

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 31 JULY 2012

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

Before provision for final dividend of 40 cps ⁽¹⁾

	<u>31 Jul 12</u>	<u>30 Jun 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>	\$17.08	\$16.42

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>	\$15.93	\$15.46
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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 2012

	Market Value	Share of Total Assets
	\$ m	%
Banks	693.9	33.4
Consumer staples	209.9	10.1
Materials	202.9	9.8
Diversified financials	201.3	9.7
Commercial services	112.5	5.4
Insurance	96.4	4.6
Energy	58.4	2.8
Telecommunication	54.3	2.6
Capital goods	51.0	2.5
Healthcare	47.1	2.3
Real estate	45.0	2.2
Other shares	129.8	6.1
Cash	134.9	6.5
Other assets	42.4	2.0
Total assets	2,079.8	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	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 July 2012

	Market Value	Share of Total Assets
	\$ m	%
Westpac Banking Corporation	241.7	11.6
Commonwealth Bank of Australia	173.3	8.3
W H Soul Pattinson	119.6	5.8
National Australia Bank	108.6	5.2
BHP Billiton	102.7	4.9
Campbell Brothers	101.7	4.9
Wesfarmers	93.1	4.5
Woolworths	73.9	3.6
Australia & New Zealand Banking Group	66.6	3.2
Bank of Queensland	50.1	2.4
Telstra Corporation	47.0	2.3
Bendigo and Adelaide Bank	46.8	2.3
QBE Insurance Group	38.0	1.8
AGL Energy	36.2	1.7
Brickworks	32.6	1.6
Woodside Petroleum	27.0	1.3
CSL	25.1	1.2
Suncorp-Metway	24.1	1.2
Rio Tinto	24.0	1.2
AP Eagers	20.0	1.0
Total Top 20	1,452.1	70.0

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.

Key Dividend Dates ⁽¹⁾

	Dividend	Ex Date	Payment Date
Final	40 cps	15 Aug 2012	4 September 2012