

MILTON CORPORATION LIMITED

ABN 18 000 041 421

*Registered Office:
Level 2
50 Pitt Street
Sydney NSW 2000*

*PO Box R1836
Royal Exchange NSW 1225*

*Telephone: (02) 8006 5357
Facsimile: (02) 9251 7033
Email: general@milton.com.au
Website: www.milton.com.au
ASX code: *MLT*
Share Registry Enquiries: 1800 641 024*

14 August 2013

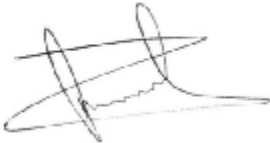
The Manager
ASX Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam

MILTON CORPORATION LIMITED - RESULTS PRESENTATION

Please find attached results presentation to be presented by Milton's Managing Director.

Yours faithfully,
MILTON CORPORATION LIMITED



D.N. Seneviratne
Company Secretary

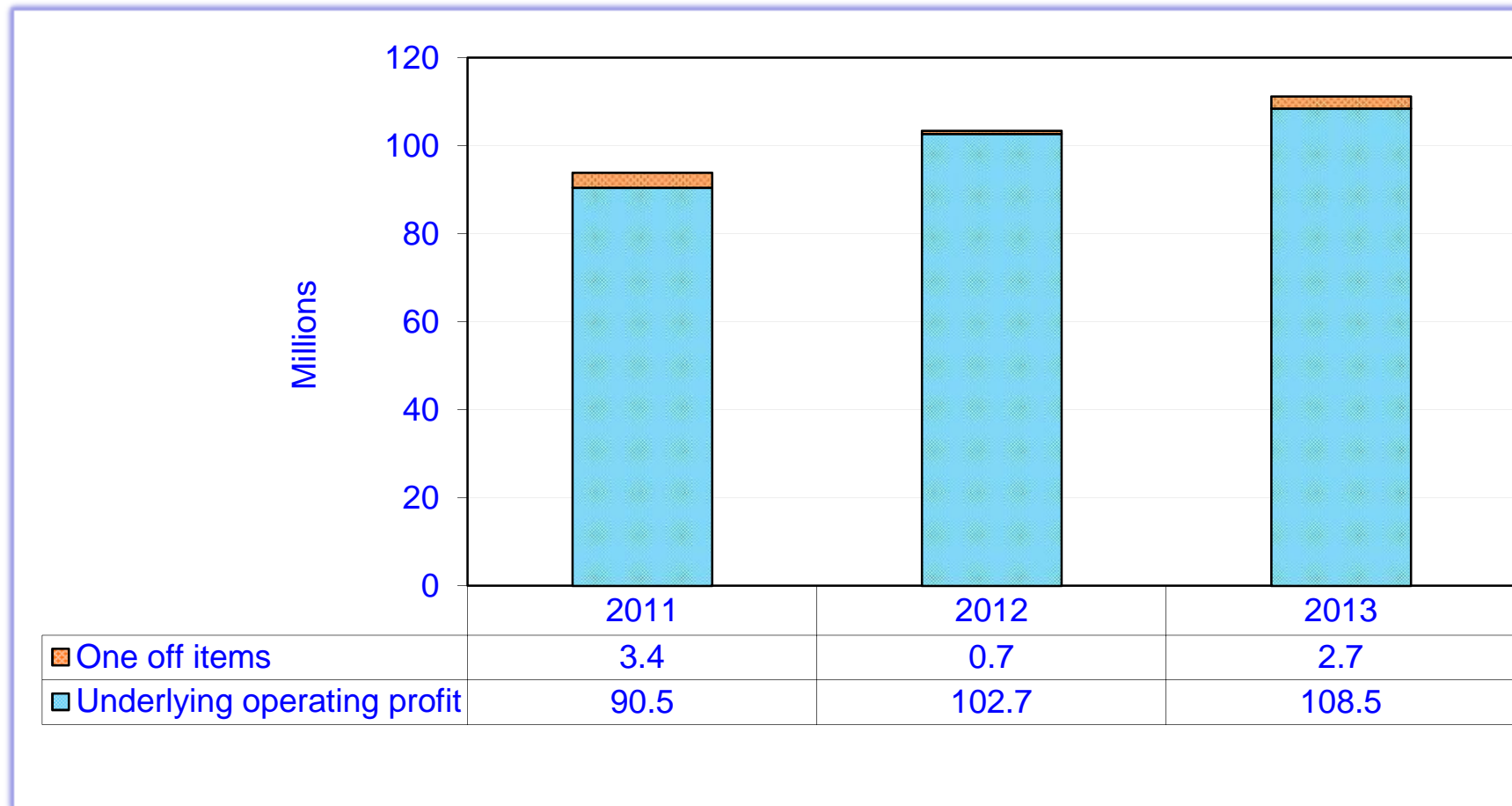
RESULTS PRESENTATION

AUGUST 2013

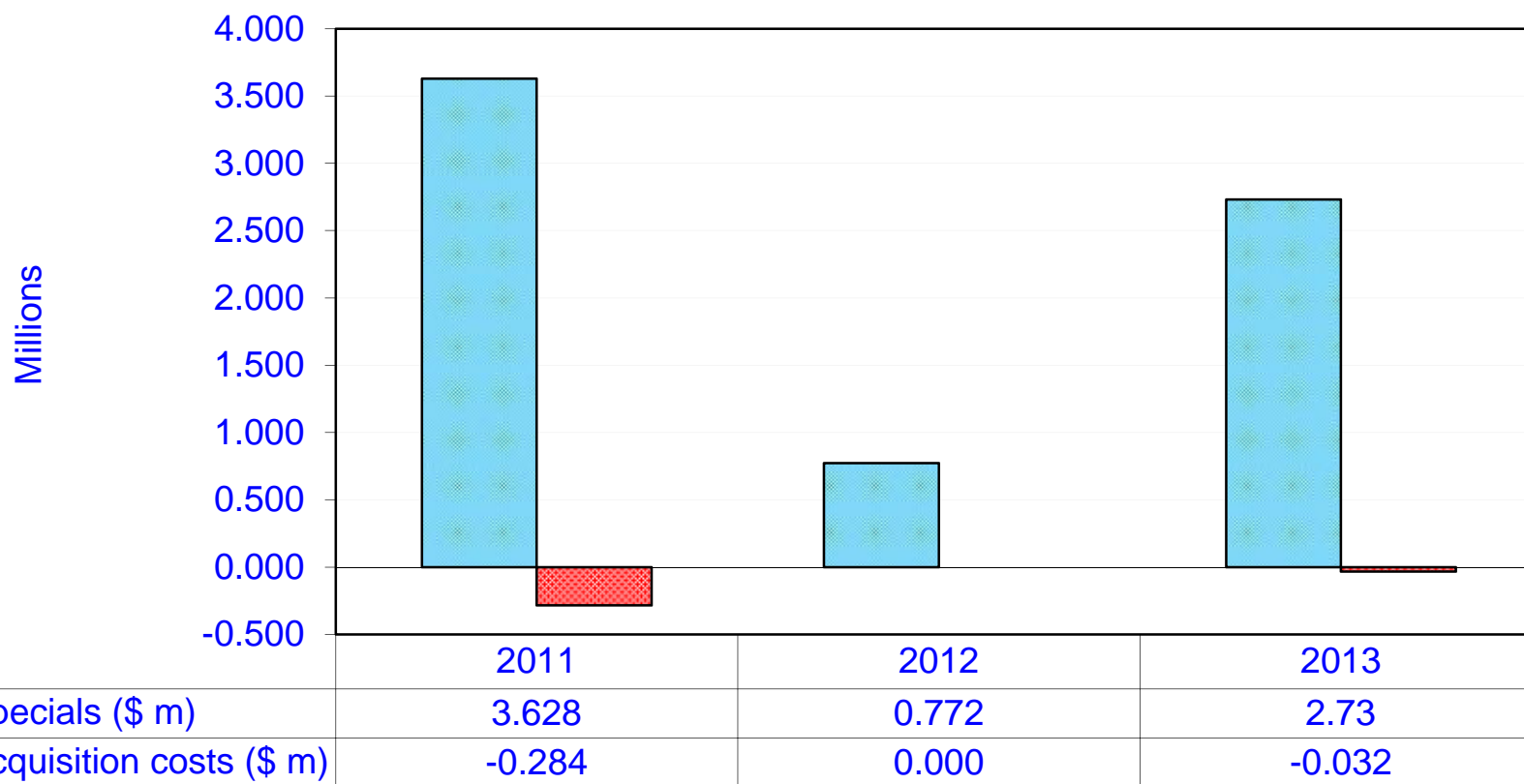
VALUE PROPOSITION

- For the investor seeking reliable income Milton provides fully franked dividends semi annually
 - *Interim dividend of 39 cps paid in March 2013*
 - *Final dividend of 43 cps paid in September 2013*
 - *Special dividend of 2.5 cps paid in September 2013*
- For the investor seeking the benefits of equity investment Milton provides exposure to a diverse portfolio of listed companies
 - *Investment portfolio at 30 June 2013 was valued at \$2.2 billion*
- For the investor seeking a low cost professionally managed investment
 - *Total operating costs in 2013 represented 0.14% per annum of average total assets*

NET PROFIT COMPARISON



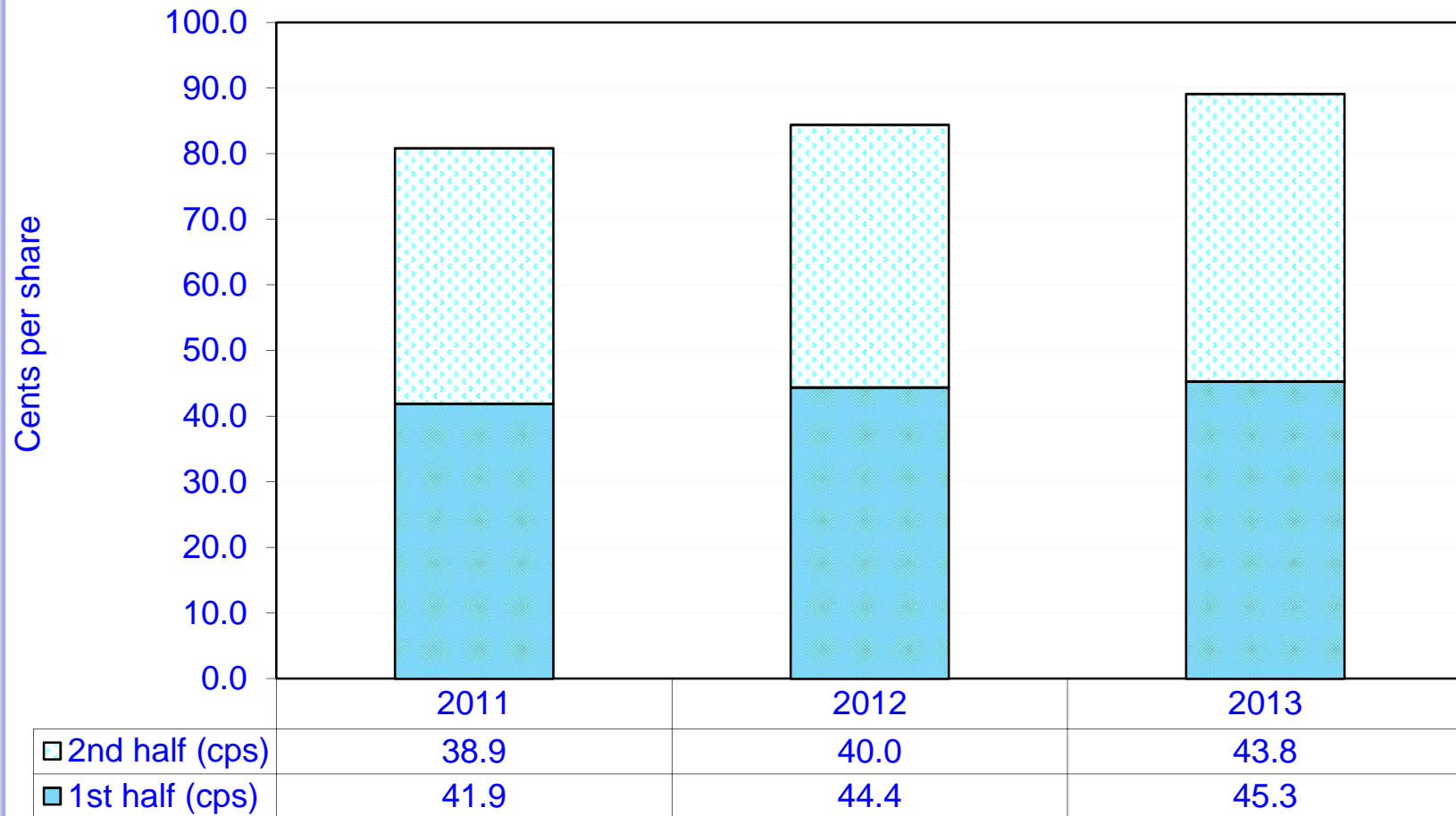
“ONE OFF ITEMS”



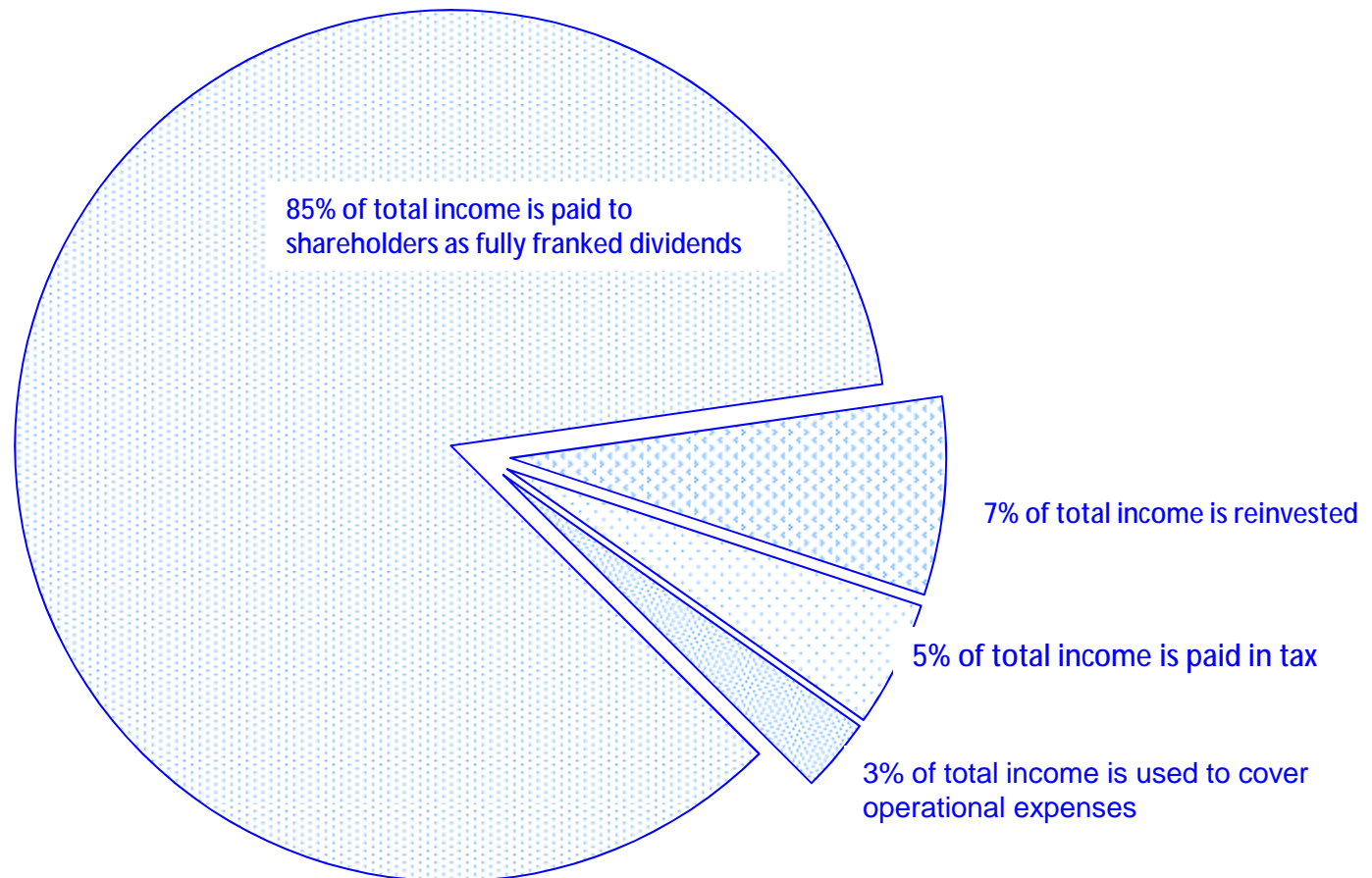
UNDERLYING PROFIT COMPONENTS

	2013	2012
	\$ M	\$ M
Investment income	105.8	100.9
Net liquidity income	5.6	7.2
JV profits	5.0	3.7
Other income	0.8	0.5
Admin expenses	-3.2	-3.2
Tax expense	-5.5	-6.4
<u>Underlying operating profit</u>	<u>108.5</u>	<u>102.7</u>

MILTON UNDERLYING EPS

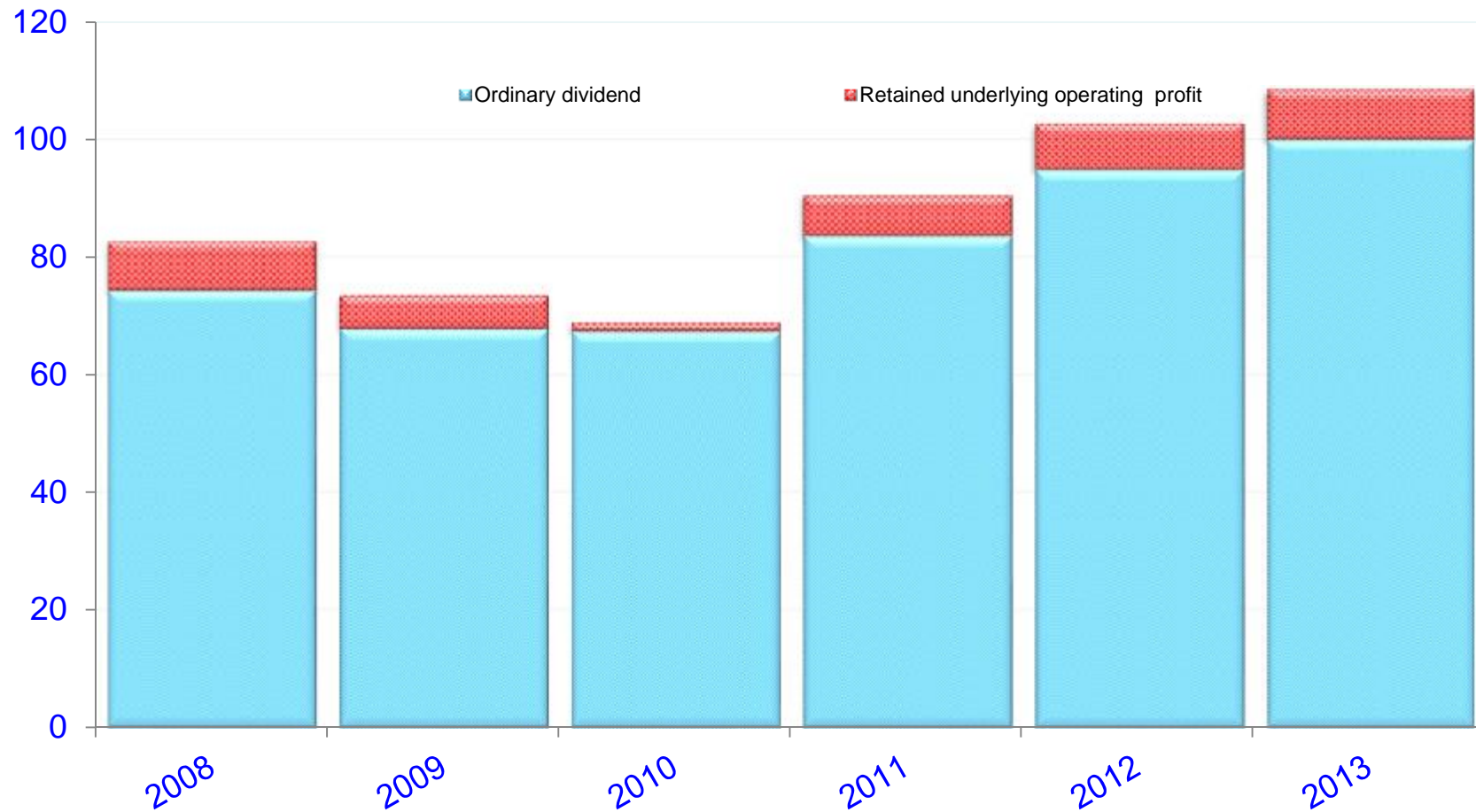


ORDINARY REVENUE FLOWS

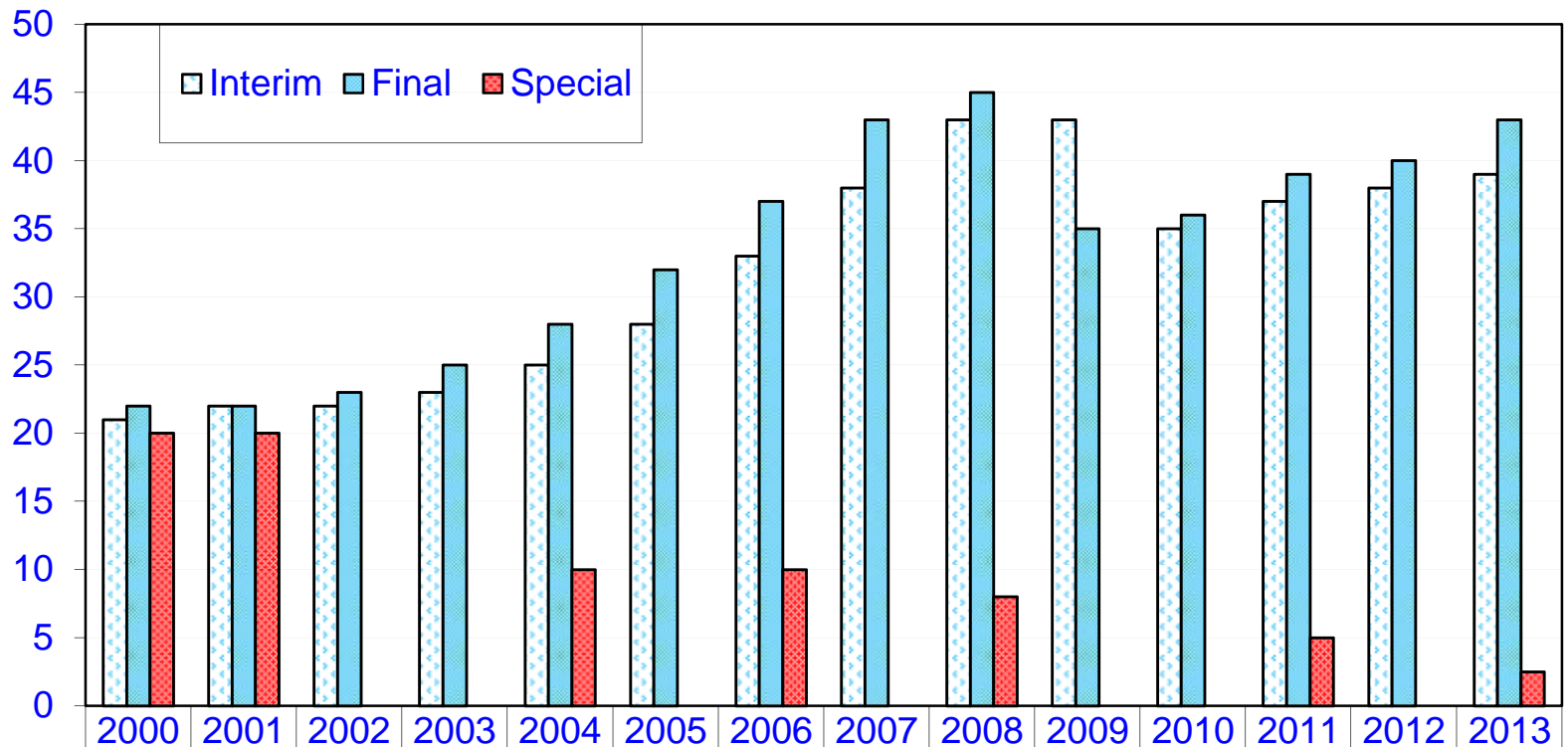


UNDERLYING PROFIT AND ORDINARY DIVIDENDS

\$ millions

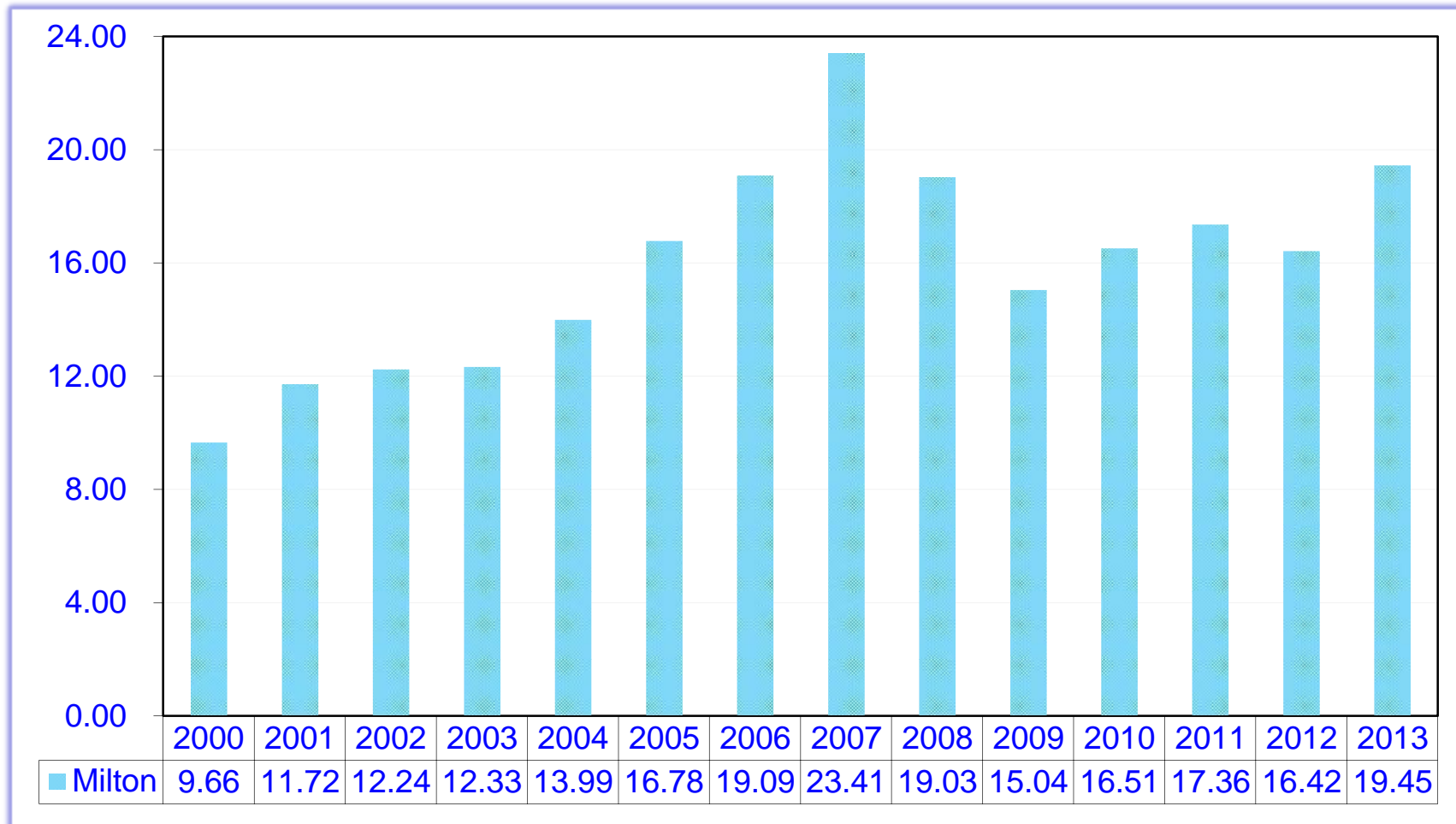


MILTON DIVIDEND HISTORY

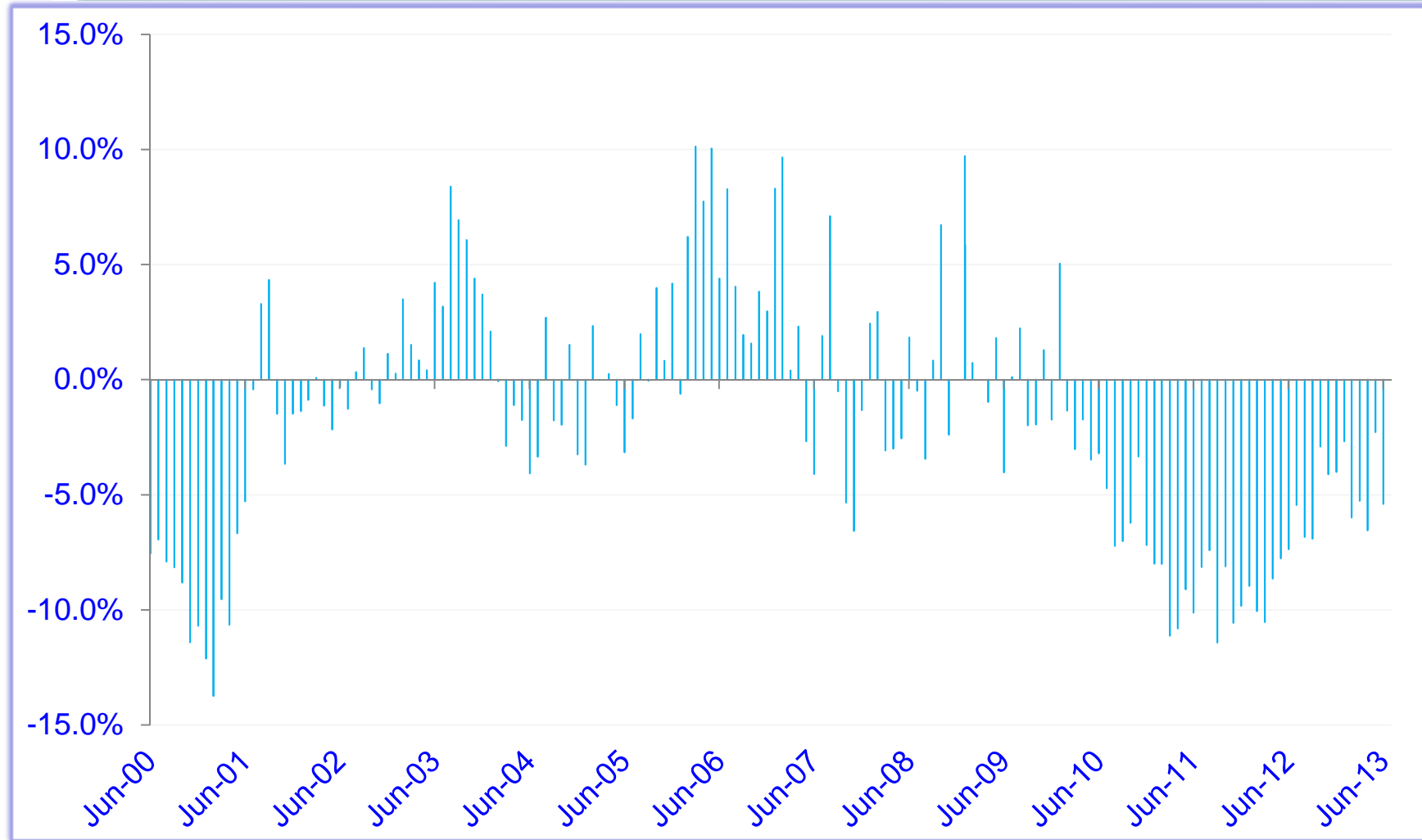


	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Interim	21	22	22	23	25	28	33	38	43	43	35	37	38	39
Final	22	22	23	25	28	32	37	43	45	35	36	39	40	43
Special	20	20			10		10		8			5		2.5

MILTON NET ASSET BACKING

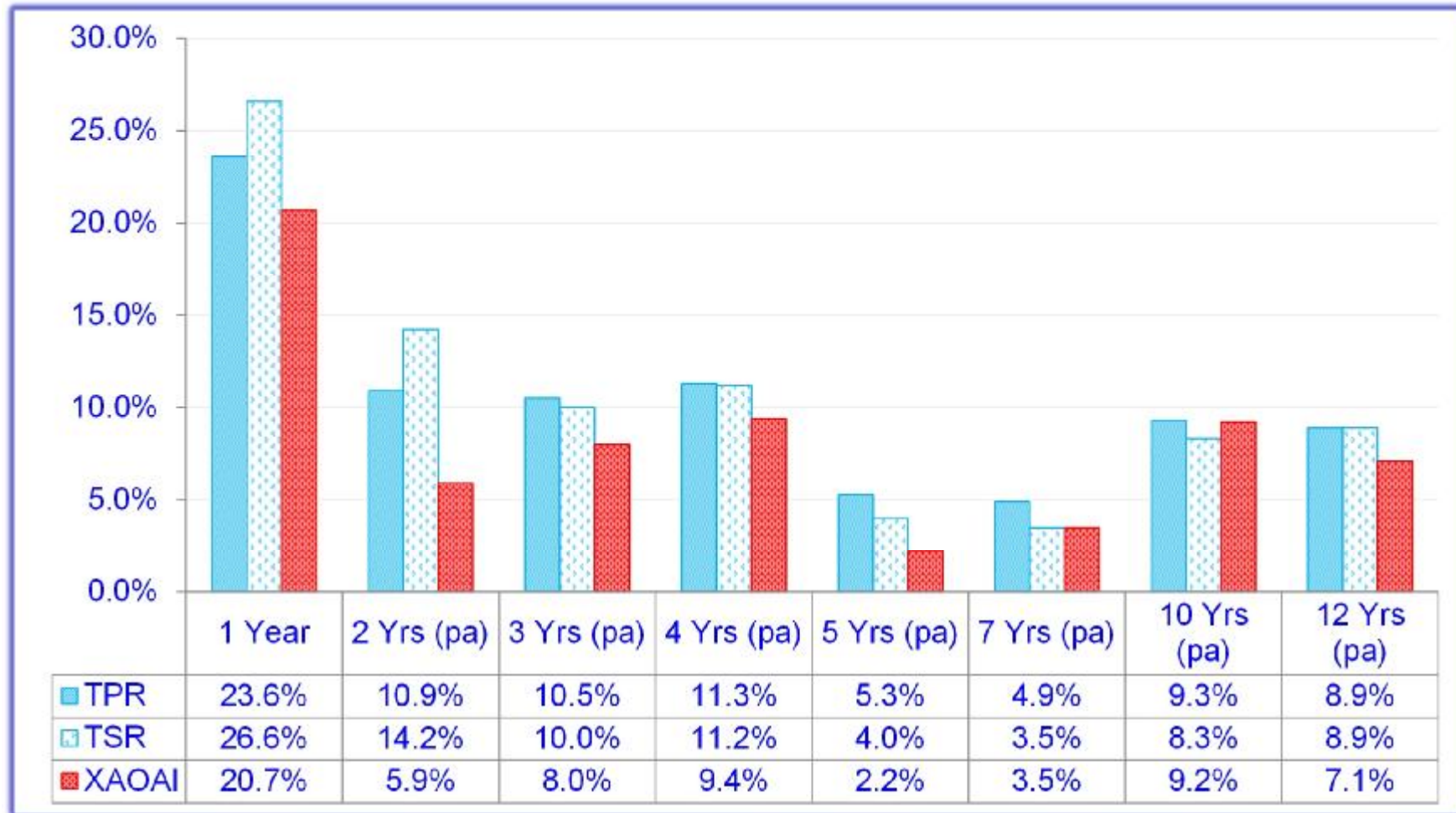


MARKET PRICE V NTA



MILTON CORPORATION LIMITED
AN AUSTRALIAN LISTED INVESTMENT COMPANY SINCE 1958

TOTAL RETURN COMPARISON



MILTON'S MAJOR INVESTMENTS BY CLASSIFICATION 30 JUNE 2013

	Major investments
Banks	WBC, CBA, BEN, BOQ
Consumer Staples	WES, WOW, CCL
Materials	BHP, BKW, RIO
Energy	SOL, WPL, STO
Commercial Services	ALS, BXB
Insurance	QBE, SUN, IAG
Diversified Financials	PPT, TRU, MQG, ASX
Telecommunications	TLS, TPG
Healthcare	CSL, SHL
Real Estate	CFX, SGP, WDC
Other	APE, AGL, IVC, TCL

PORTFOLIO MOVEMENTS TO JUNE 13

Classification ⁽¹⁾	Opening position \$ million	Additions ⁽⁴⁾ \$ million	Disposals \$ million	Change in value \$ million	Closing position \$ million	Income \$ million
Banks	636.6	4.7	-	203.7	845.0	48.3
Consumer staples	206.7	5.6	(3.6)	46.0	254.7	11.9
Materials	202.5	3.5	(0.8)	12.1	217.3	7.4
Energy	181.2	2.2	(0.7)	(1.8)	180.9	6.1
Commercial services	128.3	1.2	(0.5)	(11.5)	117.5	5.8
Insurance	91.7	1.9	(3.8)	27.7	117.5	4.6
Diversified financials	77.3	4.0	-	28.7	110.0	4.6
Telecommunications	49.9	6.3	-	20.3	76.5	3.8
Capital goods	49.1	3.4	(1.6)	(11.3)	39.6	2.8
Real estate	44.6	5.3	(5.5)	4.4	48.8	2.8
Other shares	40.2	2.4	(0.3)	9.4	51.7	2.1
Utilities	39.4	-	-	0.5	39.9	1.8
Healthcare	34.2	1.1	-	15.6	50.9	1.0
Retailing	31.2	2.8	(0.3)	6.8	40.5	1.8
Media	12.3	-	(1.3)	0.7	11.7	0.6
Total listed investments	1,825.2	44.5	(18.4)	351.2	2,202.5	105.4
Cash & liquids ⁽²⁾	132.2				129.0	5.6
Other assets ⁽³⁾	45.4				46.6	8.9
Total	2002.8				2,378.1	119.9

LARGER ADDITIONS

- ASX
- AP Eagers
- Auto Holdings Group
- IOOF
- McMillan Shakespeare
- Tatts Group
- Telstra
- Westfield Group

SHARE PURCHASE PLAN

- Offer made to all shareholders on the register on 24 July 13
- Can apply for up to \$15,000 of shares
- Discount is 2.5% to the 3 day vwap immediately after the shares trade ex dividend
- Applications to be mailed 4 September 13

SHARE SPLIT

- Shareholders will consider a share split at the October 13 AGM
- Share price is approaching \$20 per share
- Proposed 5 for 1 split will mean shares trade around \$4 per share
- Proposal is in response to feedback from advisers
- Objective is to increase liquidity and maintain a consistent narrow discount

OUTLOOK 2013

- Consumers remain cautious
- Employment concerns increasing
- Demand for credit is lower – businesses cutting costs & capex
- Banks prepared to lend but have tightened criteria
- Housing and construction remain under pressure some improvement in NSW & WA
- European and US stimulus will take time to flow through some indications that US is improving
- AUD has weakened may move lower still
- Dividends likely to be flat

CORPORATE OBJECTIVE

- *To hold a diversified portfolio of assets*
 - (the investment portfolio is not aligned to any index)
- *Receive increasing income from these assets*
 - (Income comprises franked and unfranked dividends and trust distributions)
- *Pay increasing dividends*
 - (In 2013 full year ordinary dividends increased by 5.1%)
- *Grow the value of the shareholders' investment*
 - (NTA increased to \$19.45, an increase of 18.4%)

INVESTMENT PHILOSOPHY

- Long term investor in companies and trusts
 - Well managed
 - Profitable history
 - Expectation of increasing dividends and distributions
- Realised capital gains are reinvested

(The consistent application of this philosophy has resulted in a portfolio that is not aligned to any index)

DIFFERENTIATORS

Structure

- Company structure is closed ended with cash inflows and outflows determined by the board of directors
 - Milton is not forced to sell to meet redemptions
 - Cash outflows mainly through dividend payments
 - Milton is not forced to invest if there is no value
 - Cash inflows through share issues such as share purchase plan and acquisitions
- Internal management means that:
 - Staff are always working for Milton's shareholders
 - There are no performance fees
 - Operating costs are less than 20 basis points
- ASX listing
- Transparency

DIFFERENTIATORS

Process

- Investment process reduces exposure to key analyst risk
- Structured review of investment recommendations by Investment Committee ensures adherence to investment philosophy
- Long term approach results in low turnover and low capital gains tax payments
- Focus on the receipt of dividends and distributions from investments ensures that Milton can make reliable fully franked dividend payments to its shareholders even if the value of investments fall