriters and creative directors.

4. Finalist for CLIO

- CLIO Awards, one of the world's most recognised awards competitions honouring excellence in advertising, design and communications. The international competition received over 11 000 submissions from countries as far-reaching as Vietnam, Brazil and Saudi Arabia.



Tropika

- Launched new 200ml pouch successfully.
- Launched new 1.5lt take-home bottle successfully.
- Continued with successful Island of Treasure consumer campaign.

Awards:

Diamond Arrow PMR Award for
Most Successful Campaign in
the past 12 months

Bronze Apex award for Taking the Brand
Performance to the Next Level

Other achievements

- Rated second in *Sunday Times* Top Brands survey in the Fruit-based category.
- Rated sixth in both the Favourite Dairy Drink and Favourite Cold Drink categories in the Generation Next survey.

Clover Krush

2lt Krush Elopak launch.

Awards:

Diamond Arrow PMR Award for the Most Successful Product
Launch in the past 12 months.

Other achievements:

Rated first in the Fruit-based Drink in *Sunday Times*
Top Brands 2012 survey.



Super M

- Launched new 200ml Super M mini and 1 lt Super M value pack successfully, resulting in achieving a record 35,3% annual market share.
- Year-on-year volume growth of 53,8%
- Implemented successful Parlotones consumer campaign.
- Achievements: Rated seventh favourite brand in the Generation Next survey in the Dairy drinks category.



Capri-Sun

- Implemented successful Oktoberfest sales incentive.
- Implemented Save-our-Planet campaign in schools.
- Relaunched new 8-pack successfully.



Aquartz

- Launched new Enjoy advertising campaign successfully, focusing on billboards.
- Launched new Mango flavour.
- Launched 1,5 lt take-home range successfully.



Manhattan Ice Tea

- Improved formulation and profitability with 5,6 % volume growth.



Case study:

Background

The market is defined as flavoured milk, long life UHT and fresh. The total flavoured milk market in South Africa is estimated at 22 144 000 lts in volume and R436 313 000 in value*. Currently the market is growing by approximately 7% in volume and 9% in value**. The Super M brand represents Clover in the flavoured milk category.

The Super M brand had experienced a decline in volume and market share since 2004, resulting in a competitor taking market leadership position.

In 2008 it was decided that drastic measures needed to be taken to ensure growth of the brand as well as the category, a relatively small category in the beverages market in South Africa.

*BMI September 2011
**Synovate June 2012.

Brand

- New design for Super M logo.
- Packaging design change from full printed shrink to transparent printed shrink design.
- New design to ensure consumer is able to see the product through the bottle.
- Create appetite appeal on-shelf.
- Change packaging to take-home 1lt bottle.

Price

- Price reset on 300 ml core range to ensure maximum 15% price premium/litre and parity/pack with competitor.

Product

- New Super M strategy initiated based on international trends whereby flavours are rationalised and reduced to accommodate variety in pack size.



- Chocolate and Strawberry flavours account for 82% of volume contribution.
- Top four flavours in 300 ml core range, all other flavours discontinued
- New Super M product strategy included offering a variety of pack sizes to increase sales of take-home consumption in a traditionally impulse category.
- Launch of 200 ml mini six packs and 1 lt family pack in top three flavours
- Super M Mini 200 ml, original 300 ml, 1 lt family sizes available in the range.
- Super M Maxi 500 ml to be launched 2013 together with 2 lts fresh product to further support the strategy.

Promotion

- Launch of Super M Live communication strategy.
- First Super M Live concerts with South African band "The Parlotones" 2012.
- Three Super M The Parlotones concerts in three major South African cities.
- 360° marketing campaign during promotional period March to May 2012.
- Gauteng school drive included to increase penetration in schools in the region.
- Top performing schools during the promotion period win exclusive concert.

Brand results

- Super M volume performance 2010/2011 vs. 2011/2012 resulted in 53,8% volume growth.
- Super M volume market share performance 2010 (23.7%) vs. 2012 (35.3%) resulted in a 49% market share growth.
- Super M Live promotional period vs. same period 2011 resulted in 61% volume growth.
- Take-home volume contribution in 2011 5% vs. 2012 39% with the 200 ml six pack and 1 lt bottle volume.