

MILTON CORPORATION LIMITED

ABN 18 000 041 421

Registered Office:
Level 2
50 Pitt Street
Sydney NSW 2000

All correspondence to:
PO Box R1836
Royal Exchange NSW 1225
Telephone (02) 8006 5357
Facsimile (02) 9251 7033

4 September 2009

Dear Shareholder,

SHARE PURCHASE PLAN – PERFORMANCE UPDATE

Share Purchase Plan

I am pleased to provide you with the opportunity to participate in the Milton Share Purchase Plan (“SPP”) which enables you to subscribe for up to \$15,000 in additional Milton shares at a discount to the recent market price and free of any brokerage.

The issue price of the Milton shares under the SPP is \$16.08 per share. This represents a discount of 5% to the volume weighted average price of Milton shares traded on the ASX over the ten days up to and including 3 September 2009.

The issue price of the additional Milton shares is also at a discount of 5.5% to the net tangible asset backing at 31 August 2009 which was \$17.02 per share. The net asset backing is before provision for tax on unrealised capital gains and after provision for the payment of the final dividend of 35 cents per share.

I recommend that you read the terms and conditions of the SPP that are enclosed with your application form. Please note that the SPP will remain open until 5pm on 28 September 2009.

Performance update

Since the end of the 2009 financial year the Australian equity market has increased in value and consequently Milton’s net tangible asset backing, before provision for tax on unrealised capital gains and after provision for the final dividend, had increased to \$17.02 per share at 31 August 2009.

In the two months to 31 August 2009, almost 80% of the companies in Milton’s investment portfolio have reported their results and declared their dividends. The reported profits have been slightly better than anticipated but many companies have paid lower dividends than the previous corresponding period.

Milton’s underlying operating profit for the six months to 31 December 2009 is expected to be less than the previous corresponding period. However, in the absence of unforeseen circumstances, Milton’s interim dividend is expected to be in line with the 2009 final dividend of 35 cents per share.

The shares issued under the SPP will rank for the interim dividend which is expected to be paid in March 2010.

Questions regarding the SPP can be directed to the company on (02) 8006 5357 or Milton’s share registry, Link Market Services on 1800 641 024.

Yours sincerely

MILTON CORPORATION LIMITED



Robert Millner
Chairman

MILTON CORPORATION LIMITED

ABN 18 000 041 421

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1800 641 024
Facsimile: (02) 9287 0303
ASX Code: MLT
Website: www.linkmarketservices.com.au

OFFER CLOSES
5:00pm (Sydney time): 28 September 2009

SRN/HIN:

Record Date: 19 August 2009
Offer Opens: 11 September 2009
Issue Price per Share: A\$16.08

SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

To apply for Shares under this Offer read the SPP Terms and Conditions accompanying this form.
Select a payment option as detailed below and follow the instructions. Payments must be in Australian dollars.
An application for shares under this SPP cannot exceed more than A\$15,000 in aggregate for the previous twelve months. Refer to Terms and Conditions 2.3.

APPLICATION FOR SHARES

The purchase price for each Milton Share is A\$16.08

Minimum number of Shares you may acquire

Maximum number of Shares you may acquire

Number of Shares

32

932

Amount Payable

A\$514.56

A\$14,986.56

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry from BPAY® by 5:00pm (Sydney time) on 28 September 2009. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your application payment. If you make a payment by BPAY® and "Milton" receives an amount which is not between 32 (A\$514.56) and 932 (A\$14,986.56). "Milton" will round down the number of Shares applied for to the maximum number of Shares you can apply for. Your payment must be for a minimum of 32 Shares (A\$514.56).



Billier Code: [XXXXXXX]

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
More info: www.bpay.com.au

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Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your application payment.

- Complete the number of Shares you wish to apply for and multiply that by the Issue Price of A\$16.08 per Share.
- Enter your cheque, bank draft or money order details. The amount of your application payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Milton Corporation Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to your application amount "Milton" will round down the number of Shares that you are applying for equal to your payment. Your payment must be for a minimum of 32 Shares (A\$514.56) and maximum of 932 Shares (A\$14,986.56).
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment

MILTON CORPORATION LIMITED

ABN 18 000 041 421

Entitlement Number:

SRN/HIN:

A

I/We wish to purchase

Shares at A\$16.08 per Share and enclose payment of

A\$

B

Make your cheque, bank draft or money order payable to "Milton Corporation Limited" and crossed "Not Negotiable"

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

A\$.00

C

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

()

()

MILTON CORPORATION LIMITED

SHARE PURCHASE PLAN

Purchase of Shares

The following table may assist eligible shareholders who wish to purchase Shares under the SPP:

Number of Shares		Amount Payable (A\$)	Number of Shares		Amount Payable (A\$)
Minimum	32	514.56	600		9,648.00
	100	1,608.00	700		11,256.00
	200	3,216.00	800		12,864.00
	300	4,824.00	900		14,472.00
	400	6,432.00	Maximum	932	14,986.56
	500	8,040.00			

Application to participate – Terms and Conditions 2.3

By submitting the Acceptance Slip attached to the Application Form (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the application payment paid by you for:

- the parcel of Shares indicated on this Application Form; and
- any other Shares applied for by you under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY®

does not exceed A\$15,000.

Privacy

Link Market Services Limited advises that Chapter 2C of *The Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and application payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the Closing Date of 28 September 2009.

Mailing Address

Milton Corporation Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

Milton Corporation Limited
C/- Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 28 September 2009. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. "Milton" reserves the right not to process any Acceptance Slips and application payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the Milton SPP Offer Information Line on 1800 641 024.

MILTON CORPORATION LIMITED

Share Purchase Plan – Terms and Conditions

Milton Corporation Limited ABN 18 000 041 421 (**Milton**) is pleased to provide Eligible Shareholders with the opportunity to participate in the Milton Share Purchase Plan (**SPP**) by investing up to A\$15,000 to subscribe for additional ordinary shares in Milton without incurring brokerage or transaction costs.

1. Participation in the SPP

- 1.1 Participation in the SPP is optional and is subject to these terms and conditions. The Offer made under this SPP is made to Eligible Shareholders who are registered shareholders in Milton at the record date except those shareholders whose registered address in Milton's share register is in a country whose laws or regulations make it unlawful or impracticable for the SPP to apply to them.
- 1.2 This Offer is non-renounceable.

Participation by Custodians

- 1.3 Eligible Shareholders who are custodians may apply for up to a maximum amount of A\$15,000 worth of Shares for each Beneficiary if, in conjunction with an Application Form, it provides Milton with a certificate stating:
 - (a) that it complies with the interpretation of Custodian in ASIC Class Order 09/425;
 - (b) that the Custodian holds Shares on behalf of one or more Beneficiaries on the date of the Offer who have, subsequent to that date, instructed the Custodian to apply for Shares on their behalf under the SPP;
 - (c) the number of Beneficiaries;
 - (d) the name and address of each Beneficiary;
 - (e) in respect of each Beneficiary, the number of Shares that the custodian holds on their behalf;
 - (f) in respect of each Beneficiary, the number of Shares and the Application Amount the Beneficiary instructed the Custodian to apply for on their behalf; and
 - (g) that there are no Beneficiaries in respect of whom the total of:
 - (i) the Application Price referable to that Beneficiary; and
 - (ii) the price paid for any other Shares issued to the custodian in the 12 months before the Application as a result of an instruction given by the Beneficiary to the Custodian to apply for Shares on their behalf under an arrangement similar to the SPP, exceeds A\$15,000.

2. Application to participate

- 2.1 An Eligible Shareholder may apply to Milton to participate in the SPP by completing the Application Form and returning it to the Share Registry with a cheque, bank draft or money order for payment of the Application Amount, so that it is received before the Closing Date being 28 September 2009 or by making a payment by BPAY® before the Closing Date.
- 2.2 Applications must specify the Application Amount in Australian dollars, for the number of Shares applied for at the Issue Price of \$16.08 (being not less than A\$514.56 and not more than A\$14,986.56).
- 2.3 By submitting the Acceptance Slip attached to the Application Form (with a cheque, bank draft or money order) or making payment by BPAY®, the Eligible Shareholder certifies that the aggregate of the application payment paid by the Eligible Shareholder for:
 - the parcel of Shares indicated on the Application Form; and
 - any other Shares applied for by the Eligible Shareholder under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY®, does not exceed A\$15,000.
- 2.4 By making payment, the Eligible Shareholder agrees to be bound by the Constitution of Milton and agrees that the submission of this payment constitutes an irrevocable offer to the Eligible Shareholder by Milton to subscribe for Milton shares on the terms of the SPP.

3. Operation of the SPP

- 3.1 Shares to be allotted under the SPP have been priced at a discount of 5.0% of the weighted average market price of all ordinary shares in Milton traded on the Australian Securities Exchange Limited (ASX) ten trading days up to and including 3 September 2009. As the market price of shares in Milton may rise or fall the subscription price Eligible Shareholders pay for the shares may exceed the market price of the shares at the time of allotment of the shares under the SPP. Eligible Shareholders are encouraged to seek their own financial advice and monitor the share price movements of shares in Milton prior to accepting this SPP Offer.

4. Allotment of shares

- 4.1 Allotment of shares under the SPP will occur as soon as reasonably practicable.
- 4.2 Shares allotted under the SPP will rank equally in all respects with existing Shares.
- 4.3 Milton will, promptly after allotment of Shares under this SPP, apply to ASX for admission to the Official List.

5. Cost of participation

No brokerage, commission or other transaction costs will be payable by an Eligible Shareholder in respect of Shares allotted under the SPP.

6. Administration, variation, suspension or termination of the SPP

- 6.1 The SPP will be administered by the Board of Directors of Milton which has the power to:
 - (a) decide appropriate procedures for administration and implementation of the SPP, consistent with the SPP Terms and Conditions, and to settle any difficulty which may arise generally or in a particular case, in regard to the SPP, as the Board thinks appropriate and its decision binds all Eligible Shareholders and other persons to whom the decision relates;
 - (b) resolve conclusively all questions of fact or interpretation in connection with the SPP;
 - (c) vary administrative procedures to be followed in the implementation of the SPP; and
 - (d) delegate to any one or more persons for a period and on the conditions as it may decide, the exercise of its powers or discretions arising under the SPP, but not any powers under clause 6.3
- 6.2 Milton and its officers and employees will not be held responsible or liable for any error or omission which occurs in the administration of the SPP.
- 6.3 The Board may:
 - (a) at any time modify, vary or amend the SPP;
 - (b) suspend the operation of the SPP from time to time for any period; or
 - (c) terminate the SPP at any time without any need for giving advance notice to shareholders.