

MILTON CORPORATION LIMITED

ABN 18 000 041 421

Level 4
50 Pitt Street
Sydney NSW 2000
Website: www.milton.com.au

PO Box R1836
Royal Exchange NSW 1225
Email: general@milton.com.au

Telephone: (02) 8006 5357
Facsimile: (02) 9251 7033
Share Registry Enquiries: 1800 641 024

NET TANGIBLE ASSET BACKING REPORT AT 31 AUGUST 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 31 August 2014

(After provision for final dividend of 9.4 cps and special dividend of 0.4 cps)

- **Before provision for tax on unrealised capital gains was \$4.41**
(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 \$3.88**
(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 31 August 2014 was valued at approximately \$2.7 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 31 August 2014	Market Value	Share of Total Assets
	\$ m	%
Banks	1,037.5	36.5
Materials	272.4	9.6
Consumer staples	266.1	9.4
Energy	212.7	7.5
Diversified financials	161.2	5.7
Insurance	131.5	4.6
Telecommunication	100.9	3.5
Commercial services	99.7	3.5
Real Estate	63.4	2.2
Healthcare	65.0	2.3
Capital goods	53.9	1.9
Other shares	201.2	7.0
Cash	125.7	4.4
Other assets	55.1	1.9
Total assets	2,846.3	100.0

Top 20 Investments at 31 August 2014	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	366.2	12.9
Commonwealth Bank of Australia	246.6	8.7
National Australia Bank	155.0	5.4
W H Soul Pattinson	133.9	4.7
BHP Billiton Limited	126.3	4.4
Wesfarmers Limited	124.0	4.4
Woolworths Limited	102.5	3.6
ANZ Banking Group	99.6	3.5
Bank of Queensland	91.9	3.2
ALS Limited	83.6	2.9
Telstra Corporation	78.4	2.8
Bendigo and Adelaide Bank	71.1	2.5
Perpetual Limited	67.3	2.4
Brickworks Limited	45.6	1.6
Suncorp Group	44.4	1.6
CSL Limited	43.7	1.5
Rio Tinto	35.5	1.2
Woodside Petroleum	35.2	1.2
AP Eagers Limited	34.1	1.2
AGL Energy	33.7	1.2
Total Top 20	2,018.6	70.9

Efficient operation

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

- Total annualised operating costs in 2014 represented approximately 0.125% per annum of average total assets for the year to 30 June 2014.
- 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 15.6% over the twelve months to 30 June 2014 and operating costs only increased by 4.1% compared with the prior year.

Dividend dates

	Dividend	Ex date	Payment date
Final	9.4 cps	14 Aug 2014	3 Sep 2014
Special	0.4 cps	14 Aug 2014	3 Sep 2014

Other key dates

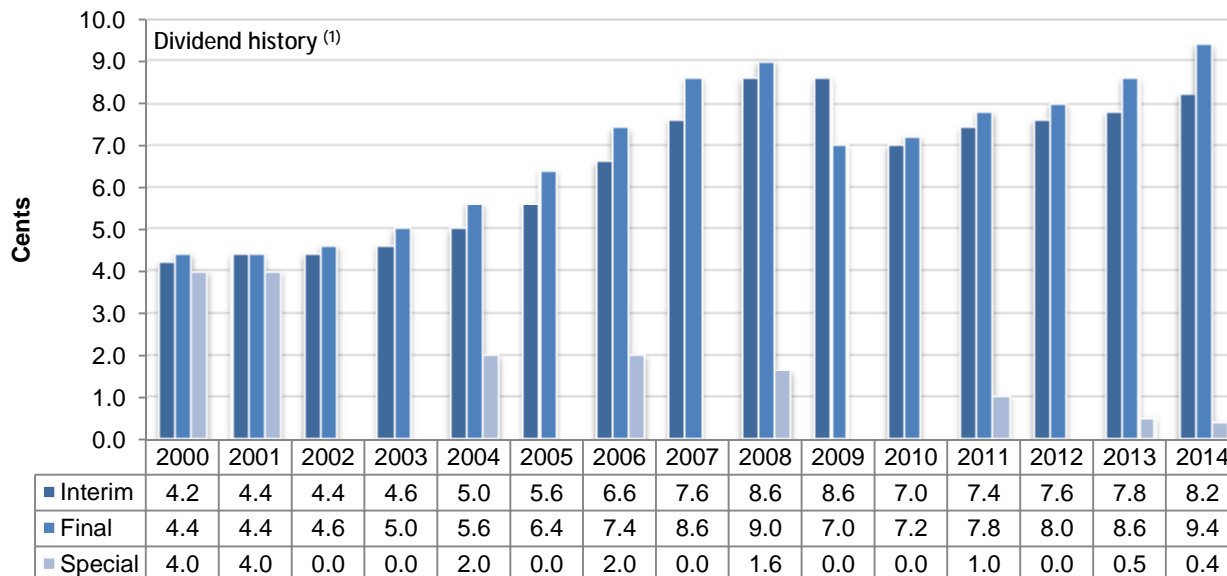
Share Purchase Plan:	
- offer opens	4 Sep 2014
- offer closes	19 Sep 2014
Annual General Meeting	16 Oct 2014

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 31 August 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.

