

# MILTON CORPORATION LIMITED

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## NET TANGIBLE ASSET BACKING REPORT AT 28 FEBRUARY 2014

Milton (ASX code: MLT) 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.

### Milton Net Tangible Asset Backing per Share ("NTA") at 28 February 2014<sup>(1)</sup>

- **Before** provision for tax on unrealised capital gains was \$4.27  
(Milton is a long-term investor and does not intend disposing of its long term investment portfolio.)
- **After** provision for tax on unrealised capital gains was \$3.79  
(Under current accounting standards, Milton is required to provide for tax that may arise should the portfolio be disposed.)

The value of Milton's net tangible assets ("NTA") is affected by the daily fluctuations in the market values of its long term holdings in Australian listed equities and changes in its retained earnings.

<sup>(1)</sup>After provision for interim dividend of 8.2 cps, which was paid on 4 March 2014.

### Investment portfolio

*Milton provides exposure to a diversified portfolio of Australian listed companies and trusts*

- The investment portfolio at 28 February 2014 was valued at \$ 2.5 billion.
- The portfolio comprises companies and trusts that are expected to generate investment income and therefore it does not necessarily align with any stock market index.

Asset allocation at 28 February 2014	Market Value	Share of Total Assets	Top 20 Investments at 28 February 2014	Market Value	Share of Total Assets
	\$ m	%		\$ m	%
Banks	973.7	35.5	Westpac Banking Corporation	349.8	12.7
Materials	278.4	10.1	Commonwealth Bank of Australia	226.4	8.2
Consumer staples	267.9	9.8	National Australia Bank	153.0	5.6
Energy	209.4	7.6	W H Soul Pattinson	138.7	5.1
Diversified financials	153.8	5.6	BHP Billiton Limited	129.5	4.7
Insurance	120.0	4.4	Wesfarmers Limited	123.0	4.5
Commercial services	99.7	3.6	Woolworths Limited	97.3	3.5
Telecommunication	89.7	3.3	ANZ Banking Group	95.5	3.5
Healthcare	62.8	2.3	ALS Limited	85.3	3.1
Real Estate	57.2	2.1	Bank of Queensland	78.5	2.9
Capital Goods	45.3	1.7	Perpetual Limited	70.3	2.6
Other shares	182.4	6.6	Telstra Corporation	68.7	2.5
Cash	146.8	5.3	Bendigo and Adelaide Bank	63.5	2.3
Other assets	57.9	2.1	Brickworks Limited	46.9	1.7
<b>Total assets</b>	<b>2,745.0</b>	<b>100.0</b>	CSL Limited	42.8	1.6
			Rio Tinto Limited	37.6	1.4
			AGL Energy	37.4	1.4
			Suncorp Group	37.3	1.4
			QBE Insurance	33.6	1.2
			Woodside Petroleum	31.3	1.1
			<b>Total Top 20</b>	<b>1,946.4</b>	<b>71.0</b>

### Efficient operation

*Milton is an efficient, low cost and professionally managed collective investment*

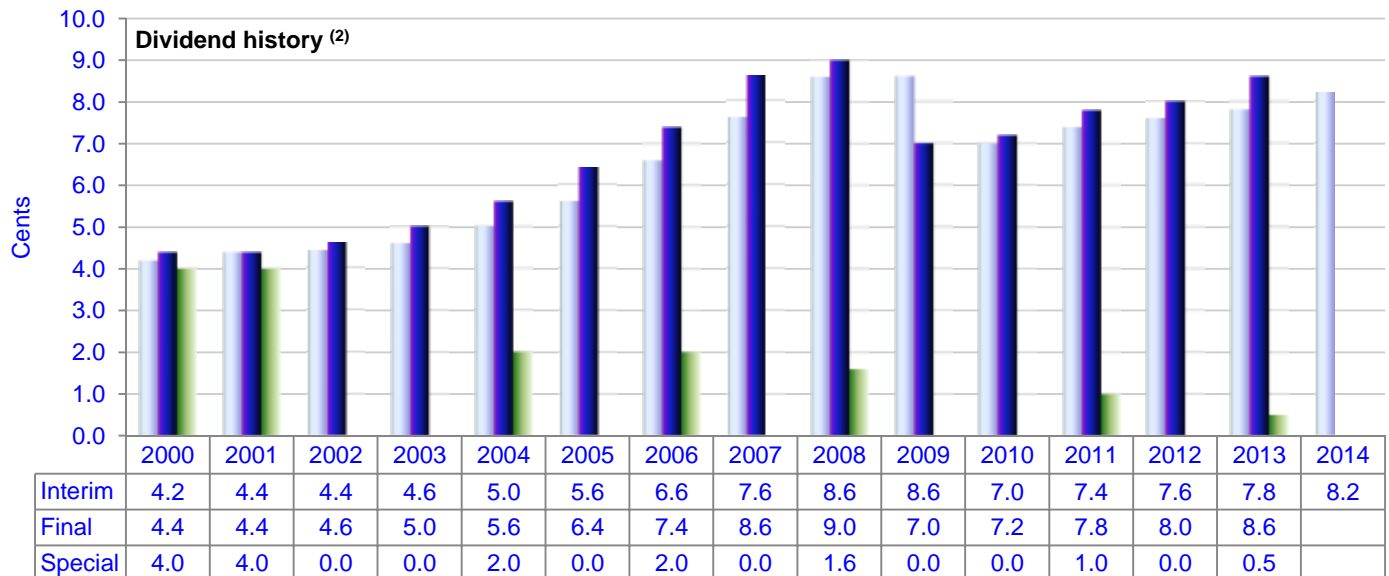
- Total annualised operating costs represent approximately 0.13% per annum of average total assets as at 31 December 2013.
- Milton is internally managed and no fees are paid to an external fund manager.
- Operating costs do not increase simply because the value of assets increases. For example, total assets increased by \$0.3 billion over the six months to 31 December 2013 and operating costs remained in line with those of the prior year.

## PERFORMANCE HISTORY

### Dividend History

*Milton pays fully franked dividends semi annually*

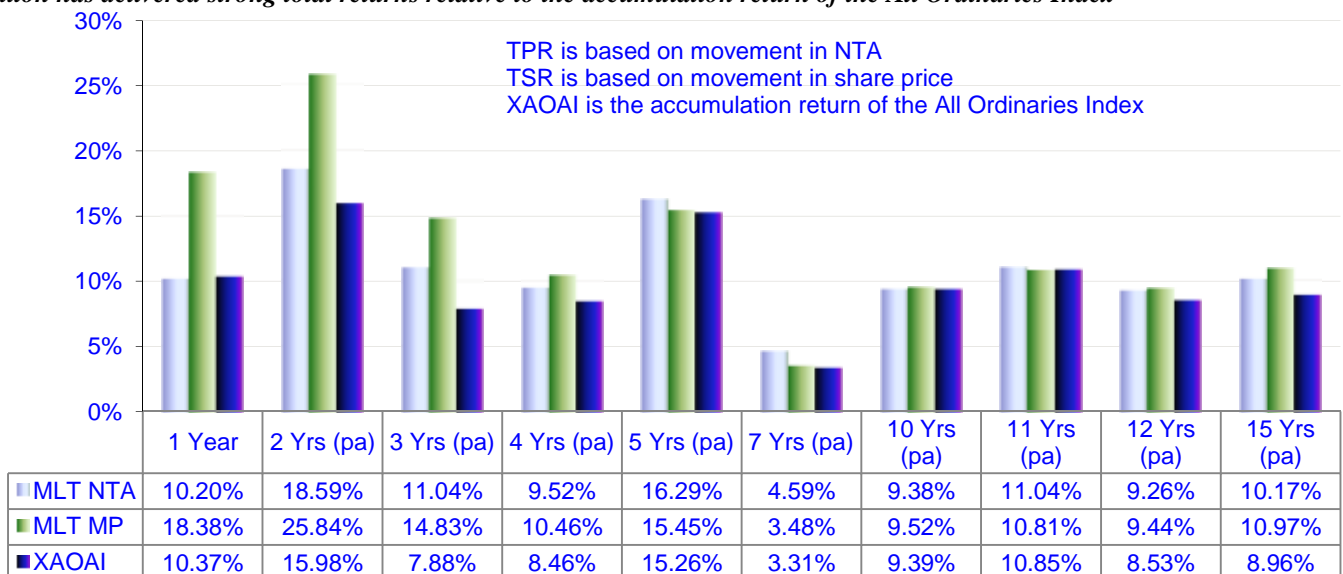
Milton has paid a dividend every year since listing in 1958 and all dividends have been fully franked since the introduction of franking.



(2) All comparative data has been restated to take into account the 5 for 1 share split in October 2013.

### Total Returns to 28 February 2014

*Milton has delivered strong total returns relative to the accumulation return of the All Ordinaries Index*



Milton's total returns are net of tax paid and expenses and no adjustment has been made for the franking benefits attached to the fully franked dividends paid.

The Accumulation return of the All Ordinaries is unaffected by tax or expenses and no adjustment has been made for the franking benefits attached to the partially franked dividends paid.