

ASX CODE: CNN
OTCQX CODE: CDRBY

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 29th November 2011

AGM PRESENTATION

Attached is the document to be presented in the Annual General Meeting today.

Rekha Bhambhani
Company Secretary



Annual General Meeting

29 November 2011



Disclaimer

Forward looking statement disclaimer

"This presentation contains "forward-looking statements". Such forward-looking statements may include, without limitation:

- (i) estimates of future earnings;*
- (ii) estimates of future production and sales;*
- (ii) estimates of future cash costs;*
- (iv) estimates of future cash flows;*
- (v) statements regarding future debt repayments; and*
- (vi) estimates of future capital expenditures.*

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to increased production costs, as well as political and operational risks in the countries and states in which we operate or sell product to, and governmental regulation and judicial outcomes.

The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

All financial amounts are expressed in Australian dollars unless otherwise indicated."





“The New Plastics”

Bioplastics, simply use less oil with environmental benefits.

ASX-listed company with Chinese and Malaysian manufacturing and global distribution and marketing of Bioplastics resins.

Corporate Summary 2011



Nanjing China Manufacturing Plant



Kuala Lumpur Malaysian Manufacturing Plant



Key Financial Metrics



ASX LISTED with subsidiaries in Hong Kong, China, Malaysia and the USA	
Founded in	2003
Top three shareholders: Polarity B Pty Ltd.13%, Vermar Pty Ltd 9% I.E Properties Pty Ltd 3%	25%
Debt	Nil
Current monthly burn rate.(approximately)	\$350,000 p.m.

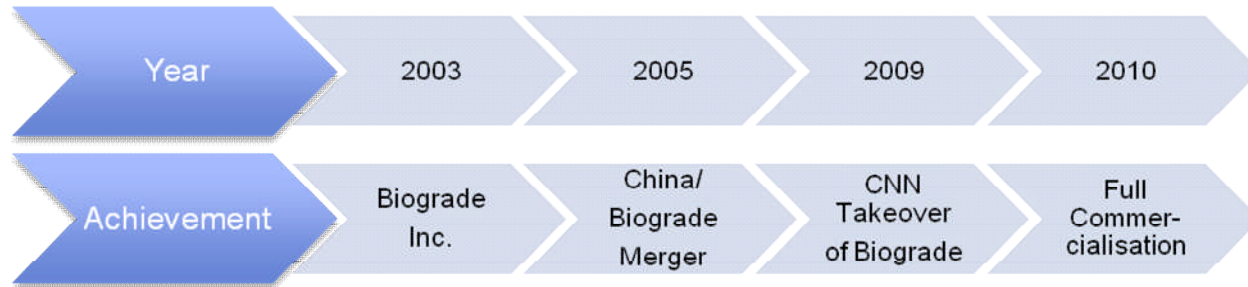
Capital Structure

Shares on issue (ASX: CNN)	1,341.8 M
Share price (as at 28 November 2011)	1.2 cents
Market capitalisation	\$16.1 M
Listed options on issue (ASX: CNNOA)*	223.6 M
Option price for 30/6/2012 exercise Piggy back option on exercise 30/6/2103	1.5 cents 2.0 cents
Rolling monthly turnover	78 M
Top 20 shareholders (number of shareholders 2694)	43%
Board & management shareholding	12.5%

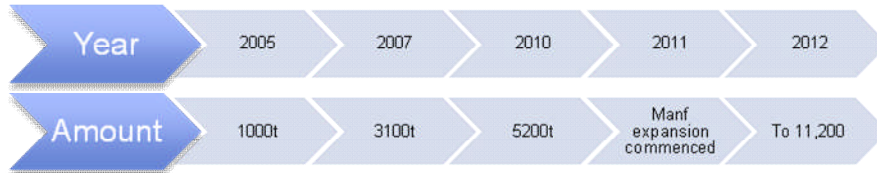
Financial Metrics (30/6/2011)

Net Cash (as at 30/9/2011)	\$2.58M
Net Tangible Assets	\$8.552M
NTA per share	\$0.006
Book Value per share	\$0.011
EBITDA^	\$(3.325)M
EPS^	(0.38) cents
P/E^	0

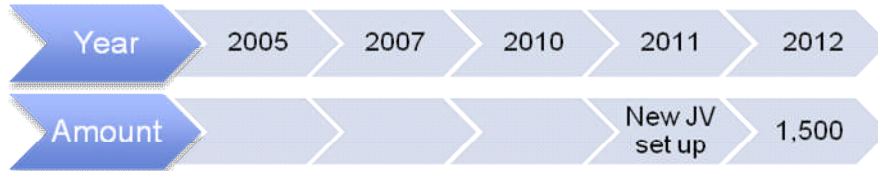
Cardia's History of Achievements



Manufacturing Capacity China



Manufacturing Capacity Malaysia



Major Contracts



Corporate Achievements 2011

- New Stockbroker support – Pattersons Securities raises \$4.5M
- Cardia achieves OTC-QX listing in USA
- CO2Starch Pty Ltd
 - Corporate structure established
 - Patents lodged
 - Launch of world's first biodegradable CO₂S carrier bag
- Established Cardia Bioplastics Malaysia Sdn Bhd
 - Malaysian corporate structure established
 - Marketing and sales subsidiary for Malaysian market
- Completed Malaysian Finished Goods Manufacturing JV
 - Malaysian corporate structure established (49% CNN) for JV
 - Up to \$5M to be contributed via equity and loans by JV partner



Corporate Achievements 2011

- Bioplastics loss performance steady
 - Approx \$4M loss in 2011 and 2010
- Expanding China manufacturing capacity
- Expansion of global distribution network
- In excess of 30 development projects globally with major brand owners and packaging companies in progress
- Continued investment in R&D
 - 29 provisional patent applications lodged
- Achieved another business award
 - Asia Pacific Frost & Sullivan Green Excellence in Technology Innovation Award
- Achieved BioNexus status from Malaysian Government
- Acknowledgement by Nestlé of Cardia development relationship

Summary – Value Proposition

- ✓ Only ASX-listed stock focused on Bioplastics following 2009 merger with Biograde.
- ✓ Dual listing on OTC-QX in USA.
- ✓ Since incorporation in 2003 in excess of \$20M invested into Bioplastics business.
- ✓ Current Market Capitalisation approx \$16M: Net Assets (incl. intangibles) \$15M.
- ✓ Positioned to grow significantly with world leading brand owners and packaging companies in F2012 and beyond.
- ✓ Barrier to entry and lead time gives Cardia market advantage.
- ✓ Low cost to upscale capacity & quick pay back on capital equipment investment.
- ✓ 49% interest in Malaysian J/V with no capital outlay.
- ✓ Rare opportunity to enter at low cost entry point.

In A Nutshell...

- ✓ All pieces are in place: Cardia is ready to capitalise on the global shift to Bioplastics - creating a rare business opportunity to establish Cardia Bioplastics brand as a force in the “new plastics”- “Bioplastics” arena

”THE NEW PLASTICS WORLD”



Business Presentation

Plastics Packaging



Market Overview

- Global plastics packaging market worth \$200B in 2011
- **Drivers for growth**
 - Economic development, societal trends, increasing demand for convenience, decreasing household sizes
- **Drivers for change**
 - Made from oil – finite resource with volatile pricing, carbon footprint, green house gas emissions
 - Mostly short-term use – waste disposal and litter issues
 - Government legislation and taxes
 - Major brand owners and retailers looking for sustainable solutions
- Sustainable and renewable packaging estimated to be <1% of plastics packaging market with exponential growth potential

About Cardia Bioplastics

- Global developer, manufacturer and marketer of Bioplastics resins and packaging products as alternatives to petroleum-based plastics
 - Corporate and operational centre in Melbourne (Australia)
 - Manufacturing & product development in Nanjing (China)
 - Malaysia J/V for manufacturing film & finished goods.
 - Sales & operational offices in Australia, China, Americas, Europe and Malaysia.
 - Establishing global distributor network (nine established so far)



Cardia Bioplastics Product Offering

- Cardia Bioplastics resins are made from renewable resources replacing traditional petroleum-based plastics.
- Cardia has positioned itself to manufacture, distribute and market globally sustainable resins and packaging derived from renewable resources. Its product portfolio is represented as follows:

Cardia
biohybrid™

Bioplastics resins replacing up to 66% petroleum-based content in standard packaging applications and reducing carbon foot print and green house gas emissions

Cardia
compostable

High performing Bioplastics resins certified to international standards for biodegradability and compostability

Cardia
bioproducts

Customer service: design, development and production of ready to use film and bag products

Cardia
CO₂S™

Next generation Bioplastics development. World's first biodegradable carrier bags made from CO₂ emissions and starch

Cardia Bioplastics Value Proposition

- Ability to tailor resins to customer requirements from cost-effective Cardia Biohybrid resins to Cardia Compostable resins with specific functional benefits
- No additional capital required for conversion of Cardia Bioplastics resins by manufacturers

Specialty Plastics

PA, PVOH, EVOH, PVDC
Resin price: \$(4-8)/kg

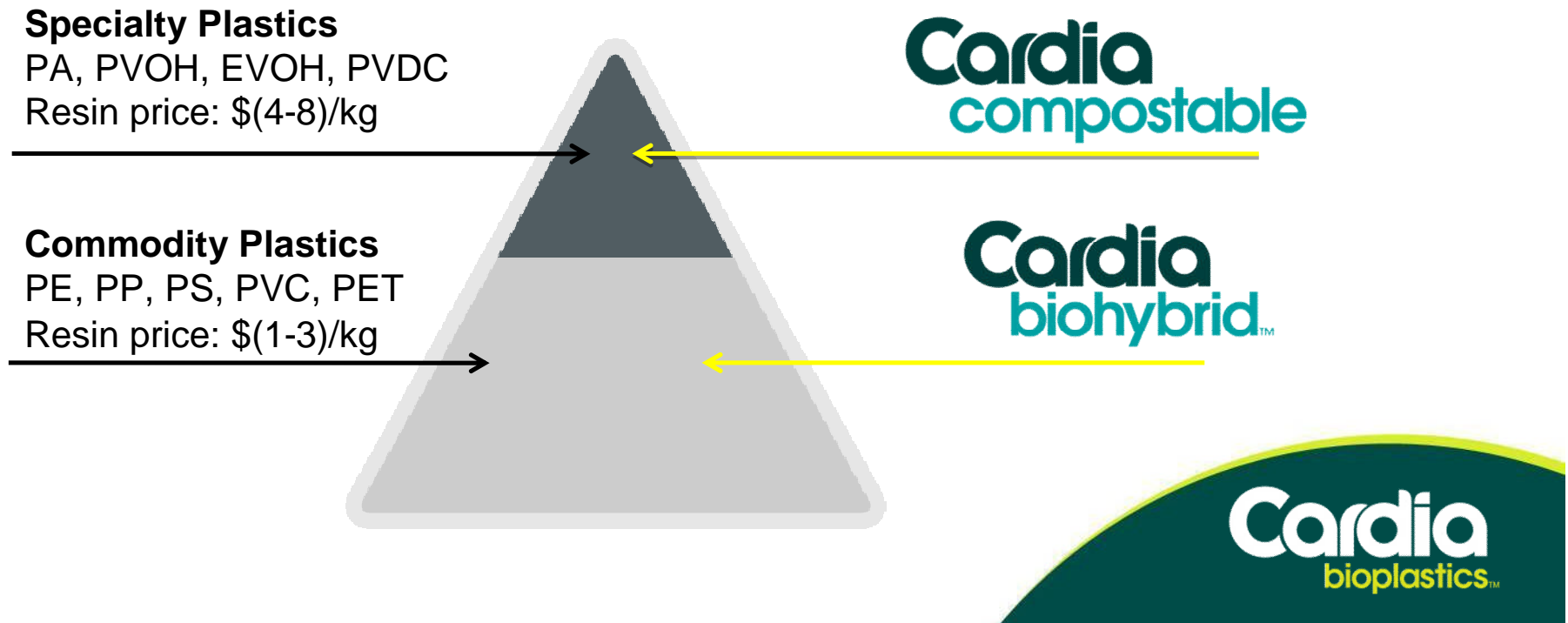
Cardia
compostable

Commodity Plastics

PE, PP, PS, PVC, PET
Resin price: \$(1-3)/kg

Cardia
biohybrid™

Cardia
bioplastics™



Cardia Bioplastics Product Performance

- High-performing packaging resins with a wide processing and application window
- Global application development and support to tailor resins to customer requirements
- Broad product range covering both Cardia Biohybrid Resins and Cardia Compostable Resins
- Resin supplier for standard packaging applications and/or joint application development with leading packaging companies



A simple, cost effective way to achieve more sustainable packaging

Cardia
bioplastics™

F2011 Business Update

Sales revenues of \$1.65m

- 25% decrease vs F2010
- Underperformance of China business, but repositioned business since then
- General economic conditions slowed down sales development in other countries, but still achieved a 24% sales increase vs F2010

Significant progress in

- Product commercialisation and technical development
- Confirmed global brand owners and packaging companies aligned with/or customers of Cardia, its distributors/convertors:
 - Nestlé, Kimberly-Clark, Henkel, KFC, McDonalds, 7-Eleven, Kmart, Jusco, Indofoods, Nature Organics
 - Collaboration with key partners in Australia - BASF, Sulo & SITA (waste management)
 - Multinational packaging companies marketing Cardia products include Sealed Air, Wipak, Jockey Plastik, RPC Group, Jatco, Polyden & Stellar Films
- **Cardia Sales expected to at least triple in F2012 compared to F2011 as global shift now taking place**



Market Launches and Communications



Cardia Bioplastics announces collaboration with Nestlé to reduce environmental impact of packaging



Cardia Bioplastics and Jokey Plastik cooperate on sustainable Packaging



Wipak launches sustainable food packaging films using Cardia Biohybrid™ technology



Stellar Films launches sustainable personal care films using Cardia Biohybrid™ technology

Market Launches and Communications



Natures Organics selects Cardia Biohybrid™ sustainable packaging technology



Cardia signs compostable packaging supply contract for American market



Cardia Bioplastics and SULO collaborate



Cardia Bioplastics Launches Range of Certified Compostable Bags

Market Launches and Communications



Cardia Bioplastics appoints Plastribution as distributor for the UK



Cardia Bioplastics and Wesco China announce distributorship for Cardia's "next generation" plastics in China



Food contact breakthrough for Cardia Biohybrid™ injection moulded products



Cardia Bioplastics biodegradable bag made from CO₂ emissions

Market Launches and Communications

CO₂ Starch Pty Ltd

Cardia sets up subsidiary to commercialise novel CO₂S™ technology



Cardia Bioplastics and RNZ Green Bio partner to enter the Malaysian packaging



Australia's Channel 7 News Report on the use of Cardia compostable bags in fresh food markets



Asia Pacific Frost & Sullivan Green Excellence in Technology Innovation Award

Business Model

Development Business

Packaging development with leading packaging producers and users

- Strategic relationships
- Development of product and application technology
- Long term sales agreement for large resin business

Resin Business

Sales and distribution of Cardia resins for standard packaging applications

- Direct sales
- Sales through agents and distribution network

Finished Goods Business

Sales and distribution of Cardia Bioproducts

- Direct sales of ready to use Biohybrid™ and compostable film and bag products
- Sales through agents and distribution network

Intellectual Property

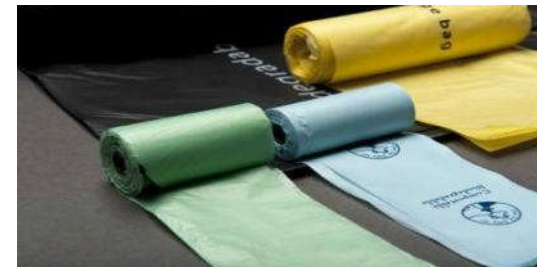
- Generation of know how and IP through development business and own R&D activities
- Licensing of converters
- Substantial patent portfolio

Licensing and Branding

- Licensing of converters
- Co-Branding of products

Branding

- Branding and Co-Branding of products



Patents & International Accreditation

Currently 9 patent families with 29 individual patents

- In 2011 lodged provisional patents adding to patent portfolio:
 - CO₂S™ technology – world’s first biodegradable bag made from CO₂ emissions blended with starch
 - Cardia Biohybrid™ multi-layer film technology
 - Cardia Biohybrid™ foam technology



International Accreditation

- Accredited globally, in all countries with certification schemes including USA, EU, China, Australia, Sth America, Japan & Asia.
- Food contact approval in Europe and USA



Manufacturing Capability China

- Established manufacturing facility for Bioplastics resins, films and bags in Nanjing, China with cost effective manufacturing.
- Manufacturing capacity expansion to 11,200t/a. expected to be completed by 2011/2012.
- Plans to consider further resin capacity expansion in 2012.



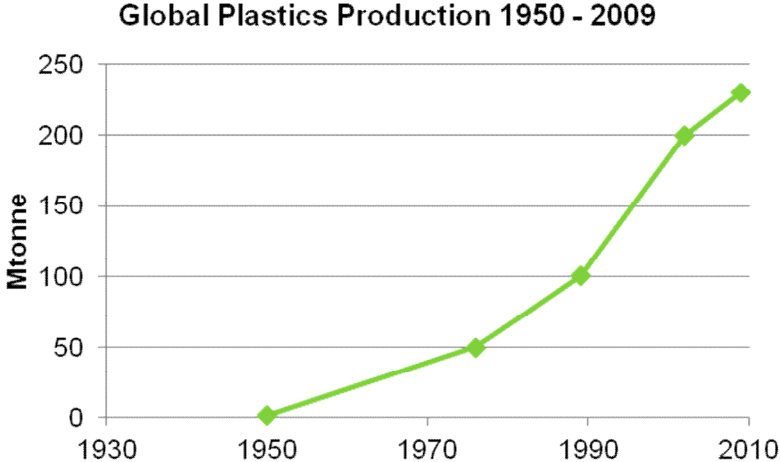
Manufacturing Capability Malaysia

- Cardia Bioplastics Manufacturing Malaysia J/V on track to commence film and bag manufacturing in first quarter 2012
- Three high speed film lines with in-line printing and bag making optimised for Cardia Biohybrid™ and Compostable products
- Initial production capacity of 1,500t/a with capacity for further expansion

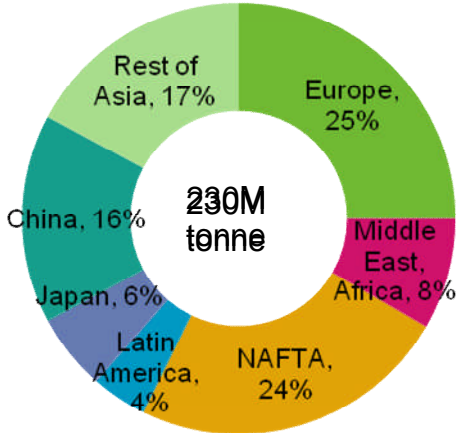


Market Potential

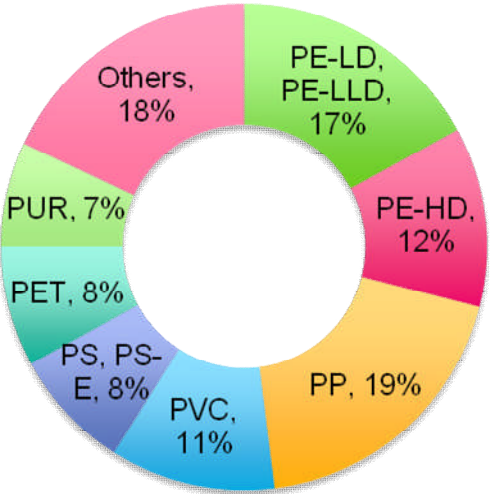
World Plastics Consumption 230MT (\$500B)



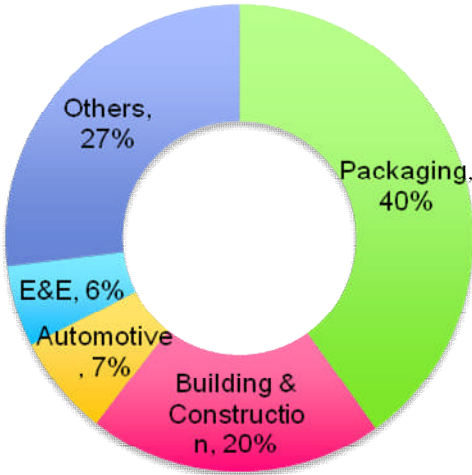
World Plastics Production 2009



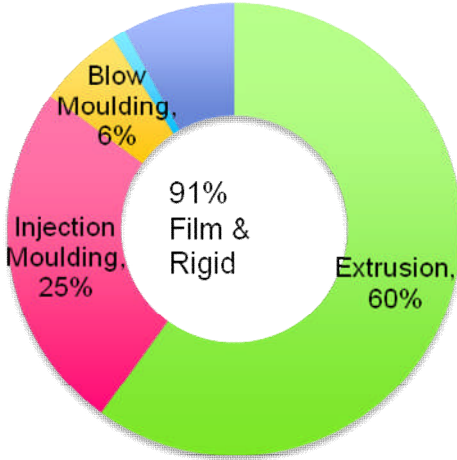
Plastics Demand by Resin Types 2009



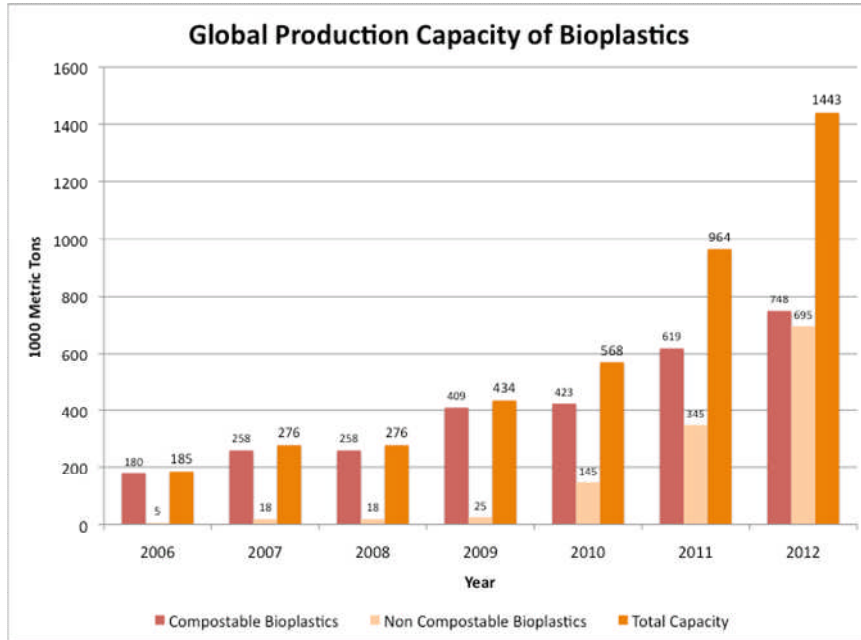
Plastics Demand by Segments 2009



Plastics Demand by Conversion Process



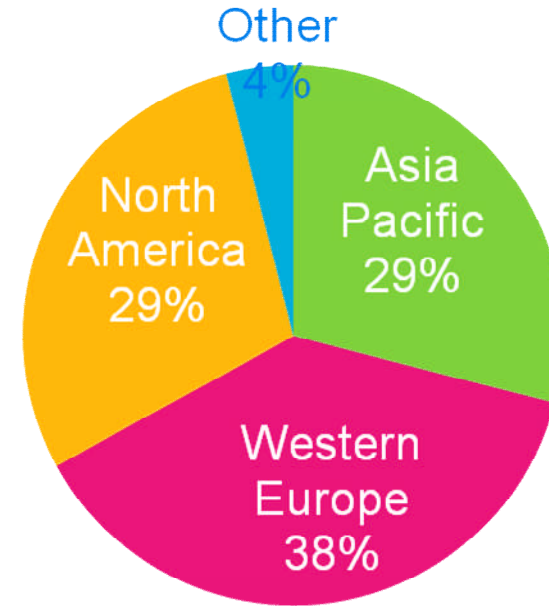
Bioplastics Industry



Represents less than 1% of the plastics resins manufactured annually.

Source: European Bioplastics Association

Bioplastics Consumption by Region

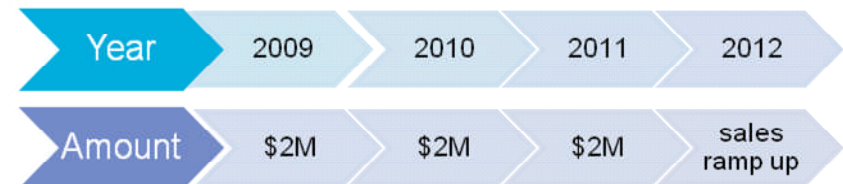


Source: Fredonia Group, 2008

Major Countries Moving to Bioplastics



Cardia Sales Performance: round \$M's



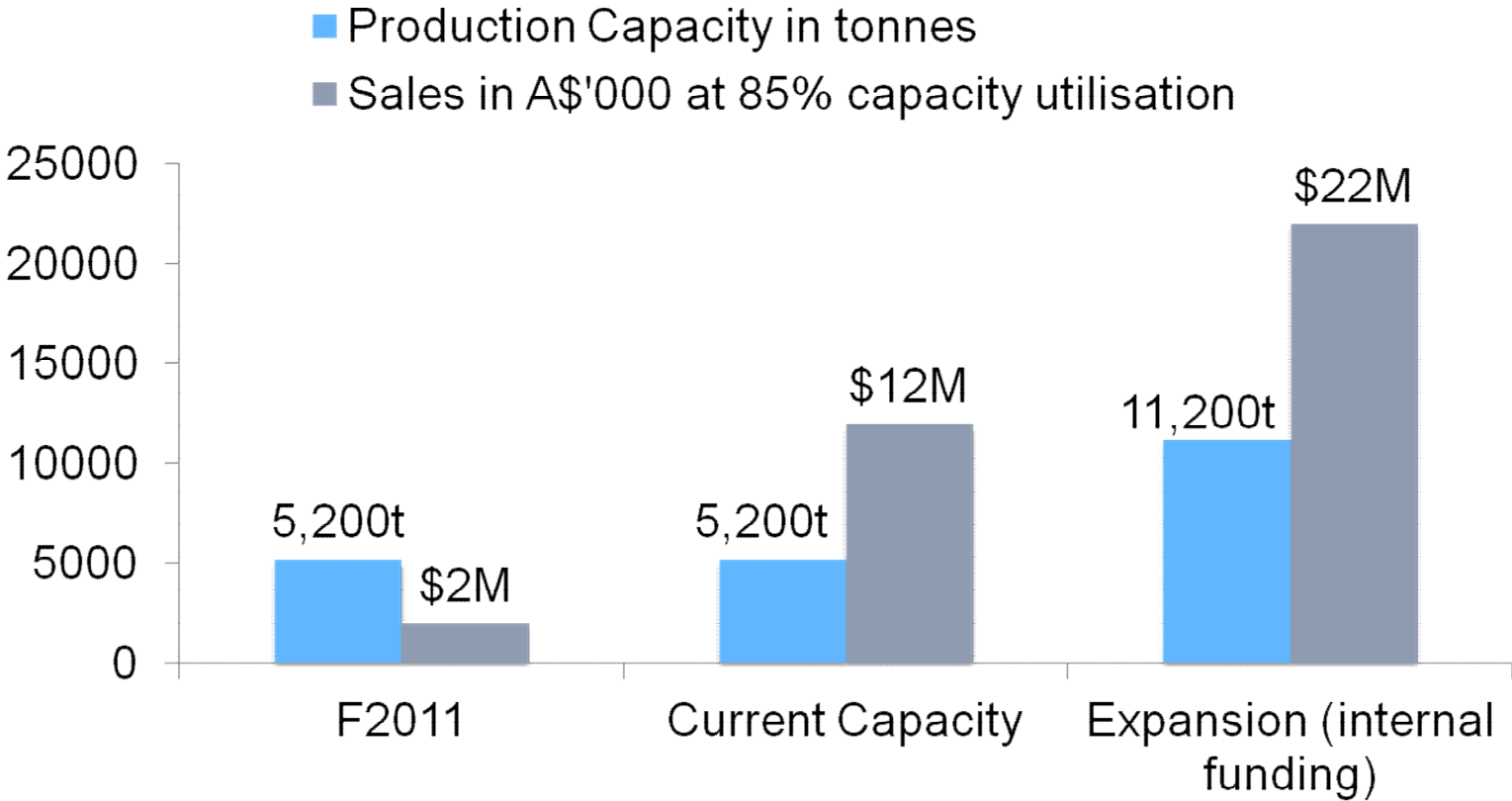
Cardia's Specific Target Market

Definitive market segment		Volume	Value
Global plastics resin market		230 MT	\$500 B
...% that is PP, LDPE, LLDPE, HDPE	50%	115 MT	\$250 B
...% used in plastics packaging market	40%	46 MT	\$100 B
...% converted to rigid & plastic film packaging	91%	42 MT	\$91 B
...% of rigid/film packaging potential to switch to Biohybrid™	50%	21 MT	\$46 B
→ Biohybrid™ market potential	15%	3 MT	\$6.8 B

Cardia's market potential:

Assumed market penetration	Resultant revenue
1%	\$68 M
2%	\$136 M
3%	\$204 M

Current Planned Production & Potential Sales Matrix with existing Nanjing China Plant



Actual sales F2011: 15% capacity utilisation.

Capacity now available for expected sales growth.

Plant Capacity increase expected to be completed by end of 2011/12 to cater for expected sales growth ramp up.

Business Summary

- ✓ Massive international opportunity within multi billion \$ growth industry
- ✓ Internationally recognised experts and management in high performance sustainable packaging
- ✓ Extensive intellectual property and patent position
- ✓ High performing products accredited to international standards
- ✓ Sales to high profile brand owners and retailers
- ✓ Cost-effective resin manufacturing in Nanjing, China, being expanded
- ✓ Efficient finished goods manufacturing in Malaysian JV, with expansion option
- ✓ Set up of global operations and distributor network
- ✓ Joint development with leading consumer goods and global packaging companies
- ✓ No capital required by customers to upgrade production machinery – drop in product
- ✓ Business model focuses on large value market with track record of commercialisation of Bioplastics products
- ✓ Well positioned to expand sales and marketing globally