

MILTON CORPORATION LIMITED

ABN 18 000 041 421

Level 2
50 Pitt Street
Sydney NSW 2000

PO Box R1836
Royal Exchange NSW 1225

Telephone: (02) 8006 5357
Facsimile: (02) 9251 7033
Email: general@milton.com.au
Website: www.milton.com.au
ASX code: MLT

Share Registry Enquiries: 1800 641 024

NET TANGIBLE ASSET BACKING REPORT AT 31 MAY 2011

Milton Net Tangible Asset Backing per Share ("NTA")

	31 May 11	30 Apr 11
Before provision for tax on unrealised capital gains	\$ 17.55	\$ 18.04
<i>(Milton is a long-term investor and does not intend disposing of its long term investment portfolio.)</i>		
After provision for tax on unrealised capital gains	\$ 16.23	\$ 16.54
<i>(Under current accounting standards, Milton is required to provide for tax that may arise should the portfolio be disposed.)</i>		

About Milton (ASX code: MLT)

Milton is a listed investment company whose objective is to hold a diversified portfolio of assets that generates a growing income stream for distribution to shareholders in the form of fully franked dividends and provides capital growth in the value of the shareholders' investment.

Asset allocation at 31 May 2011

	Market Value	Share of Total Assets
	\$ m	%
Banks	669.3	31.3
Diversified financials	209.4	9.9
Materials	271.7	12.8
Consumer staples	213.8	10.0
Insurance	104.8	4.9
Commercial services	114.0	5.3
Energy	80.8	3.8
Capital goods	59.8	2.8
Real estate	47.0	2.2
Healthcare	39.1	1.8
Telecommunications	38.5	1.8
Other shares	111.2	5.2
Cash	124.8	5.8
Other assets	51.8	2.4
Total assets	2,136.0	100.0

Milton's 5 year dividend history (cents per share)

All dividends have been fully franked since the introduction of franking.

	2007	2008	2009	2010	2011
Interim	38	43	43	35	37
Final	43 ⁽¹⁾	45 ⁽¹⁾	35	36 ⁽¹⁾	
Special		8			
⁽¹⁾ LIC Capital Gain paid as part of Final	6	12		2	

Milton is a listed investment company for taxation purposes and may pay dividends that include qualifying LIC capital gains which may entitle certain shareholders to a special deduction in their income tax return in the year of receipt. Milton intends to distribute qualifying LIC capital gains as they arise.

Top 20 Investments at 31 May 2011

	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	230.5	10.8
Commonwealth Bank of Australia	152.5	7.1
BHP Billiton Limited	138.6	6.5
Washington H Soul Pattinson	118.2	5.5
National Australia Bank Limited	114.6	5.4
Campbell Brothers Limited	99.3	4.7
Wesfarmers Limited	92.6	4.3
Woolworths Limited	69.0	3.2
Australia & New Zealand Banking Group	61.5	2.9
Bank of Queensland	51.2	2.4
Bendigo and Adelaide Bank Limited	51.1	2.4
Q B E Insurance Group Limited	47.8	2.2
Rio Tinto Limited	36.7	1.7
Woodside Petroleum Limited	36.6	1.7
Brickworks Limited	33.9	1.6
Telstra Corporation Limited	32.1	1.5
AGL Energy Limited	26.9	1.3
Suncorp-Metway Limited	23.7	1.1
Perpetual Limited	22.9	1.1
Santos Limited	20.8	1.0
Total Top 20	1,460.5	68.4

Operating cost

Milton's executives manage the company and its investments to maximise returns to its shareholders. This internal management structure helps to maintain low operating costs.

For the year ended 30 June 2010, Milton's total operating costs, net of management fees recovered, represented **0.17%** per annum of average total assets.