

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING REPORT AT 31 MARCH 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 March 2014

- **Before** provision for tax on unrealised capital gains was \$4.32
(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 \$3.83
(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.

Investment portfolio

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

- The investment portfolio at 31 March 2014 was valued at \$ 2.6 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 March 2014	Market Value	Share of Total Assets	Top 20 Investments at 31 March 2014	Market Value	Share of Total Assets
	\$ m	%		\$ m	%
Banks	1,006.5	36.9	Westpac Banking Corporation	361.2	13.2
Materials	269.1	9.9	Commonwealth Bank of Australia	234.9	8.6
Consumer staples	259.8	9.5	National Australia Bank	156.2	5.7
Energy	212.7	7.8	W H Soul Pattinson	142.5	5.2
Diversified financials	152.1	5.6	BHP Billiton Limited	123.3	4.5
Insurance	122.7	4.5	Wesfarmers Limited	117.9	4.3
Commercial services	96.5	3.5	ANZ Banking Group	98.2	3.6
Telecommunication	94.0	3.4	Woolworths Limited	97.4	3.6
Healthcare	61.1	2.2	Bank of Queensland	84.2	3.1
Real Estate	56.8	2.1	ALS Limited	82.4	3.0
Capital Goods	50.1	1.8	Telstra Corporation	69.1	2.5
Other shares	185.6	6.9	Perpetual Limited	68.0	2.5
Cash	101.9	3.8	Bendigo and Adelaide Bank	65.0	2.4
Other assets	57.3	2.1	Brickworks Limited	45.9	1.7
Total assets	2,726.2	100.0	CSL Limited	41.2	1.5
			Suncorp Group	39.6	1.5
			AGL Energy	36.3	1.3
			Rio Tinto	36.1	1.3
			QBE Insurance	33.6	1.2
			Woodside Petroleum	32.0	1.2
			Total Top 20	1,965.0	71.9

Efficient operation

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

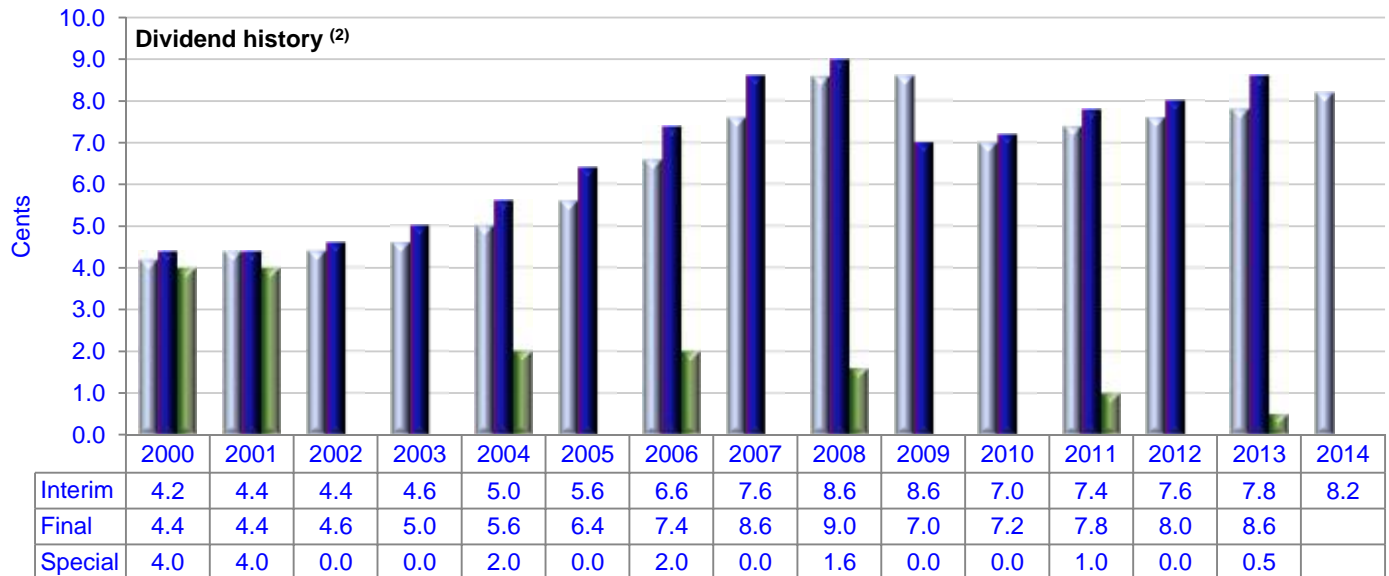
- Total annualised operating costs represent approximately 0.13% per annum of average total assets as at 31 December 2013.
- Milton is internally managed and no fees are paid to an external fund manager.
- Operating costs do not increase simply because the value of assets increases. For example, total 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.

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.



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

Total Returns to 31 March 2014

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.

