

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 31 DECEMBER 2011

Milton Net Tangible Asset Backing per Share ("NTA")		
	<u>31 Dec 11</u>	<u>30 Nov 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>	\$16.08⁽¹⁾	\$16.18
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>	\$15.22⁽¹⁾	\$15.28
⁽¹⁾ NTA calculations as at 31 December 2011 are before providing for the interim dividend and are subject to an independent review by the auditors		

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 December 2011

	Market Value	Share of Total Assets
	\$ m	%
Banks	611.9	31.2
Materials	217.9	11.1
Diversified financials	201.6	10.3
Consumer staples	188.9	9.6
Insurance	89.2	4.6
Commercial services	118.5	6.0
Energy	60.0	3.1
Capital goods	50.0	2.6
Real estate	42.0	2.1
Telecommunication	41.6	2.1
Healthcare	38.4	2.0
Other shares	110.8	5.7
Cash	162.0	8.3
Other assets	26.2	1.3
Total assets	1,959.0	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 ^(*)	45 ^(*)	35	36 ^(*)	39
Special	-	8	-	-	5
^(*) 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 December 2011

	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	208.4	10.6
Commonwealth Bank of Australia	148.3	7.6
Washington H Soul Pattinson	125.8	6.4
BHP Billiton Limited	110.2	5.6
Campbell Brothers Limited	106.2	5.4
National Australia Bank Limited	101.6	5.2
Wesfarmers Limited	83.6	4.3
Woolworths Limited	64.6	3.3
Australia & New Zealand Banking Group	58.1	3.0
Bendigo and Adelaide Bank Limited	45.8	2.3
Bank of Queensland	42.8	2.2
Telstra Corporation Limited	36.6	1.9
QBE Insurance Limited	35.0	1.8
Brickworks Limited	35.0	1.8
AGL Energy Limited	28.2	1.4
Rio Tinto Limited	27.2	1.4
Woodside Petroleum Limited	24.2	1.2
Suncorp-Metway Limited	23.7	1.2
Metcash Limited	18.9	1.0
CSL Limited	18.8	1.0
Total Top 20	1,343.0	68.6

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.