

# MILTON CORPORATION LIMITED

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## NET TANGIBLE ASSET BACKING REPORT AT 31 JANUARY 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 January 2014<sup>(1)</sup>

- **Before** provision for tax on unrealised capital gains was \$4.19  
(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 \$3.75  
(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.

<sup>(1)</sup>Milton shares will trade ex dividend on 13 February 2014 therefore the NTA as at 31 January 2014 does not include provision for the fully franked interim dividend of 8.2 cents per share.

### Investment portfolio

*Milton provides exposure to a diversified portfolio of Australian listed companies and trusts*

- The investment portfolio at 31 January 2014 was valued at \$2.4 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 January 2014	Market Value	Share of Total Assets	Top 20 Investments at 31 January 2014	Market Value	Share of Total Assets
	\$ m	%		\$ m	%
Banks	930.1	35.3	Westpac Banking Corporation	322.5	12.3
Materials	263.5	10.0	Commonwealth Bank of Australia	224.8	8.5
Consumer staples	257.0	9.8	National Australia Bank	145.9	5.5
Energy	206.1	7.8	W H Soul Pattinson	137.8	5.2
Diversified financials	142.0	5.4	BHP Billiton Limited	121.4	4.6
Insurance	114.4	4.3	Wesfarmers Limited	118.9	4.5
Commercial services	102.7	3.9	Woolworths Limited	91.5	3.5
Telecommunication	89.9	3.4	ALS Limited	89.3	3.4
Healthcare	59.8	2.3	ANZ Banking Group	89.2	3.4
Real Estate	55.1	2.1	Bank of Queensland	74.7	2.8
Capital Goods	45.9	1.7	Telstra Corporation	69.8	2.7
Other shares	176.4	6.8	Bendigo and Adelaide Bank	66.2	2.5
Cash	148.7	5.7	Perpetual Limited	63.9	2.4
Other assets	40.0	1.5	Brickworks Limited	45.9	1.7
<b>Total assets</b>	<b>2,631.6</b>	<b>100.00</b>	CSL Limited	41.2	1.6
			Suncorp Group	36.5	1.4
			AGL Energy	36.0	1.4
			Rio Tinto Limited	35.9	1.4
			Woodside Petroleum Limited	30.7	1.2
			AP Eagers	30.4	1.2
			<b>Total Top 20</b>	<b>1,872.5</b>	<b>71.2</b>

### Key Dates

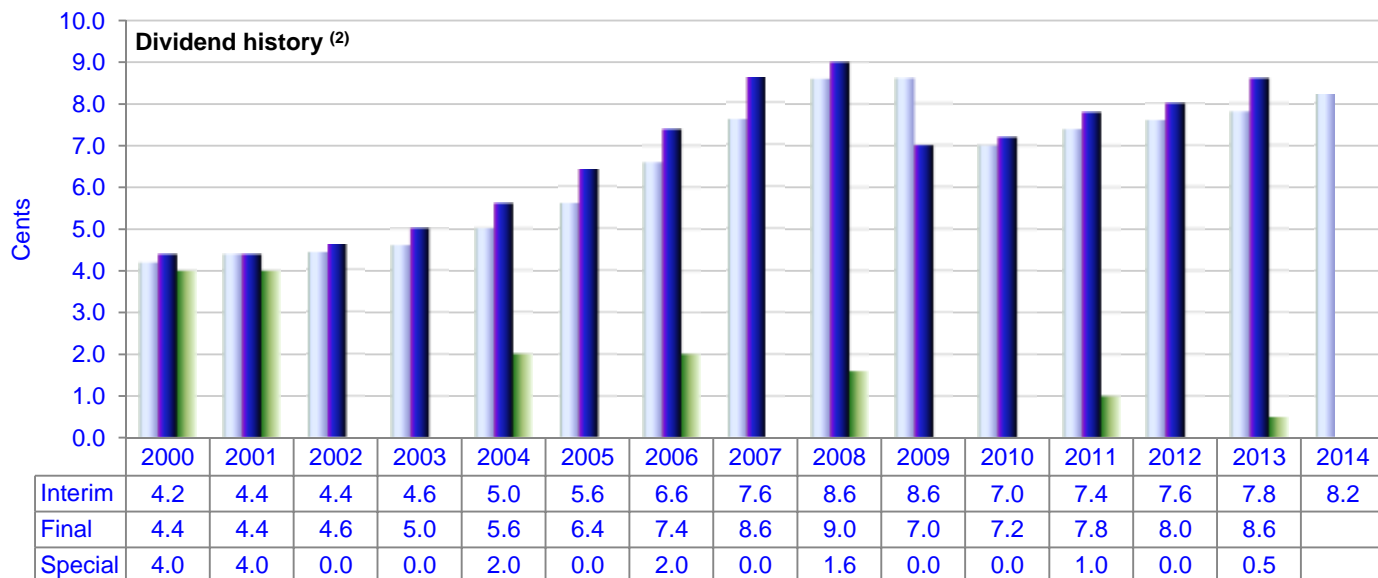
Interim dividend ex date	13 February 2014
Receipt of election notice for participation in the DRP for the interim dividend	20 February 2014
Interim dividend payment date	4 March 2014

## PERFORMANCE HISTORY

### Dividend History

*Milton pays fully franked dividends semi annually*

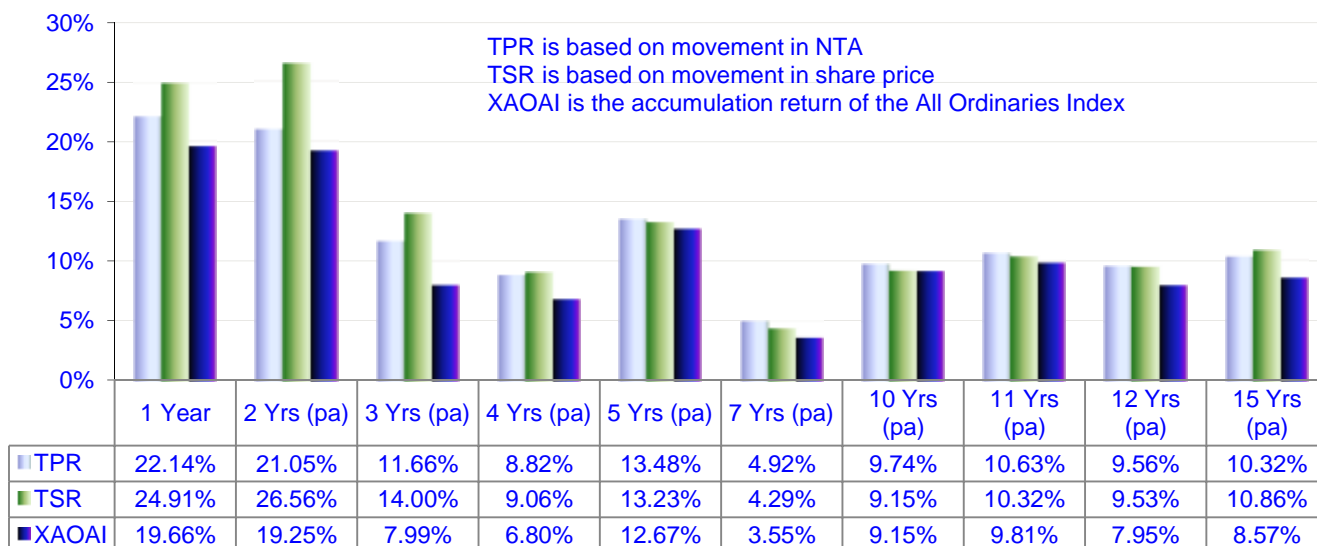
Milton has paid a dividend every year since listing in 1958 and all dividends have been fully franked since the introduction of franking.



<sup>(2)</sup> All comparative data has been restated to take into account the 5 for 1 share split in October 2013.

### Total Returns

*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.

### Efficient operation

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

- Total annualised operating costs represent approximately 0.13% per annum of average total assets as at 31 December 2013.
- 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 \$0.3 billion over the six months to 31 December 2013 and operating costs remained in line with those of the prior year.