

MILTON CORPORATION LIMITED

ABN 18 000 041 421

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NET TANGIBLE ASSET BACKING REPORT AT 30 SEPTEMBER 2013

| Milton Net Tangible Asset Backing per Share ("NTA") | 30 Sep 13 ⁽¹⁾ | 31 Aug 13 |
|---|--------------------------|-----------|
| Before provision for tax on unrealised capital gains <i>(Milton is a long-term investor and does not intend disposing of its long term investment portfolio.)</i> | \$20.86 | \$20.21 |
| After provision for tax on unrealised capital gains <i>(Under current accounting standards, Milton is required to provide for tax that may arise should the portfolio be disposed.)</i> | \$18.60 | \$18.07 |

⁽¹⁾ The NTA at 30 September 2013 is based on the increased capital following the allotment of 3.3m New Shares under the Share Purchase Plan on 30 September 2013.

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 30 September 2013

| | Market Value | Share of Total Assets |
|------------------------|----------------|-----------------------|
| | \$ m | % |
| Banks | 933.2 | 35.6 |
| Consumer staples | 264.8 | 10.1 |
| Materials | 251.2 | 9.6 |
| Energy | 203.0 | 7.8 |
| Commercial services | 131.4 | 5.0 |
| Diversified financials | 127.3 | 4.9 |
| Insurance | 125.7 | 4.8 |
| Telecommunication | 83.3 | 3.2 |
| Healthcare | 54.9 | 2.1 |
| Real estate | 53.1 | 2.0 |
| Capital goods | 49.5 | 1.9 |
| Other shares | 165.1 | 6.3 |
| Cash | 124.1 | 4.7 |
| Other assets | 52.6 | 2.0 |
| Total assets | 2,619.2 | 100.0 |

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

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

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|------|-------------------|------|------|------|
| Interim | 43 | 35 | 37 | 38 | 39 |
| Final | 35 | 36 ^(*) | 39 | 40 | 43 |
| Special | - | - | 5 | - | 2.5 |
| ^(*) LIC Capital Gain paid as part of Final | - | 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 30 September 2013

| | Market Value | Share of Total Assets |
|---------------------------------------|----------------|-----------------------|
| | \$ m | % |
| Westpac Banking Corporation | 342.0 | 13.1 |
| Commonwealth Bank of Australia | 215.6 | 8.2 |
| National Australia Bank | 150.6 | 5.8 |
| W H Soul Pattinson | 129.1 | 4.9 |
| BHP Billiton Limited | 118.3 | 4.5 |
| Wesfarmers Limited | 118.1 | 4.5 |
| ALS Limited | 118.0 | 4.5 |
| Woolworths Limited | 94.0 | 3.6 |
| Australia & New Zealand Banking Group | 90.6 | 3.5 |
| Bank of Queensland | 70.7 | 2.7 |
| Telstra Corporation | 67.1 | 2.6 |
| Bendigo and Adelaide Bank | 57.2 | 2.2 |
| Brickworks Limited | 44.0 | 1.7 |
| QBE Insurance | 39.5 | 1.5 |
| Suncorp Group | 39.1 | 1.5 |
| CSL Limited | 37.6 | 1.4 |
| AGL Energy Limited | 36.6 | 1.4 |
| Rio Tinto Limited | 33.6 | 1.3 |
| Perpetual Limited | 32.2 | 1.2 |
| Woodside Petroleum Limited | 31.5 | 1.2 |
| Total Top 20 | 1,865.4 | 71.3 |

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.

Milton's total operating costs for the year ended 30 June 2013 represented **0.14%** of average monthly total assets.

Milton AGM details

10 October 2013 at 3pm

The Waratah Room

Australian Institute of Company Directors

Level 1, 10 Bond Street, Sydney