

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 30 APRIL 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 30 April 2014

- **Before** provision for tax on unrealised capital gains was \$4.34
(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 \$3.84
(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.

Investment portfolio

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

- The investment portfolio at 30 April 2014 was valued at \$2.6 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 30 April 2014	Market Value	Share of Total Assets	Top 20 Investments at 30 April 2014	Market Value	Share of Total Assets
	\$ m	%		\$ m	%
Banks	1,026.5	37.5	Westpac Banking Corporation	367.0	13.4
Materials	268.8	9.8	Commonwealth Bank of Australia	239.3	8.7
Consumer staples	267.2	9.7	National Australia Bank	155.5	5.7
Energy	209.1	7.6	W H Soul Pattinson	135.9	5.0
Diversified financials	149.3	5.4	BHP Billiton Limited	127.7	4.7
Insurance	120.7	4.4	Wesfarmers Limited	122.3	4.5
Commercial services	98.8	3.6	ANZ Banking Group	102.4	3.7
Telecommunication	93.2	3.4	Woolworths Limited	101.7	3.7
Healthcare	60.3	2.2	Bank of Queensland	89.6	3.3
Real Estate	59.4	2.2	ALS Limited	84.3	3.1
Capital Goods	47.2	1.7	Telstra Corporation	71.0	2.6
Other shares	187.5	6.9	Bendigo and Adelaide Bank	65.7	2.4
Cash	110.0	4.0	Perpetual Limited	63.8	2.3
Other assets	43.0	1.6	Brickworks Limited	43.4	1.6
Total assets	2,741.0	100.0	CSL Limited	40.5	1.5
			Suncorp Group	40.0	1.5
			AGL Energy	37.7	1.4
			Rio Tinto	35.0	1.3
			Woodside Petroleum	33.6	1.2
			QBE Insurance	30.2	1.1
			Total Top 20	1,986.6	72.7

Efficient operation

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

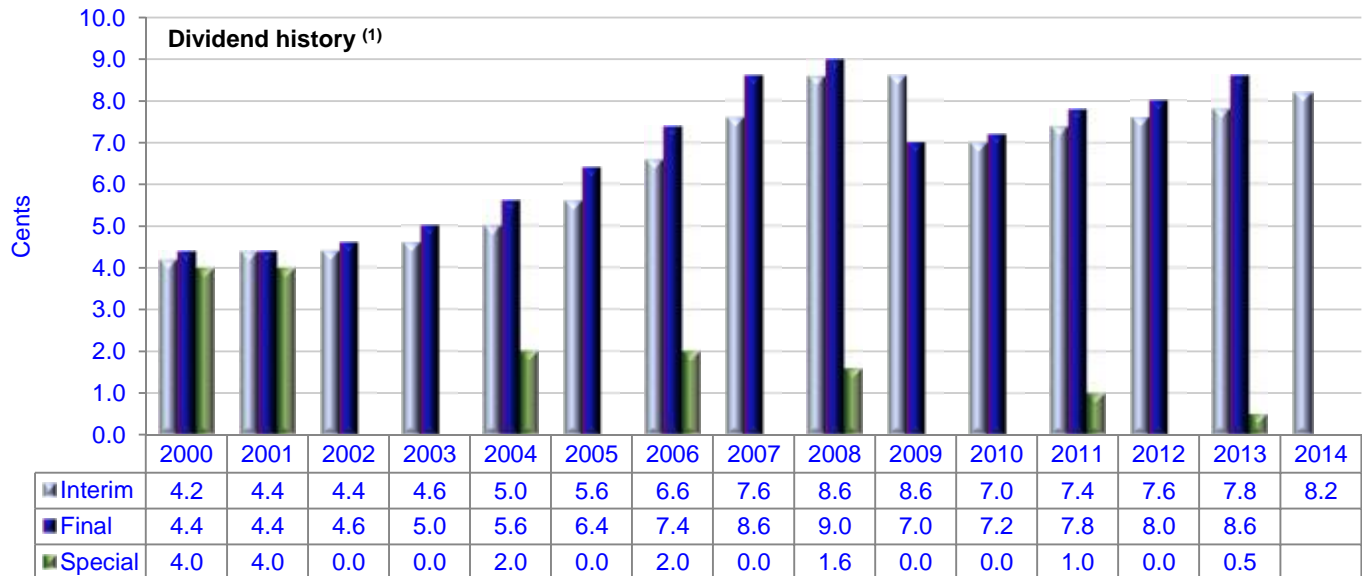
- Total annualised operating costs represent approximately 0.13% per annum of average total assets as at 31 December 2013.
- Milton is internally managed and no fees are paid to an external fund manager.
- Operating costs do not increase simply because the value of assets increases. For example, total 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.



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

Total Returns to 30 April 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.

