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ASX CODE: CNN
OTCQX CODE: CDRBY

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 8th February 2012

PRESENTATION TO INVESTORS

Attached is Cardia's Investors Presentation document.

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Cardia bioplastics™

A global supplier of bioplastic resins and finished goods

Disclaimer

Forward looking statements 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.

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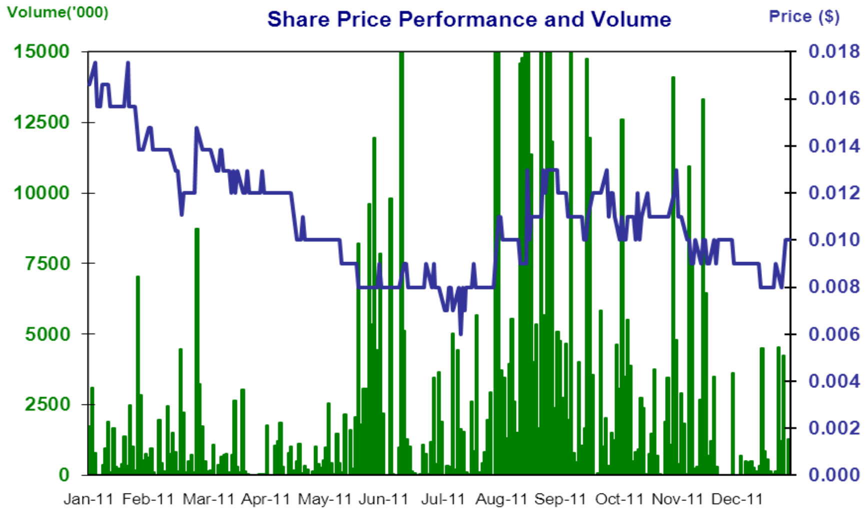
The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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

Key Financial Metrics



Capital Structure

ASX code OTC-QX code	CNN CDRBY
Shares on issue (ASX)	1,341.8 m
Share price (as at 31 January 2012)	0.9 cents
Market capitalisation	$12.1 m
Listed options on issue (ASX: CNNOA)*	223.6 m
Option ex price for 30 June 2012 Piggy back option ex for 30 June 2013	1.5 cents 2.0 cents
Rolling monthly turnover	75.6 m
Top 20 shareholders	42.5%
Total number of shareholders (as at 23 January 2012)	2,739

Financial Metrics

Net Cash (as at 31/12/2011)	$1.1 m
Capital invested to date	>$20m
Net Tangible Assets	$8.6M
NTA per share	0.4 cents
Book Value per share	$0.011
EBITDA^	($3.3 M)
EPS^	(0.4 cents)
P/E^	N/A
Debt	Nil
Current monthly burn rate (approximately)	$350,000

Investment Highlights

- Bioplastics: simply plastics that either use less oil, or are readily biodegradable.
- Solid position in a large and rapidly growing market.
  - Sustainable and renewable packaging estimated to be <1% of plastics packaging market, with exponential growth potential.
- Enables customers to "go green" by lowering their carbon footprint by up to 50%.
- Solid IP position.
- Flexible business model access different components of markets and diversify risk.
- Cost effective manufacturing facilities in Nanjing, China and Kuala Lumpur, Malaysia.
- **Dealing with blue chip customers (including Nestlé, McDonald's, KFC, Sealed Air) either directly, through distributors or via convertors.**
- **Sales infrastructure and key relationships in place and Cardia is now ready for expected increase in sales momentum.**
- **Previous guidance of sales tripling to $5m in 2012(from 2011) is now likely to be exceeded.**

Bioplastics Industry

Plastic Packaging Industry

•A huge and growing market

•Plastics industry estimated to be 230Mt ($500B) per year.

•Global plastics packaging market estimated to be worth $180B in 2009

•Both defensive AND growth characteristics

•Growing packaging use as consumers continue to trend towards convenience packaging and smaller but more individual units (e.g. 4x 250ml bottles, not 1x 1L)

•Rising packaging use per person is a feature of developing economies.

Bioplastics

•Bioplastics ~ 1Mt in 2011 or <1% of Plastics market - still in its infancy – strategic opportunity to position Cardia globally.

•Bioplastics market is running at double digit growth since 2010

•Globally, governments, consumers, brand owners & packaging companies are shifting to "lower carbon economies" and looking for environmental benefits.

•Recently, USA, EU, Latin America, Australia, Japan, India, China, Middle-Eastern governments have legislated or supported bans on conventional plastic bags with moves to reduce carbon foot print.

•Market opportunity in Bioplastics for carrier bags, packaging and organic waste management.

Cardia’s Specific Target Market

Definitive market segment		Volume	Value
Global plastics resin market (estimates)		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

Company Overview

- Diversified product offering: resins for films and rigid packaging plus finished goods.
- Incorporated in 2003; over $20m invested to date.
- Non-disruptive: Cardia resin feeds into existing manufacturing processes of customers with negligible adjustment required.
- Low cost to upscale capacity & quick pay back on capital equipment investment.

Patents

- Currently 9 patent families covering 29 individual formulation, process and application
- World's first biodegradable bag made from CO2 emissions & starch.
- Multi-layer Film technology
- Biohybrid™ Foam Technology

International Accreditation

- Internationally accredited in all key countries (ticket to operate).
- Food contact approval in Europe and USA

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.

Product Portfolio:

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 CO_2S™

Next generation Bioplastics. **World's first biodegradable carrier bags made from CO_2 emissions and starch**

Building a Global Business

- 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, USA, Germany, UK and Malaysia.
- Establishing global distributor network (9 offices established so far)

Manufacturing Plant,
Nanjing, China

Manufacturing Plant,
Kuala Lumpur Malaysia

Blue-chip customers

- Substantial time (R&D, product trials) invested to win first blue chip customers
- Project development wins with these brand owners have “broken the ice” leading to an ever-increasing number of new customers interested in bioplastics for packaging.

- Collaboration with key partners in Australia - BASF, Sulo & SITA (waste management)
- Multinational packaging partners include Sealed Air, Wipack, Jockey Plastik, RPC Group, Jatco, Polyden & Stellar Films

The Board & Senior Management

Corporate	**Pat Volpe CPA** Chairman	Expertise in capital markets, corporate structuring, and fund raising. Chairman and founding shareholder of Cardia Bioplastics.
Management, Sales & Marketing	**Dr. Frank Glatz** Managing Director	Expertise in international plastics and packaging industries. Track record in global commercialization of bioplastics products.
Technology	**Dr. John Scheirs** Technical Director	International expert in polymer technology and biodegradable products.
China Operations	**Jacky Chen** General Manager China, Director	Experienced General Manager responsible for China Operations. Founding shareholder of Cardia Bioplastics.
Management, Finance	**Rekha Bhambhani CPA** Company Secretary, Financial Controller	Internationally experienced Company Secretary and Financial Controller
	Graeme Ward ACA General Manager	Experienced General Manager Finance with track record in packaging industry and corporate development.
International Operations	**Alex Fernando** Chief Operating Officer	Expertise in international business management in China and Asia.
R&D	**Chen Chan Ping** Technical Director China Operations	Inventor of technology, Vice Chairman, China Degradable Plastics Association. Founding shareholder of Cardia Bioplastics.

Major market opportunity: Brazil

São Paulo initiative banning traditional disposable carrier bags

•Cooperation agreement between Government of São Paulo and leading supermarket industry association (APAS) signed on 15 December 2011.

•Current estimated market size 1.4 billion bags/month

•Potential market size after implementation: 600 million bags/month (7.2 billion bags/year)

•Cardia's compostable and starch based bags are compliant with APAS guidelines.

Sources:
www.vamostiraroplanetadosufoco.org.br
www.portalapas.org.br/m5.asp?cod_pagina=1222&cod_noticia=11356
www.r7.com/main.jsp?lumPageId=8A488A52236E6D4101236E715E1115A6

Cardia Bioplastics Established in Brazil

- Cardia Bioplastics setting up a fully owned subsidiary in Brazil
- Joao Paulo Mignot (Managing Director, Brazil): very experienced in sustainable packaging, high profile, well connected
- 15 commission-based sales representatives engaged in Brazil
- Cardia Bioplastics Brazil will be launch pad into other Latin American countries

Sales and marketing strategy

- Cooperation with leading converters (APAS approved) that supply first tier supermarket chains such as Pão de Açúcar, Carrefour and Walmart. These convertor have purchased resin from Cardia Bioplastics
- Cardia markets and sells to second tier supermarkets
- Rapidly increasing demand for Cardia products, despite early days
- Cardia already seeing benefits from early mover advantage in Brazil

Brazil Sales Opportunity Potential of $62m p.a.

Estimated market size for carrier bags in Brazil: 7.2 billion bags p.a.
Cardia's potential estimated market share: 7%

	Biohybrid estimated		Compostable estimated		Total Estimated
	Quantity	$ m	Quantity	$ m	$ m
Bags	480 m	34.0	12 m	1.0	35.0
Resin	6,000 te	15.0	2,400 te	12.0	27.0
		49.0		13.0	62.0

Major market opportunity: China

- Cardia already well established in China
- Existing manufacturing in Nanjing
- Strong government relationships resulting in growing sales
    - Exclusive supply contract to 2008 Beijing Olympics and Paralympics
    - Supplier to 2010 Shanghai World Expo
    - Business certified to China Environmental Standard
- Growing Chinese activity in organic waste management schemes

Organic Waste Management

- Cardia Bioplastics offers complete range of organic waste management products

- Alliances with leading waste management companies(Sulo, Sita) to use Cardia Compostable bags for management of organics waste

- Current pilot projects :
  - Australia (regional councils)
  - New Zealand (Supply Earth Care NZ)
  - Malaysia (NDSW, Putrayaja, Daramsara)
  - UK (Greede cooperation)
  - Canada (Pilot study in Vancouver)

Organic Waste Opportunities in China:

If trials lead to complete implementation the potential size of the market could be $20m p.a.

- China cities implementing organic waste management programmes
- Cardia is currently working with four city councils in China
- Cardia announced a trial contract with Nanjing City in December 2011
- Currently also supplying for trial purposes Shanghai Pudong, Hangzhou, Yuhang
- Estimated current trial orders for four cities councils: annualised $1.2m to $2m p.a.(trials for a six month period that can be extended)
- Potential annualised market size of $20m if trials move to commercial implementation.

Potential Customer Sales & Development Projects Pipeline

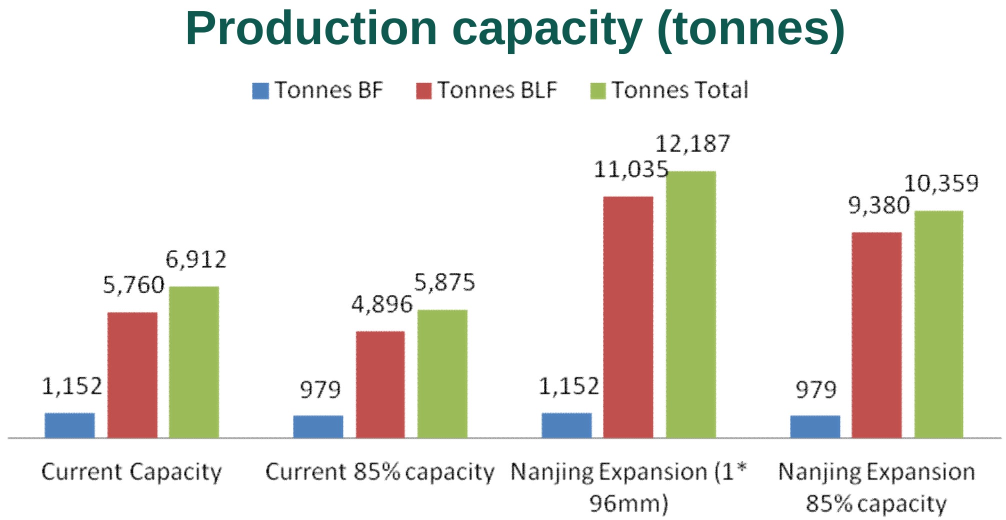
The Potential Sales of $154m (table below) is premised on the successful realisation of all existing sales leads and development projects (Projects). The Directors provide no assurance that the Projects will result in commercial sales. The Directors' sales target for the 12 months to 30 June 2012 is $5m with the March 2012 quarter expected to exceed this number on an annualised basis. Whilst the table below demonstrates substantial potential, the lead time from project start to commercial outcomes is dependant on each clients' decision to convert to Bioplastics with Cardia product and Cardia increasing production capacity commensurately. Cardia has invested substantial funds over the past three years in these projects.

Sales Potential pipeline	Sales Potential (AUD m)
China	7.6
Australia & International	14.1
USA & Canada	34.3
Latin America	56.0
Europe	14.5
UK	14.7
SE Asia	12.7
Total	154.0

The *Sales Potential* table includes over 30 development Projects some with Global Brand owners and Convertors Certain of these Projects are in early development stage or up scaling or in market trials. Cardia believes a decision from any of these companies to enter into a commercial sales contracts will be better known later in 2012 and 2013. Any Project that may convert to commercial sales may or may not have a material impact on sales. The Directors' provide no assurances or guarantees that all or some of these Projects will lead to sales revenue.

(AUD m)	Carrier & waste bags	Packaging films	Organic waste	Total Potential
China	2.5	3.9	1.2	7.6
Australasia	1.3	12.6	0.2	14.1
Latin America	49.6	6.4	-	56.0
USA & Canada	2.0	32.3	-	34.3
Europe	-	14.5	-	14.5
UK	-	14.7	-	14.7
SE Asia	11.7	0.8	0.3	12.7
	67.1	85.3	1.6	154.0

Resin Production Capacity



Production requirements to address pipeline opportunities would require additional capital outside the working capital requirement of the company. At least 14 extruders will be required to meet the potential sales pipeline of which additional funding through either debt or equity or a combination of both, would be required if or when the company reaches this position.

Production requirements to address potential pipeline opportunities

Product	Price (AUD/t)	Tonnes	Potential Sales (AUD m)	Additional machines req'd	
BF	5,300	5,300	28.1	3	CTE65mm
BLF	1,950	64,556	125.9	11	CTE96mm
Estimated		69,856	154.0	14	

Summary

- An established player in the huge and burgeoning bioplastics market, with groundwork already established.
- Dealing with blue chip customers (including Nestlé, McDonald's, KFC and Sealed Air) directly or through distributors or convertors.
- Sales infrastructure and key relationships in place and Cardia is now rapidly gaining sales momentum.
- Push and pull forces in major markets potentially outstripping existing Cardia supply capacity.
- Previous guidance of annualised sales target tripling to $5m for the June 2012 year and is now likely to be exceeded.(Sales to June 2011 was $1.6m)