

MILTON CORPORATION LIMITED

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NET TANGIBLE ASSET BACKING (“NTA”) REPORT AT 31 MAY 2017

NTA per Share at 31 May 2017

- **Before provision for tax on unrealised capital gains was \$4.50**
(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 \$3.99**
(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 2017 the market value of this equity investment portfolio was \$2.76 billion.

| Asset allocation at 31 May 2017 | Market Value | Share of Total Assets | Top 20 Investments at 31 May 2017 | Market Value | Share of Total Assets |
|--|-----------------|-----------------------------|--|-----------------|-----------------------------|
| | \$ m | % | | \$ m | % |
| Banks | 954.6 | 32.5 | Westpac Banking Corporation | 318.8 | 10.9 |
| Consumer staples | 267.8 | 9.1 | Commonwealth Bank of Australia | 247.7 | 8.4 |
| Energy (includes W H Soul Pattinson) | 218.8 | 7.5 | W H Soul Pattinson | 162.0 | 5.5 |
| Diversified Financials | 214.5 | 7.3 | National Australia Bank | 143.3 | 4.9 |
| Insurance | 141.4 | 4.8 | Wesfarmers Limited | 121.1 | 4.1 |
| Metals and mining | 123.6 | 4.2 | ANZ Banking Group | 94.4 | 3.2 |
| Healthcare | 115.1 | 3.9 | BHP Billiton Limited | 86.9 | 3.0 |
| Real Estate | 91.9 | 3.1 | Bank of Queensland | 81.5 | 2.8 |
| Utilities | 90.3 | 3.1 | CSL Limited | 76.6 | 2.6 |
| Telecommunication | 89.8 | 3.1 | Woolworths Limited | 75.6 | 2.6 |
| Construction Materials | 81.8 | 2.8 | AGL Energy | 71.1 | 2.4 |
| Transport | 81.3 | 2.8 | Perpetual Limited | 66.1 | 2.3 |
| Retailing | 75.0 | 2.6 | Telstra Corporation | 65.9 | 2.2 |
| Commercial Services | 67.3 | 2.3 | Bendigo and Adelaide Bank Limited | 64.3 | 2.2 |
| Other Shares | 61.0 | 2.0 | Macquarie Group | 58.5 | 2.0 |
| Other Materials | 50.3 | 1.7 | Brickworks Limited | 46.4 | 1.6 |
| Capital Goods | 40.7 | 1.4 | Suncorp Group | 45.9 | 1.6 |
| Total investment portfolio | 2,765.20 | 94.2 | AP Eagers Limited | 43.5 | 1.5 |
| Cash | 118.5 | 4.0 | Transurban Group | 43.3 | 1.5 |
| Other assets | 53.6 | 1.8 | ALS Limited | 41.0 | 1.4 |
| Total assets | 2,937.30 | 100.0 | Total Top 20 | 1,953.90 | 66.7 |

Low MER

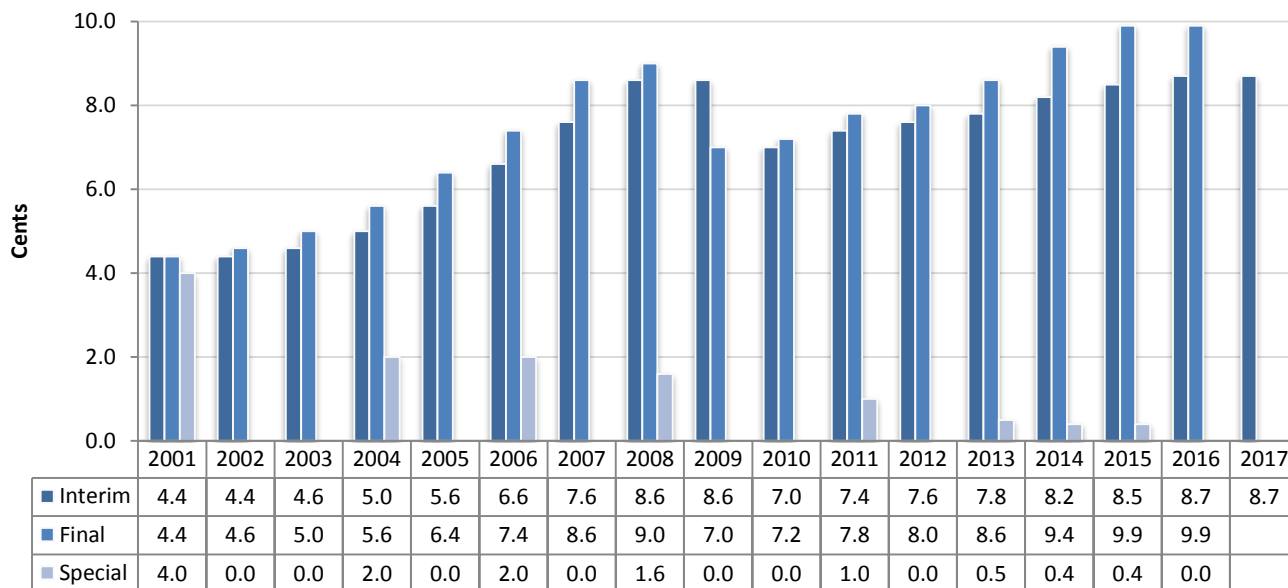
Milton’s total operating costs represented 0.12% per annum of average total assets for the year to 31 December 2016.

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 2017

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.

