

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 31 DECEMBER 2012

Milton Net Tangible Asset Backing per Share ("NTA")		
	<u>31 Dec 12</u>	<u>30 Nov 12</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>	\$18.42⁽¹⁾	\$17.71
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>	\$16.88⁽¹⁾	\$16.38
⁽¹⁾ NTA calculation as at 31 December 2012 are before providing for the interim dividend and 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 2012

	Market Value	Share of Total Assets
	\$ m	%
Banks	742.6	33.1
Consumer staples	236.6	10.5
Materials	235.6	10.5
Diversified financials	222.5	9.9
Commercial services	130.2	5.8
Insurance	99.6	4.4
Telecommunication	64.9	2.9
Energy	58.6	2.6
Capital goods	49.6	2.2
Real estate	45.9	2.0
Healthcare	44.2	2.0
Other shares	136.9	6.2
Cash	134.6	6.0
Other assets	41.7	1.9
Total assets	2,243.5	100.0

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Interim	43	43	35	37	38
Final	45 ^(*)	35	36 ^(*)	39	40
Special	8	-	-	5	-
^(*) LIC Capital Gain paid as part of Final	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 2012

	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	271.3	12.1
Commonwealth Bank of Australia	187.3	8.3
W H Soul Pattinson	124.4	5.5
BHP Billiton	119.3	5.3
ALS Limited	117.1	5.2
National Australia Bank	109.3	4.9
Wesfarmers Limited	105.1	4.7
Woolworths Limited	75.9	3.4
Australia & New Zealand Banking Group	71.5	3.2
Telstra Corporation	55.3	2.5
Bendigo and Adelaide Bank	48.5	2.2
Bank of Queensland	48.1	2.1
Brickworks Limited	37.2	1.7
AGL Energy	35.4	1.6
CSL Limited	31.6	1.4
Rio Tinto	29.8	1.3
QBE Insurance Group	29.5	1.3
Suncorp-Metway	28.8	1.3
Perpetual Trustees	28.4	1.3
Woodside Petroleum	27.2	1.2
Total Top 20	1,581.0	70.5

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 2012, Milton's total operating costs represented **0.16%** per annum of average total assets.