

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 31 JULY 2011

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

Before provision for final dividend of 39 cps and special dividend of 5 cps

	31 July 11	30 June 11
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>	\$16.69	\$17.36
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>	\$15.65	\$16.11

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 July 2011

	Market Value	Share of Total Assets
	\$ m	%
Banks	627.9	30.9
Materials	257.8	12.7
Consumer staples	205.5	10.0
Diversified financials	200.2	9.9
Commercial services	113.9	5.6
Insurance	96.7	4.8
Energy	70.5	3.5
Capital goods	53.8	2.6
Real estate	43.2	2.1
Telecommunications	37.7	1.9
Healthcare	36.9	1.8
Other shares	104.7	5.2
Cash	141.6	7.0
Other assets	41.4	2.0
Total assets	2,031.8	100.0

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

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

	2007	2008	2009	2010	2011
Interim	38	43	43	35	37
Final	43 ⁽¹⁾	45 ⁽¹⁾	35	36 ⁽¹⁾	39
Special		8			5
⁽¹⁾ 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 July 2011

	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	212.7	10.5
Commonwealth Bank of Australia	148.4	7.3
BHP Billiton Limited	129.4	6.4
Washington H Soul Pattinson	117.6	5.8
National Australia Bank Limited	103.9	5.1
Campbell Brothers Limited	100.0	4.9
Wesfarmers Limited	82.4	4.1
Woolworths Limited	67.8	3.3
Australia & New Zealand Banking Group	57.9	2.9
Bendigo and Adelaide Bank Limited	50.5	2.5
Bank of Queensland	47.1	2.3
Q B E Insurance Group Limited	44.4	2.2
Rio Tinto Limited	36.1	1.8
Telstra Corporation Limited	32.1	1.6
Brickworks Limited	31.9	1.6
Woodside Petroleum Limited	30.1	1.5
AGL Energy Limited	26.6	1.3
Suncorp-Metway Limited	21.0	1.0
Perpetual Limited	19.3	0.9
Metcash Limited	18.8	0.9
Total Top 20	1,378.0	67.9

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.

Key Dividend Dates

	Dividend	Ex Date	Payment Date
Final	39 cps	31 Aug 2011	20 Sept 2011
Special	5 cps	31 Aug 2011	20 Sept 2011