

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 31 AUGUST 2011

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

After provision for final dividend of 39 cps and special dividend of 5 cps

	<u>31 Aug 11</u>	<u>31 July 11</u>
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>	\$16.04	\$16.69
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>	\$15.10	\$15.65

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 August 2011

	Market Value	Share of Total Assets
	\$ m	%
Banks	620.0	30.9
Materials	245.3	12.1
Consumer staples	207.8	10.3
Diversified financials	191.5	9.5
Commercial services	112.7	5.6
Insurance	92.2	4.7
Energy	67.3	3.4
Capital goods	51.4	2.6
Real estate	43.5	2.1
Telecommunications	38.7	1.9
Healthcare	36.9	1.8
Other shares	111.8	5.7
Cash	145.1	7.2
Other assets	43.3	2.2
Total assets	2,007.5	100.0

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

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Interim	38	43	43	35	37
Final	43 ⁽¹⁾	45 ⁽¹⁾	35	36 ⁽¹⁾	39
Special		8			5
⁽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 August 2011

	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	214.6	10.7
Commonwealth Bank of Australia	145.2	7.2
BHP Billiton Limited	126.0	6.3
Washington H Soul Pattinson	110.7	5.5
National Australia Bank Limited	102.7	5.1
Campbell Brothers Limited	100.5	5.0
Wesfarmers Limited	87.1	4.3
Woolworths Limited	64.9	3.2
Australia & New Zealand Banking Group	56.4	2.8
Bendigo and Adelaide Bank Limited	50.0	2.5
Bank of Queensland	43.8	2.2
Q B E Insurance Group Limited	38.2	1.9
Telstra Corporation Limited	33.1	1.6
Rio Tinto Limited	32.7	1.6
AGL Energy Limited	30.2	1.5
Brickworks Limited	29.6	1.5
Woodside Petroleum Limited	27.6	1.4
Suncorp-Metway Limited	23.2	1.2
Perpetual Limited	20.7	1.0
Metcash Limited	18.5	0.9
Total Top 20	1,355.7	67.4

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 2011, Milton's total operating costs, net of management fees recovered, represented **0.17%** per annum of average total assets.

Key Dividend Dates

	Dividend	Ex Date	Record Date	Payment Date
Final	39 cps	31 Aug 2011	6 Sept 2011	20 Sept 2011
Special	5 cps	31 Aug 2011	6 Sept 2011	20 Sept 2011