

TO: COMPANY ANNOUNCEMENTS OFFICE

ASX LIMITED

DATE: 1 April 2014

Cardia Bioplastics Investor Presentation

Please find attached the Cardia Bioplastics Investor Presentation “A global supplier of bioplastic resins and finished products”.

This presentation is currently being presented to a number of sophisticated investors and stock brokers that have expressed interest to participate in Cardia Bioplastics’ current fund raising.

The Cardia Bioplastics Rights Issues is due to close this Friday 4th April 2014. The Directors will not be seeking an extension beyond this date therefore all applications must be received by 5.00pm (AEDT) on 4th April 2014.

Richard Tegoni

Chairman

Cardia Bioplastics Limited



A global supplier of bioplastic resins and finished products

Investor Presentation

April 2014

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;
- (iii) 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."

Cardia Bioplastics Summary

Developer and manufacturer of bioplastic resins and finished products derived from renewable resources for the global packaging and plastic products industries

Board of Directors

Richard Tegoni	Non-executive Chairman
Frank Glatz	Managing Director
Steven Bendel	Non-Executive Director
Gideon Meltzer	Non-Executive Director

Share Price Performance



Capital Structure

Australian Securities Exchange (ASX: code)	CNN
Shares on issue (ASX)	2,814.43m
Share price (average traded over last 90 days)	0.3 cents
Market capitalisation	\$8.44m
Listed options on issue (ASX: CNOB) Exercisable at 1.5c any time to 30 June 2015	221.3m
Unlisted options on issue Exercisable at 0.35 cents any time to 15/07/2014 Exercisable at 0.6 cents any time to 31/12/2014	100m 39.44m
Rolling monthly turnover	70m
Top 20 shareholders	45.31 %
Total number of shareholders (as at 28 March 2014)	2,762

Executive Summary

Cardia is a developer and manufacturer of bioplastic resins and finished products derived from renewable resources for the global packaging and plastic products industries

- Derived from renewable sources, Cardia's proprietary Compostable and Biohybrid™ resins reduce the carbon footprint of plastic products and packaging by up to 50% and offer comparable performance. Cardia's products are accepted as cost effective alternatives to petrochemical based plastics.
- The Bioplastics industry is experiencing growth in excess of 20% p.a. Growth is being driven by a combination of governments, brand owners and consumers seeking a lower carbon footprint, improved waste management solutions and increased use of renewable raw materials.
- Cardia's sustainable resin products have been specifically developed for a broad range of industrial and consumer packaging applications, including flexible film, bag, injection moulding, blow moulding, foam, and extrusion applications.
- Cardia's target markets are Carrier Bags, Films & Packaging and Waste Management Products. Cardia offers customers the choice of either Compostable or Biohybrid™ resins for their own production or finished Bioproducts like films and bags for their direct use.
- Cardia has developed commercial relationships with leading global packaging manufacturers that have successfully adapted Cardia's Compostable and Biohybrid™ resins for commercial packaging applications.
- After 5 years of product development work, Cardia has in place partnerships for sustainable packaging and achieved commercial sales to the following leading global FMCG companies and Councils:
 - **Sealed Air, Procter & Gamble, Kimberly-Clark, Nestlé, Colgate-Palmolive, Henkel, Breville, McDonalds, Toyota, Jusco, Johnson & Johnson, 7-Eleven and KFC. Shanghai-Pudong, Nanjing, Brisbane and Hangzhou Councils.**
- Cardia is well positioned for growth in its target markets as its key customers are now in market and have started expanding the use of Cardia products across their product ranges. New customers are expected to adopt Cardia's bioplastic packaging and follow the trend towards more sustainable packaging. More and more Councils around the world are expected to adopt organic waste diversion practices.

Key Investment Highlights

Own IP

- Cardia owns a strong intellectual property portfolio of 11 patent families with 12 patents so far granted in key markets. Patents protect composition formulation, manufacturing process and applications for global packaging products invented by Cardia's R&D team.

Cost competitive

- Cardia's bioplastic products are accepted as cost effective alternatives to petrochemical based plastics.

Target markets

- Cardia has successfully developed and commercialised a range of Biohybrid™ and Compostable product applications in its target market segments of carrier bags, packaging, waste management products.

Global Customer Relationships

- Cardia has leading global brand customers including: Sealed Air, Procter & Gamble, Kimberly-Clark, Nestlé, Colgate-Palmolive, Henkel, Breville, McDonalds, Toyota, Jusco, Johnson & Johnson, 7-Eleven and KFC. Cardia has Councils customers including: Shanghai-Pudong, Nanjing, Brisbane and Hangzhou.

Management Capabilities

- Key management has in-depth experience in the global packaging industry and a track record of commercialising bioplastic technology with global brand owners, leading packaging manufacturers and Councils.

Market

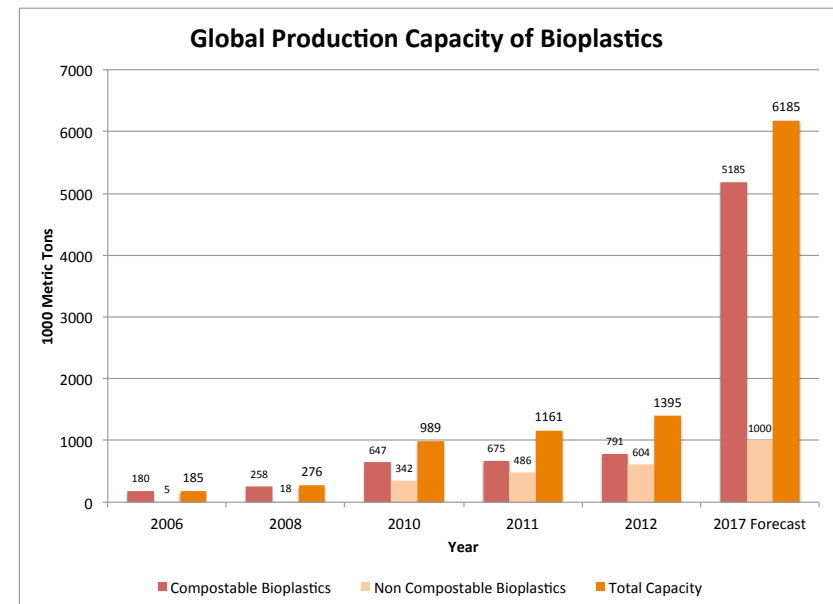
- The market demand for Bioplastics is growing strongly. Momentum is being driven by governments, leading global FMCG companies, global brands, retailers and consumer demand.

Bioplastics Industry Overview

The market opportunity for Bioplastics is being driven by:

1. Increased “package goods” consumption due to continued economic development and societal trends towards convenience.
2. Uncertainty around oil (price and future availability) as a key input in traditional plastics.
3. Increased Government involvement in the regulation of environmental issues and waste management: legislation and taxes.
4. Increased consumer awareness of environmental issues. Global brand leaders are investing in the transition from traditional plastics to bioplastics - tracking consumer preference trends and preparing for global legislative changes.

- Global plastics producers have recognised the trend and invested heavily in bio-packaging solutions and capacity to meet the impending demand (refer - capacity graph).
- Sustainable and renewable Bioplastics packaging is estimated to be < 1% of the plastics packaging market (c.\$200B p.a.) with exponential growth potential.
- Cardia is well positioned to benefit from the trend towards sustainable packaging. Offering customers the choice of sustainable Biohybrid™ or compostable resin technology for their packaging or plastic product solutions.



Source: European Bioplastics/ IfBB Industry Report 2013

Bioplastics Industry – Global Regulation

Key legislative initiatives will ensure Bioplastics continue to gain market penetration into the traditional plastics packaging market.

- The USA, Europe, Latin America, Australia, Japan, India, China, Middle-Eastern governments have legislated or supported bans on conventional plastic bags in an effort to reduce waste and their carbon foot print. A few examples are listed below:
 - 2007 San Francisco – banned non-compostable plastic bags.
 - 2009 South Australia, 2011 Northern Territory, 2011 ACT, 2013 Tasmania banned light disposable plastic bags.
 - 2010 Germany – ban on land filling solid waste with > 5% organic content.
 - 2010 USA - Federal Farm Bill Energy Title 9 – each federal agency must design a plan to purchase as many bio-based plastics as practically possible. Federal procurement plans will be based on bio-based content, price and performance.
 - 2013 Italy – banned non-compostable plastic bags.
 - 2010 Mexico – banned non-biodegradable plastic bags, charge consumers for bio-bags.
 - 2011 Chennai (India) - banned non-biodegradable plastic bags.
 - 2013/Current Brazil – Minas Gerais and Goias States banned use of standard plastic bags.
 - 2014 European Parliament debates ban of standard plastic bags across Europe.

Source: www.bio-plastics.org

Company Overview

- Founded in 2002, Cardia is an ASX-listed company (ASX:CNN). Market capitalisation A\$8.44m. Cardia has 63 employees (China 54 - rest of world 9).
- Cardia has developed and retains its own Intellectual Property of 11 patent families protecting formulation, production, processing & application of its Bioplastic resins & packaging products.
- In 2007 Cardia established its manufacturing and product development facility in Nanjing, China. Annual production capacity of c. 7,200 tonnes.
- Commercial production began in 2008 with the exclusive supply of bags and waste management products to the 2008 Beijing Olympics.
- To date over A\$20m has been invested by Cardia.
- Corporate, operational & application development centre in Melbourne, Australia
- Sales & operational offices: Australia, China, USA, Brazil and Malaysia.
- Established global distributor network across the Americas, Europe and Asia.
- FY2013 Revenue of c. \$5.0m. Global product commercialization phase commenced. First long-term supply agreements signed. Substantial revenue growth is expected from Cardia's large sales and development pipeline. Moving towards break-even profitability.



Manufacturing Plant – Nanjing PRC



Manufacturing Plant & Volume Capabilities

Cardia has developed proprietary manufacturing processes for its bioplastic resin and finished products

- Cardia's manufacturing plant is located in Nanjing, China.
- Nanjing is a large commercial center with a multitude of manufacturing and export industries.
- Cardia has set up fully integrated product supply from resin to certified compostable films and bags that ensures product quality and cost competitiveness.
- The plant has significant existing resin capacity (c.7,200te/a), in preparation for the full commercialisation of its products and can be cost effectively expanded to c.10,000te/a production.
- Cardia specializes in production of its compostable films and bags. In order to meet growing sales, Cardia doubles film extrusion and bag making capacity with further expansion committed.



Products Summary

Cardia's product offerings fall into the following 2 categories:

1. Cardia Biohybrid™ Resins & Products

- Combine renewable plant-based thermoplastic starch with oil-based plastic material.
- Reduce dependence on finite oil resources by up to 66%.
- Blending levels achieved range from 15-45% - replacing traditional plastics inputs with Biohybrid™.
- Food safe compliant, printable, colorable and process efficiently on standard plastics processing equipment.
- Typical product applications include: flexible films and bags for food, hygiene, waste management, injection moulded, blow moulded containers, thermoformed trays and foam products.

2. Cardia Compostable Resins & Products

- Biodegradable and compostable certified to international standards.
- Soft touch, printable & colorable.
- Typical applications include: compostable shopping bags, waste management bags and compostable agricultural films.

1. Cardia Biohybrid™ Resins & Products

CBP1	Biohybrid™ Resins
CBP3	Bags
CBP4	Degradable carrier bags
CBP5	General packaging films
CBP6	Food packaging films and bags
CBP7	Produce bags and liners
CBP8	Hygiene & personal care product films
CBP9	Hygiene & personal care packaging film
CBP10	Laminates, bags and pouches
CBP11	Containers for nutritional supplements
CBP12	Injection moulded products
CBP13	PVC-free toys
CBP14	Blow moulded bottles
CBP15	Thermoformed trays
CBP16	PVC free stationary films
CBP17	Polyethylene foams
CBP18	Extruded Polystyrene foam trays
CBP19	BOPP for packaging and labels
CBP20	Courier Bags and Transport Packaging
CBP21	Bag-In-Bag Water Packaging

2. Cardia Compostable Resins & Products

CBP2	Compostable Resins
CBP30	Bags
CBP31	Waste management bags
CBP32	Mulch films
CBP33	Lamination films
CBP34	Dog waste bags

Patents & International Accreditation

Cardia has developed and retains a strong Intellectual Property portfolio:

- 11 Patent families for bioplastic resins & packaging products

International Accreditation

- Accredited globally, in all countries with certification schemes – including the USA, EU, China, Australia, South America, Japan & Asia
- Food contact approval in Europe and USA
- Halal Certification
- Cardia Bioplastics China business certified to China Environmental Standard
- Cardia Bioplastics Malaysia business awarded BioNexus Status



Cardia's Business Development Cycle

- Entered global commercialisation phase with global brand owners, secured commercial supply contracts.
- Targeted leading FMCG companies for specific product applications which are trialled in specific markets.
- Ramp up in sales volumes driven by move to global market roll-out .
- Various packaging products nearing full commercialisation – will underpin future business growth.



Cardia's Global Activities

Applications	Australia NZ	China	USA/ Canada	Brazil	Europe	Malaysia
Carrier Bags	✓	✓✓	✓	✓✓✓	✓	✓
Films & Packaging	✓✓	✓	✓✓✓	✓	✓✓✓	✓
Waste management products	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓	✓✓✓

Focus – Waste Management Products

Global specialist in environmentally preferred products for waste management and organics diversion

- Organic fraction of municipal solid waste , e.g., green waste and kitchen waste, is above 60% after the sorting of recyclables.
- Organic waste in landfills can create significant environmental burdens caused by instable land fills, landfill gas and leachate emissions.
- Organics diversion to composting is preferred by many Councils around the world.
- Cardia offers Biohybrid waste management bags with lower carbon footprint at high performance and competitive price.
- Cardia offers a certified compostable product range tailored to organic waste management with a track record of high performance during use and composting. Expanding customer base in Australia, New Zealand, Malaysia, Canada, USA, Brazil and the UK.
- Cardia Bioplastics waste management products business delivers >A\$1M/a sales (excl. China) and is expected to grow as Councils, consumers and brands move towards sustainable waste management practices and organic waste diversion.



Focus - Hygiene Packaging

Sustainable hygiene films and packaging

- Cardia Bioplastics provides unique sustainable product offering to the global hygiene and personal care products industry.
- Cardia Biohybrid™ proprietary technology delivers combination of high packaging performance, environmental profile, soft touch, matt finish, excellent printability and cost effectiveness.
- Cardia Compostable technology complements offer with compostability and biodegradability of films.
- Cardia sells both hygiene films and resin to a broad range of hygiene product brands including the global leaders, regional brands and new niche players.
- Cardia Bioplastics hygiene products business delivers >A\$1M/a sales and is expected to grow as global brand owners move forward with commercialisation, regional brands extend the use of Cardia products across different product lines, new customers will be acquired based on current track record and niche players expand their business.



Focus – Disposable Products

Cardia Biohybrid™ or Compostable disposable product solutions

- Cardia Bioplastics provides proprietary product offering to disposable products market.
- Cardia Biohybrid™ proprietary technology delivers combination of high packaging performance, full food contact, environmental profile, excellent printability and cost effectiveness.
- Cardia Compostable technology complements offer with compostability and biodegradability of films and products.
- Cardia sells both Biohybrid™ and compostable resins and films to a broad range of producers of food service items and packaging.
- Cardia Bioplastics delivers sales of >A\$0.5M/a in disposable products segment and expects to grow as brand owners will move forward with full commercialisation across different product lines, and new solutions gain market share.



Focus- China



China Councils implementing organic waste diversion programmes

- Cardia is well established in China with existing manufacturing in Nanjing and business certified to China Environmental Standard.
- Strong government relationships resulting in growing sales.
 - Exclusive supply contract to 2008 Beijing Olympics and Paralympics
 - Supplier to 2010 Shanghai World Expo
- Growing Chinese activity in organic waste diversion schemes.
- Cardia Bioplastics offers complete range of organic waste management products.
- Cardia won annual supply contracts with annual sales forecast of A\$2.6M supplying five China City Councils with kitchen waste bags.
 - Shanghai Pudong, Hangzhou West Lake, Nanjing Jianye, Yuhang, Nanjing Qixia
- Cardia Bioplastics China is positioned for growth as it will expand into other Councils and provinces of China, current Councils will expand their roll out to more households over time, and current trials move to full scale commercial implementation.



Focus- Brazil

Initiative to ban disposable plastic carrier bags, waste bags, packaging

- Brazilian Sustainable Purchasing Law was revised in February 2013.
- When enforced, law will guide Brazilian Government and industry towards purchasing of environmentally preferred bag and packaging products.
- Cardia Compostable and Biohybrid™ products meet the criteria of the law.
- Cardia Bioplastics Brazil has partnered with bag makers that produce Cardia Biohybrid™ bags for sales to Cardia's retailer customers.
- Cardia has won strategic supply contracts with high profile retailers Ricoy Supermercados and Drogaria Araujo. A\$1.4M/a sales forecast with the opportunity to grow the business across the larger retailing groups.
- Cardia Bioplastics Brazil poised for growth as Brazilian supply chain established and Cardia's product performance and quality being recognised within the Brazilian retail market.



Future Product Opportunities

Cardia Bioplastics is now fully focused on achieving break-even profitability through increasing sales in its target markets of carry bags, packaging and waste management products where it has a proven commercial track record. Depicted below is a range of product opportunities that will require some more development and that Cardia will target in the future.



Successes in 2014

1. **Pacific Springs** and **Yukon Springs** use Cardia Biohybrid™ films technology for bag-in-bag water packaging (Australia & Canada)
2. **Ecoriginals** use Cardia Compostable films for nappies and nappy waste bags (Australia)
3. **Nanjing Jianye** waste management supply contract (China)
4. **Qixia** waste management supply contract (China)
5. Patents secured for Cardia Compostable resin (USA)
6. **So Delicious® Dairy Free** uses Cardia Compostable technology to develop compostable ice cream sticks (Canada)
7. **Drogaria Araujo** replaces paper bags with Cardia Biohybrid bags (Brazil)
8. **Ricoy Supermercados** changes to Cardia bags (Brazil)
9. **Maldives** gives Cardia Biohybrid™ bags EPA approval (Maldives)
10. **EcNow Tech** uses Cardia Compostable resin for disposable compostable cutlery (USA)
11. **IAIR Green Excellence Award** awarded to Cardia Bioplastics (Global)



Endorsement by Leading Packaging Companies

Cardia has proven production processes with leading multinational packaging manufacturers.

- Cardia works within the existing supply chain of global brand owners to ensure adoption and endorsement of its products by the leading packaging manufacturers.
- This cooperation has enabled Cardia to develop close relationships with leading packaging manufacturers to ensure production efficiency, scalability, product innovation and commercialisation.



Global FMCG Customers

Cardia delivered sales or is in commercialisation of its developments with the following leading global brands:

