cardiabioplastics.com
info@cardiabioplastics.com

29th NOVEMBER 2013

CARDIA BIOPLASTICS LIMITED
ANNUAL GENERAL MEETING
HELD AT BENDEL ACCOUNTANTS & CONSULTANTS
11/409 ST KILDA ROAD,
MELBOURNE VIC 3000

CHAIRMAN'S ADDRESS

Today represents the first 43 days since being appointed as the new Chairman of Cardia Bioplastics Limited. During that time I appointed new directors, redefined the company's corporate strategy and together with the new Board, implemented a management restructure designed to achieve six key imperatives:

1) focus the core business on bioplastics,
2) redirect resources to maximise short term revenue opportunities,
3) introduce new measures of accountability for all management and staff,
4) further review business costs to preserve valuable cash flow,
5) implement a clear marketing strategy and
6) engage with as many key stakeholders as possible to procure valuable feedback

The company has a clear priority which is to achieve breakeven and to become a sustainable business. Bioplastics is an emerging market and although this represents an extraordinary opportunity we must understand the challenges facing us and how to navigate the path ahead so that the journey to profitability becomes a reality while also preserving shareholder value and the longer term strategy of being the market leader in bioplastics.

The new Board introduces the highly important disciplines of financial management through the expertise of Steven Bendel and superior legal and corporate governance through Gideon Meltzer while also retaining the core product and industry expertise from Dr Frank Glatz in his role as Managing Director. The current Board of Directors understands the need to lead by example which is why all non-executive Directors have accepted significant reductions in Director fees until the company becomes cash flow positive.

The Board is well positioned to expand as the company grows and/or new strategic partnerships are formed. Operating in an emerging market means the business must grow with the market. Strong signs of growth are evident however to maximise and preserve cash flow, sales in finished products will be critical in the short term so that larger and more strategic opportunities can be realised over the medium to long term.

The implementation of a management restructure is in progress and I am pleased to inform you that the highlight of recent changes is the appointment of Mr Jacky Chen to the role of Global Director of Sales – Finished Products and the appointment of new finished product sales people in Melbourne and the intention to hire in the USA. The creation of a global finished product sales team will be critical to the success of Cardia

Australia - Head Office 18/35 Dunlop Road, Mulgrave, Victoria 3170, Australia | Telephone +61 3 9562 0122 | Facsimile +61 3 9562 0422

cardiabioplastics.com
info@cardiabioplastics.com

Bioplastics. Another key appointment is Nadya Krienke-Becker as Global Head of Marketing who will bring together the brand, products and online strategy to enhance finished product sales internationally. The management restructure is currently ongoing and more information concerning this area will be communicated to the market in future business updates.
Achieving breakeven will be the Board's key short term goal and will be achieved by having the right management, sales people who focus on short term sales opportunities, superior product offering and integrated marketing support. The Managing Director, Dr Frank Glatz will provide you with a more detailed business update shortly. I would like to thank everyone who has supported us during the recent restructure of the business. In particular, I would like to thank all the existing and many new investors who have supported us with our recent capital raising.

The Board expects business growth to continue and with higher sales the objective of reaching breakeven followed by continued sustainable long term revenue growth will become a reality.

Richard Tegoni
Chairman

Australia - Head Office 18/35 Dunlop Road, Mulgrave, Victoria 3170, Australia | Telephone +61 3 9562 0122 | Facsimile +61 3 9562 0422