

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 31 JANUARY 2012

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

	<u>31 Jan 12</u>	<u>31 Dec 11</u>
NTA calculations are before providing for the interim dividend.		
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>	\$16.61	\$16.08
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>	\$15.59	\$15.22

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 January 2012

	Market Value	Share of Total Assets
	\$ m	%
Banks	635.9	31.5
Materials	235.3	11.6
Diversified financials	202.7	10.0
Consumer staples	190.6	9.4
Insurance	85.7	4.2
Commercial services	124.9	6.2
Energy	65.2	3.2
Capital goods	57.3	2.8
Real estate	44.0	2.2
Healthcare	38.1	1.9
Telecommunication	42.5	2.1
Other shares	114.4	5.7
Cash	146.2	7.3
Other assets	39.0	1.9
Total assets	2,021.8	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	-
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 January 2012

	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	220.4	10.9
Commonwealth Bank of Australia	152.6	7.5
Washington H Soul Pattinson	125.0	6.2
BHP Billiton	120.1	5.9
Campbell Brothers	112.8	5.6
National Australia Bank	103.7	5.1
Wesfarmers	85.9	4.2
Woolworths	63.8	3.2
Australia & New Zealand Banking Group	60.6	3.0
Bendigo and Adelaide Bank	47.3	2.3
Bank of Queensland	44.3	2.2
Telstra Corporation	36.9	1.8
Brickworks	34.6	1.7
Rio Tinto	31.2	1.5
QBE Insurance	31.0	1.5
AGL Energy	28.7	1.4
Woodside Petroleum	27.0	1.4
Suncorp-Metway	23.8	1.2
Santos	18.9	1.0
Metcash	18.9	1.0
Total Top 20	1,387.5	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.

Interim dividend

On 24 January 2012, Milton announced that it would pay an increased interim dividend of 38cps on 29 February 2012.

Milton's shares will trade cum dividend until 8 February 2012.