

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING (“NTA”) REPORT AT 31 MAY 2016

NTA per Share at 31 May 2016

- **Before provision for tax on unrealised capital gains was \$4.35**
(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 \$3.88**
(Under current accounting standards, Milton is required to provide for tax that may arise should the portfolio be disposed.)

Milton’s Objective

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.

Dividend History

Milton has paid a dividend every year since listing in 1958 and all dividends have been fully franked since the introduction of franking. (See the Performance History charts over page for further details.)

Investment portfolio

Milton’s equity investment portfolio comprises interests in companies and trusts which are listed on the ASX and which are expected to provide an increase in investment revenue over time.

An investment in Milton provides shareholders with exposure to a diversified equity portfolio that is not aligned with any stock market index.

At 31 May 2016 the market value of this equity investment portfolio was \$2.65 billion.

Asset allocation at 31 May 2016	Market Value	Share of Total Assets	Top 20 Investments at 31 May 2016	Market Value	Share of Total Assets
	\$ m	%		\$ m	%
Banks	926.3	32.8	Westpac Banking Corporation	320.9	11.3
Consumer staples	264.7	9.4	Commonwealth Bank of Australia	240.8	8.5
Energy (includes W H Soul Pattinson)	194.2	6.9	W H Soul Pattinson	148.6	5.3
Diversified financials	184.8	6.5	National Australia Bank	129.2	4.6
Insurance	133.7	4.7	Wesfarmers Limited	115.2	4.1
Telecommunication	129.7	4.6	ANZ Banking Group	85.9	3.0
Retailing	104.7	3.7	Bank of Queensland	85.0	3.0
Healthcare	103.0	3.6	Telstra Corporation	83.7	3.0
Metals and mining	97.9	3.5	BHP Billiton	69.4	2.5
Construction material	82.0	2.9	CSL Limited	68.6	2.4
Transport	79.1	2.8	AP Eagers	68.5	2.4
Real estate	78.5	2.8	Woolworths Limited	64.2	2.3
Utilities	67.4	2.4	Perpetual Limited	59.2	2.1
Commercial services	53.2	1.9	Bendigo and Adelaide Bank	58.5	2.1
Other materials	47.4	1.7	Blackmores Limited	55.5	2.0
Capital goods	43.8	1.5	AGL Energy	49.8	1.8
Other shares	60.0	2.0	Macquarie Group	48.7	1.7
Total investment portfolio	2650.4	93.7	Brickworks Limited	48.5	1.7
Cash	123.1	4.4	TPG Telecom	46.0	1.6
Other assets	54.2	1.9	Transurban Group	42.3	1.5
Total assets	2,827.7	100.0	Total Top 20	1,888.5	66.9

Low MER

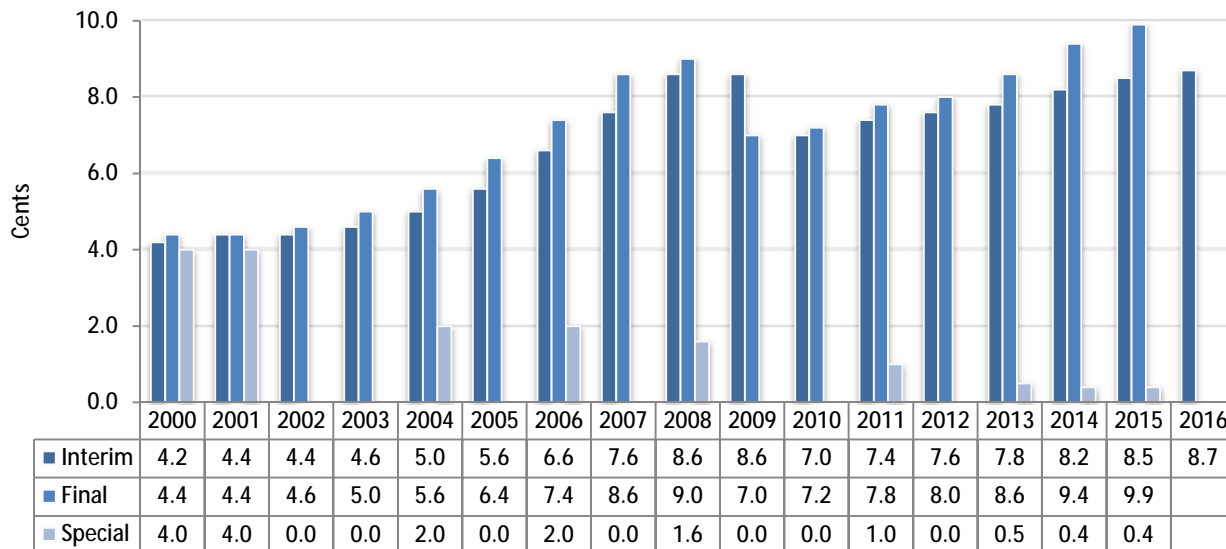
Milton’s total operating costs represented 0.12% of average total assets for the six months to 31 December 2015.

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.



Total Returns to 31 May 2016

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.

