



Annual General Meeting Presentation

28 November 2014

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

Agenda

1. 2014 Highlights and Key Developments
2. Financial Results Overview
3. Bioplastics Industry and Outlook
4. Cardia Business and Opportunity
5. Proposed Merger with Stellar Films update
6. Investment Summary

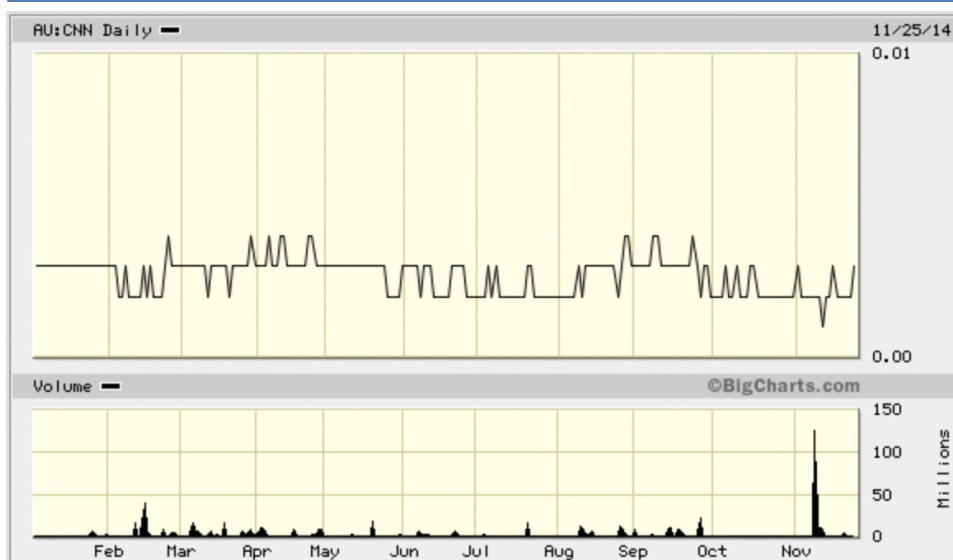
Cardia Bioplastics Summary

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

Board of Directors

| | |
|-----------------------|------------------------|
| Richard Tegoni | 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) | 3.714 m |
| Share price (range during November) | 0.2 - 0.3 cents |
| Market capitalisation (range during November) | \$7.43 - 11.14m |
| Cardia's listed Options exercisable at 31 December 2014 at 0.6 cents | 339.4m |
| Cardia's listed Options exercisable at 30 June 2015 at 1.5 cents | 221.3m |
| Rolling monthly turnover | 60m |
| Top 20 shareholders | 41.2% |
| Total number of shareholders (as at 25 November 2014) | 1,416 |

2014 Highlights – Implementing Business Strategy

- ✓ Sales revenues of \$5.02 million – core bioplastics sales grew 27% to \$4.02 million, overall sales at similar level to 2013.
- ✓ Well progressed with implementation of business strategy to establish a finished products division with own dedicated resources and manufacturing capability.
- ✓ Relocation of resin and finished products manufacturing plant to a new, purpose built facility in Nanjing, China. Doubled film and bag making capacity in response to increasing international finished product orders with further expansion committed.
- ✓ Opened film and bag manufacturing plant in São Paulo, Brazil with a capacity to produce half a billion retail carry bags per annum for the Brazilian market. Order book full, but requiring working capital to deliver sales.
- ✓ Long-term sales contracts with Carrier Bag, Film & Packaging and Waste Management Product customers.

Significant progress in commercialisation, sales and technical development.



Key Developments: Carrier Bags



Cardia Bioplastics signs supply contract with Ricoy Supermercados in Brazil

Ricoy Supermercados, one of Brazil's largest supermarket chains, awards annual supply contract for retail carry bags to Cardia Bioplastics. Ricoy Supermercados initially trialled \$150,000 of Cardia Bioplastics bags over 4 months and successfully validated Cardia's product quality.



High profile Brazilian retailer, Drogaria Araujo orders 1.25 million Cardia Biohybrid™ bags

Cardia Bioplastics wins strategic contract to supply Biohybrid™ bags to 120 Brazilian Drogaria Araujo stores. Initial orders of 1,250,000 bags delivered, with annual orders of 20 million bags/annum and \$400,000 sales revenue forecast. 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

Key Developments: Carrier Bags



Cardia Bioplastics secures Brazilian sales at APAS 2014 Fair in São Paulo

Cardia Bioplastics Brazil increases sales orders in Brazilian retail market by \$1 million annualised. Cardia Bioplastics exhibited at APAS 2014 Fair in São Paulo, Brazil to present its product offering to the Brazilian retail industry. Cardia Bioplastics Brazil poised for growth as Brazilian business established and Cardia's product performance and quality being recognised within the Brazilian retail market.



Cardia Bioplastics Brazil commences retail carry bag production and wins new contracts equalling \$1.5 million worth of annualised business

New facility operational with production capacity of 500 million Cardia Biohybrid™ bags per year. Momentum in Brazilian market place accelerating for Cardia with new customer wins including high profile Mart Minas Supermarkets. Cardia Bioplastics Brazil secures new contracts with initial orders equalling \$1.5 million worth of annualised business.

Key Developments: Films & Packaging



Leading American manufacturer of personal hygiene and diaper products doubles orders of Cardia Biohybrid™ film to \$1million per annum forecast

Leading American manufacturer doubles monthly orders for Cardia Biohybrid™ hygiene film raising annualised order forecast to \$1million per annum. Leading American manufacturer expands use of Cardia Biohybrid™ film across different product lines with further potential to increase its use. Cardia Bioplastics and leading American manufacturer further cement two-year development and supply relationship. Orders placed underpin Cardia Bioplastics film and bag making capacity expansion.



Ecoriginals launches eco baby nappy made from Cardia Compostable technology

Australian Ecoriginals and Cardia Bioplastics partnered to produce eco baby nappies for Australian parents. Market launch of environmentally friendly, high quality and affordable baby nappies made using Cardia Compostable technology. New 'Ecoriginals Baby' nappies to capture share of \$500 million Australian nappy market.

Key Developments: Films & Packaging



Sealed Air uses Cardia Compostable films for new PakNatural® Biodegradable Cushion Bags

Leading global protective packaging manufacturer Sealed Air selects Cardia Compostable films for new PakNatural® Biodegradable Cushion Bags. Validation of Cardia Compostable films in Sealed Air's high performance protective packaging application.



Cardia Bioplastics develops innovative Biohybrid™ films technology for bag-in-bag water packaging

Innovative Biohybrid™ bag-in-bag water packaging replaces traditional rigid plastic bulk water bottles. Enables single use bulk water distribution without the handling issues and cost of plastic bottles. Redefines entire bulk water supply chain, delivering benefits to suppliers, distributors, consumers and the environment. BOS Water and Yukon Spring launch their 'Bag-of-Spring Water' offering in the Australian and Canadian markets.

Key Developments: Films & Packaging



Cardia Bioplastics technology used to develop So Delicious® Dairy Free compostable ice cream sticks

So Delicious® Dairy Free launches new ice creams with compostable sticks made from Cardia Compostable resin technology. So Delicious® Dairy Free orders first commercial quantity of Cardia compostable ice cream sticks for market launch. Further demonstration of Cardia compostable food-safe resin in disposable product application.



Cardia Bioplastics wins contract to supply Cardia Compostable resin to USA's EcNow Tech for disposable compostable cutlery application

Cardia Bioplastics wins contract to supply Cardia Compostable resin to EcNow Tech in USA. Initial orders delivered with annual supply projections of \$400,000. EcNow Tech to use Cardia Compostable resin to manufacture disposable compostable cutlery and ice cream sticks. Cardia Compostable BM resin validated as a quality food service product offering.

Key Developments: Waste Management Products



Cardia Bioplastics wins waste management supply contract into Nanjing, China

Nanjing Jianye District selects Cardia Bioplastics as preferred supplier of waste management products, awards first quarter orders of A\$250,000 with a forecast of A\$1 million annual supply requirement. Contract represents 5% of Nanjing City households with potential to expand rollout. Significant opportunity to secure additional City Councils in China. Continues momentum of growth for Cardia's China business with focus on organic waste management products.



Cardia Bioplastics organic waste diversion program extends to China's Qixia District

Cardia Bioplastics secures orders for 500,000 Cardia Biohybrid™ organic waste management bags for final validation of Qixia's organic waste diversion project. Annual contract forecast of \$400,000. 65% of Qixia District households will participate in the program on full roll out.

Key Developments: Waste Management Products



Cardia Bioplastics wins \$350,000 waste management products supply contract in Nanjing, China

Nanjing Jianye District awards Cardia Bioplastics orders of A\$350,000 and extends its supply contract for waste management products. Annual supply requirement forecast for A\$1 million. Contract represents 7% of Nanjing City households with potential to expand rollout. Significant opportunity to secure additional City Councils in China. Continues momentum of growth for Cardia's China business with focus on organic waste management products.



Palerang Council rolls out City-to-Soil organic waste diversion program using Cardia Bioplastics organic waste management products

Palerang Council places order of 350,000 Cardia Compostable kitchen tidy bags for commercial roll out of City-to-Soil program. City-to-Soil kitchen waste collection program gains momentum at Palerang Council. First collection diverted almost 13 tonnes of green waste from Council landfills. Cardia Compostable kitchen tidy bags rolled out to 2,000 households. Further validates Cardia Compostable waste management products for organic waste diversion programs.

Key Developments: Waste Management Products



Cardia Bioplastics launches new Dog waste bags at INTERZOO 2014 the World-Leading Exhibition for the Pet Supplies Industry

Cardia Bioplastics launches fresh new Compostable and Biohybrid™ dog waste bags. Cardia Bioplastics exhibiting at Interzoo 2014 in Nuremberg, Germany to present its Dog Waste bag range. Cardia Bioplastics dog waste bags poised for growth in pet retail sector.



Natureworks Packaging selects Cardia Bioplastics as partner to develop bag and waste management products for the Australian and international markets

Australia's Natureworks Packaging design, market and distribute proprietary bag and waste management products manufactured by Cardia Bioplastics using Cardia Compostable and Biohybrid™ resin technology. \$200,000 of Cardia Bioplastics bag and waste management products ordered by Natureworks Packaging during the last 12 months and sold through their extensive sales force. Natureworks extend Cardia Bioplastics market reach and add a strong distribution channel.

Key Developments: Waste Management Products



UK's LifeCycle Products selects Cardia Bioplastics as partner to develop its proprietary bag and waste management products for the UK market

UK's LifeCycle Products designs, markets and distributes its proprietary bag and waste management products made by Cardia Bioplastics using Cardia Compostable and Biohybrid™ resin technology. LifeCycle Products and Cardia Bioplastics execute supply contract. Initial compostable product order of \$65,000 placed for mid-2014 market launch. Cardia Bioplastics doubles film and bag making capacity to meet increased demand for its finished products business.



Cardia Biohybrid bags gain EPA approval in the Maldives with initial orders delivered

Cardia Biohybrid bags chosen by Truly Green to supply Maldives resorts, hotels and tourism sector. Maldives Environmental Protection Agency (EPA) approves Cardia Biohybrid bags as environmentally preferred product. Initial orders of 60,000 bags delivered, with annual orders of more than 1,000,000 bags/annum expected in the next 12 months. Establishment of Cardia supply chain into Maldives with further expansion across other product lines.

Awards and Recognition



Cardia Bioplastics receives IAIR Green Excellence Award

Cardia Bioplastics received the IAIR Green Excellence Award. IAIR Awards is one of the world's leading ranking and prize for excellence in global economy and sustainability. International Green Excellence Leadership Award for Australian bioplastics company. Recognises commercial appeal and environmental offering of unique proprietary resin and product technology.

Advances in Cardia Bioplastics Technology and Product Certification



Cardia Compostable resin and process secures patents in USA

United States Patent and Trademark Office grants patents for Cardia Compostable resin and process. Intellectual Property underpins commercially successful Cardia Compostable product range. Cardia Bioplastics' technical differentiation endorsed with patents. Cardia capitalises on growth of bioplastics in the North American market.

Key Developments: Manufacturing - China



Cardia Bioplastics doubling film and bag making capacity to meet increased demand for its finished products business

Cardia is expanding production to meet increasing demand for its film and bag products. Purchase of three new film extrusion and bag making machines with aim to order a further three by end of June quarter. Each production line capable of producing an additional 1.5 million bags per month. Cardia Bioplastics' strategy to expand finished products division having early impact on global sales. Increased finished products capacity will enhance sales margins, as Cardia products will be made in-house. Existing capacity for resin production meets business requirements.



Cardia Bioplastics successfully completes relocation to new purpose built factory and installation of 3 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.

Key Developments: Manufacturing - Brazil



Cardia Bioplastics sets up manufacturing plant in Brazil in response to strong orders

In response to high demand for its environmentally preferred bags, Cardia Bioplastics sets up own film and bag manufacturing plant in São Paulo, Brazil. Production to commence in September 2014. New facility to deliver production capacity of 500 million retail carry bags per year. Production machinery funded using vendor finance over a twelve months period. The vertical integration from Cardia Biohybrid™ resins to Cardia Biohybrid™ films and bags ensures product quality, control of supply, improved margins and enhanced cost structures that underpin Cardia's global growth strategy.



Cardia Bioplastics Brazil commences retail carry bag production and wins new contracts equalling \$1.5 million worth of annualised business

New facility fully operational with production capacity of 500 million Cardia Biohybrid™ bags per year. Momentum in Brazilian market place accelerating for Cardia with new customer wins including high profile Mart Minas Supermarkets. Cardia Bioplastics Brazil secures new contracts with initial orders equalling \$1.5 million worth of annualised business.

Financial Results Overview

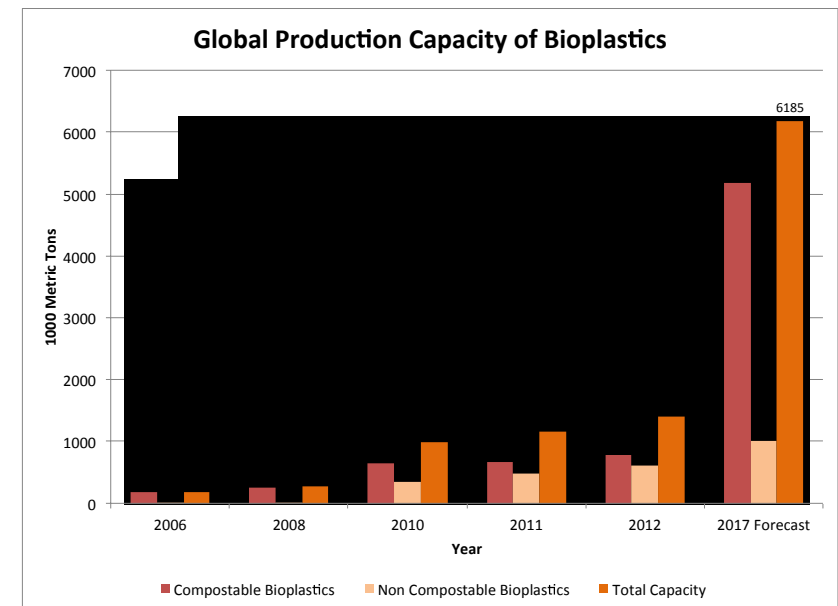
| | FY2014 | FY2013 | Commentary |
|------------------------------|-------------|---------------|--|
| Sales Revenue | \$5,023,491 | \$5,050,075 | Similar revenues to FY2013 with 27% revenue growth in core bioplastics business. Delivered under challenging conditions of relocation to a new factory in Nanjing, China, installation of three new production lines, and expansion of and change within its production labour force. Secured new long-term sales contracts for finished products. |
| Gross Profit | \$554,213 | \$545,654 | Gross profit margin of 11% due to lower traded goods margins and partially outsourced production of Chinese Council business. Margin uplift expected with increasing sales from higher margin finished goods made in own film production and long-term resin contracts. |
| EBIT from operating business | (2,515,976) | (\$1,621,095) | Higher expenses due to relocation to new Nanjing factory, set up of new extrusion and bag making lines in China . Implementation of finished products strategy. |
| NPAT | (2,607,729) | (\$3,060,140) | |

Bioplastics Industry and Outlook

- Global plastics packaging market worth \$220B in 2013 and continuing to grow
- Market demand for Bioplastics is growing strongly

Growth 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.

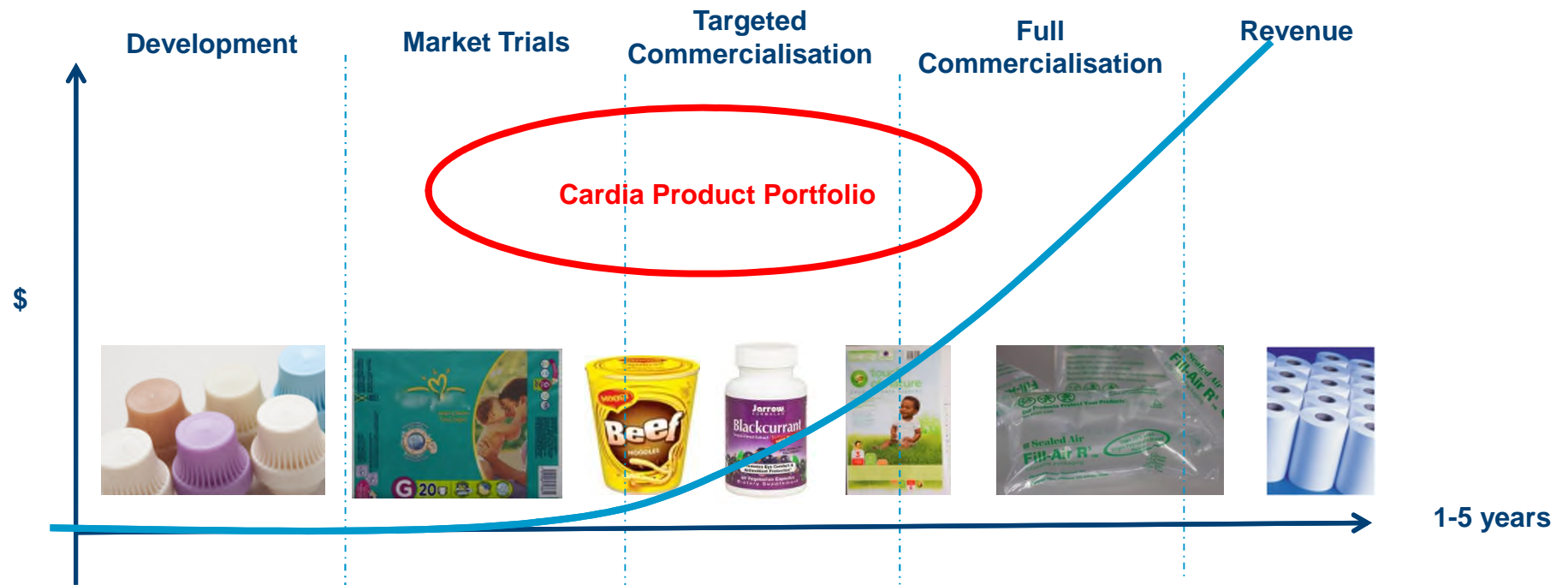


Source: European Bioplastics/ IfBB Industry Report 2013

Well positioned to capitalise on the increasing trend towards sustainable & ‘green’ packaging

Cardia's Business Development Cycle

- Progressing with commercialisation with global brand owners, retailers, councils, waste management companies, securing commercial supply contracts for carrier bags, films & packaging and waste management products.
- Ramp up in sales volumes driven by full roll out of Cardia products across larger customer groups.
- Adoption of sustainable packaging across industry sectors driven by legislation, e.g. organic waste diversion from land fill.



Global Customers

Cardia is now in the commercialisation phase with global brand owners, retailers, councils, waste management companies, securing commercial supply contracts for carrier bags, films & packaging and waste management products with sales to the following customers:



Breville®

City of Shanghai-Pudong
City of Nanjing
City of Hangzhou



Announcement of proposed merger with Stellar Films Group

Stellar Films manufactures and globally markets high quality cast films to the personal care, hygiene and medical product industries.

Headquartered in Melbourne and manufacturing facilities in Melbourne and Port Klang, Malaysia.

50.8% ownership in high growth Akronn Industries producing silicone-coated film products at Nilai, Malaysia operation supplying the global hygiene the sustainable energy sector.

Sales Revenue FY2014: \$21.5 million (excl. Akronn Industries)

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

Target markets: carrier bags, (hygiene) films & packaging, waste management products

Headquartered in Melbourne and manufacturing facilities in Nanjing, China and Sao Paulo, Brazil.

Sales Revenue FY2014: \$5.02 million



Benefits of proposed merger with Stellar Films Group

- Strategic fit of Cardia Bioplastics and Stellar Films businesses
- Scale and geographic footprint of combined operations
- Market access and reach in absorbent hygiene products market - \$72 billion industry growing 5.5% per annum ¹⁾
- Production and operational savings
- Complementary intellectual property positions
- Resources to deliver business strategy
- High quality management teams
- Stellar Films / Cardia Bioplastics / Akronn Industries group of companies offer a comprehensive and differentiated range of hygiene films and packaging in standard, Biohybrid™, compostable formats
- The combined business has the scale and resources to deliver the successful implementation of our profitable business growth strategy in our carrier bags, films & packaging, and waste management target market segments



1) P&G presentation at Outlook Asia 2014 conference



Cardia, Stellar, Akronn Hygiene Films & Packaging



Investment Summary

- Only ASX-listed stock focused on Bioplastics.
- Strong IP and patent position on technology and high performance products.
- Well progressed with implementation of business strategy to establish a finished products division with own dedicated resources and manufacturing capability.
- Film and bag production set up, order books are full, but working capital required to purchase raw materials and deliver sales.
- Strategic product development relationships with global brand owners and packaging companies started to convert to increasing sales.
- Global growing sales of Cardia waste management products to Councils for organic waste diversion.
- Highly focused management team with internationally recognised industry experts.
- Proposed merger with Stellar Films to achieve a step change in scale and resources to deliver the successful implementation of Cardia's profitable business growth strategy.

