

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

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For Immediate Release

Cardia Bioplastics successfully completes relocation to new purpose built factory and installation of three new production lines

- Cardia Bioplastics successfully completes relocation of production to new purpose built factory in China.
- Three new film extrusion and bag making lines installed and now operating at full capacity.
- Cardia Board approved purchase of six additional film extrusion and bag making lines to meet Cardia's current order pipeline.
- In-house production of Cardia's finished product range significantly improves production efficiency, quality and turnaround times of customer orders while also lowering manufacturing costs.
- Order backlog due to factory relocation currently being cleared. Production expected to be back on schedule by July 2014 with higher sales order delivery expected for first quarter of FY2014/15.



Cardia Bioplastics Limited (ASX: CNN) is pleased to announce that it has expanded its manufacturing operations by moving to an upgraded purpose built facility in Nanjing, China.

The new factory increases both Cardia Biohybrid™ and Cardia Compostable bag making capacity to 100 million bags per year to meet the increasing global demand for Cardia's carry and waste bags, films for the hygiene market and custom products. With the launch of a new Cardia bag range aimed at the retail sector already in high demand, the factory is already running to full capacity.

Cardia Bioplastics China General Manager Chen Yi stated, "We are thrilled with our new manufacturing facility in Nanjing. We are now poised to deliver the increasing orders that we have been receiving, whilst further growing the business. The factory is also a win for the local area with 40 jobs being created through the move."

Cardia Bioplastics Managing Director Dr. Frank Glatz stated, "The move to the new factory could not have come at a better time, with the growing demand for sustainable bags and products with a lower carbon footprint, driven by consumers, brand owners, governments and municipalities our Biohybrid™ and Compostable bags and

films are a quality solution.” Dr Glatz continues, “ Following the success of both Interzoo and APAS trade fairs we have committed to the purchase of six additional new film extrusion and bag making lines to meet further increased orders, doubling our current production capacity to meet demand.”

Cardia Bioplastics Chairman Richard Tegoni stated, “This is a major milestone for Cardia because it underpins the company’s capability to manufacture high quality finished products including Biohybrid™ and Compostable bags, film and custom products at a lower cost. The move to vertically integrate our business means we can better control supply to our customers and this will support our growth strategy moving forward”

Richard Tegoni

Chairman

Cardia Bioplastics Limited

About Cardia Bioplastics

Cardia Bioplastics Limited (ASX CODE: CNN) develops, manufactures and markets its patented renewable resource-based materials and finished products derived from Cardia’s proprietary technology for the global packaging and plastic products industries. The company holds a strong patent portfolio and its growth is fuelled by the global trend towards sustainable packaging. Established in Australia in 2002 as Biograde, the company Headquarters and Global Applications Development Centre is in Melbourne, Australia. Cardia Bioplastics’ Product Development Centre and manufacturing plant for resins and finished goods are in Nanjing, China; with further offices in Australia, China, USA, Brazil and Malaysia, and a network of leading distributors across the Americas, Asia and Europe. www.cardiabioplastics.com