

# **CHOISEUL INVESTMENTS LIMITED**

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## **ASX+MEDIA RELEASE**

**22 NOVEMBER 2010**

### **CALCULATION OF EXCHANGE RATIO**

The Scheme of Arrangement (**Scheme**) to merge Choiseul Investments Limited (**Choiseul**) and Milton Corporation Limited (**Milton**) requires the Scheme Consideration to be calculated by reference to the NTA of each company on the Calculation Date (being 9.30am on 18 November 2010).

On the Calculation Date the NTA of Choiseul was \$488,365,835 and the NTA of Milton was \$1,741,217,347.

The Exchange Ratio, which is the number of New Milton Shares to be issued to Scheme Participants (other than Ineligible Foreign Holders) in exchange for each Choiseul Share held is calculated after adjusting the NTA of each company for the Milton Interim Dividend<sup>1</sup>, the Choiseul Interim Dividend<sup>2</sup> and the Choiseul Special Dividend<sup>3</sup>. The method by which the calculation of the Adjusted NTAs of both companies and the Exchange Ratio has been undertaken is set out in Appendix A.

The Exchange Ratio is 0.2788<sup>4</sup>, meaning that 27.88 Milton shares will be issued for each 100 Choiseul Shares.

If the Scheme is approved by the requisite majority of shareholders at the Scheme Meeting on Friday, 26 November 2010 and the Court approves the Scheme at the second Court hearing on 1 December 2010 it is anticipated that the Scheme will become Effective on 2 December 2010.

Should the Scheme become Effective on this date the New Milton Shares will be allotted on 16 December 2010 and the fully franked Choiseul Interim Dividend of 10.5 cents per Choiseul Share and the Choiseul Special Dividend of 16 cents per Choiseul Share will be paid on that date.

### **Independent Directors Re-iterate their Recommendation**

Each of the Independent Directors of Choiseul recommends that all Choiseul Shareholders (other than Milton and its Related Bodies Corporate) support the merger by voting in favour of the Scheme, in the absence of a superior proposal. Each Director who holds Choiseul Shares, or on whose behalf Choiseul Shares are held, intends to vote in favour of the Scheme in respect of each of the Choiseul Shares which he holds or which are held on his behalf, in the absence of a superior proposal. No other proposal has been received at the date of this announcement.

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**Note:** All capitalised terms used in this announcement where not defined have the same meaning as in the Scheme Booklet dated 21 October 2010.

<sup>1</sup> The Milton board declared an interim dividend of 37 cents per Milton share on 18 November 2010, with the record date being 9 December 2010 (**Milton Interim Dividend**).

<sup>2</sup> The Choiseul board declared an interim dividend of 10.5 cents per Choiseul share on 18 November 2010, with the record date being 9 December 2010 (**Choiseul Interim Dividend**).

<sup>3</sup> On 18 November 2010, the Choiseul board re-affirmed its intention to declare a fully franked special dividend of 16 cents per Choiseul Share subject to the Scheme becoming Effective, with the record date being 9 December 2010 (**Choiseul Special Dividend**).

<sup>4</sup> The Exchange Ratio set out in this announcement has been rounded to four decimal places for illustrative purposes. The unrounded Exchange Ratio will be used when calculating the Scheme Consideration to be issued to Scheme Participants (other than Milton and its Related Bodies Corporate).

## **Voting at the Scheme Meeting**

Choiseul Shareholders (other than Milton and its Related Bodies Corporate) can vote at the Scheme Meeting by attending in person or, if they are unable to attend in person, by attorney, corporate representative (in the case of Choiseul Shareholders that are companies) or by returning the proxy form that accompanied the Scheme Booklet in accordance with the instructions set out in the proxy form so that it is received by no later than 12.15 pm (Sydney time) on Wednesday, 24 November 2010. All holders of Choiseul shares as at 7.00 pm (Sydney time) on Wednesday, 24 November 2010 (other than Milton and its Related Bodies Corporate) will be entitled to vote at the Scheme Meeting.

## **Enquiries**

If you have any questions or require further information in relation to the Scheme or the Scheme Meeting, you can call the Choiseul Shareholder Information Line on 1800 641 024 (within Australia) or +61 (0)2 8280 7117 (outside Australia).

The Scheme Booklet and all other announcements relating to the Scheme are available on Choiseul's website [www.choiseul.com.au](http://www.choiseul.com.au).

Richard England  
Independent Director  
Choiseul Investments Limited

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**FOR FURTHER  
INFORMATION**

**MR FRANK GOOCH, MANAGING DIRECTOR  
MILTON CORPORATION LIMITED  
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## Appendix A – Exchange Ratio calculation as at the Calculation Date

The formula to calculate the Exchange Ratio is:

$$\text{Exchange ratio} = \frac{\text{Choiseul Adjusted NTA}}{\text{Choiseul Shares on issue as at the Calculation Date}} \times \frac{\text{Milton Shares on issue as at the Calculation Date}}{\text{Milton Adjusted NTA}}$$

$$\text{Exchange ratio} = \frac{463,325,969^{(1)}}{96,863,646} \times \frac{99,521,801}{1,707,437,841^{(2)}}$$

$$\text{Exchange ratio} = 0.278804$$

The following table sets out the relevant adjustments made to Choiseul NTA and Milton NTA as at the Calculation Date.

Adjusted NTA calculation	Value as at the Calculation Date (\$)
Choiseul NTA	\$488,365,835
Less: Choiseul Interim Dividend	(\$10,170,683)
Add: Choiseul's Share of the Milton Interim Dividend	\$629,000
Less: Choiseul Special Dividend	(\$15,498,183)
<b><sup>(1)</sup> Choiseul Adjusted NTA</b>	<b>\$463,325,969</b>
Milton NTA	\$1,741,217,347
Less: Milton Interim Dividend	(\$36,823,066)
Add: Milton's Share of the Choiseul Interim Dividend	\$1,205,939
Add: Milton's Share of the Choiseul Special Dividend	\$1,837,621
<b><sup>(2)</sup> Milton Adjusted NTA</b>	<b>\$1,707,437,841</b>