

SHAREHOLDER BRIEFING

OCTOBER 2010

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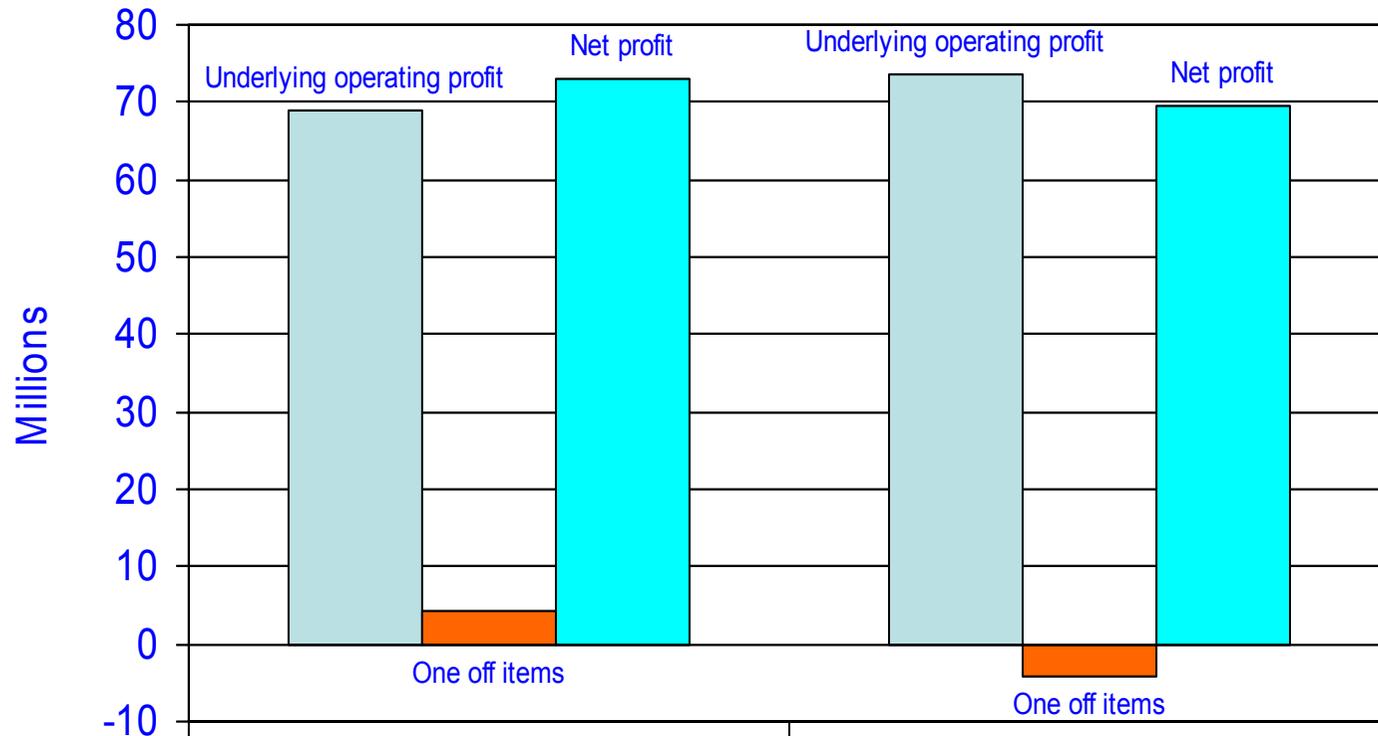
This presentation is intended as general information only and those to whom this presentation is made should seek independent financial advice that takes into account their financial circumstances when making an investment decision.

Comments regarding the proposed merger with Choiseul Investments Limited (“Choiseul”) are the views of Milton and are not intended to represent the views of the independent directors of Choiseul.

AGENDA

- 2010 FINANCIAL RESULTS OVERVIEW
 - MILTON
 - CHOISEUL
- PERFORMANCE REVIEW
- OUTLOOK
- 2010 FINANCIAL RESULTS OVERVIEW
 - MAIN FACTORS CONTRIBUTING TO RESULTS
 - EPS & DPS COMPARISON
- PORTFOLIO COMPOSITION
- PORTFOLIO MOVEMENTS
- GROWTH OPTIONS
- MERGER PROPOSAL

MILTON PROFIT COMPARISON



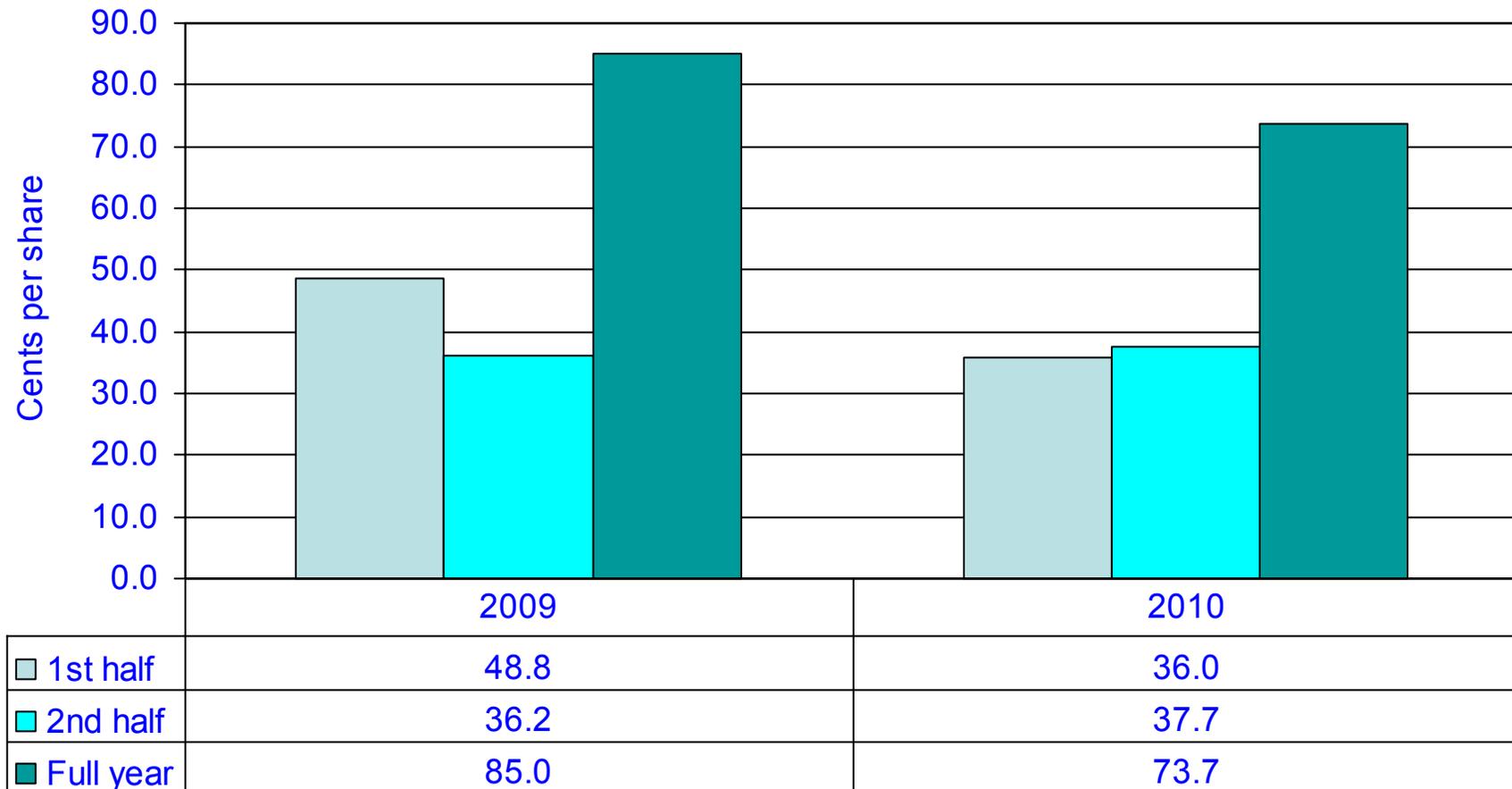
	2010	2009
Underlying operating profit	68.851	73.624
One off items	4.248	-4.201
Net profit	73.099	69.423

“ONE OFF ITEMS”

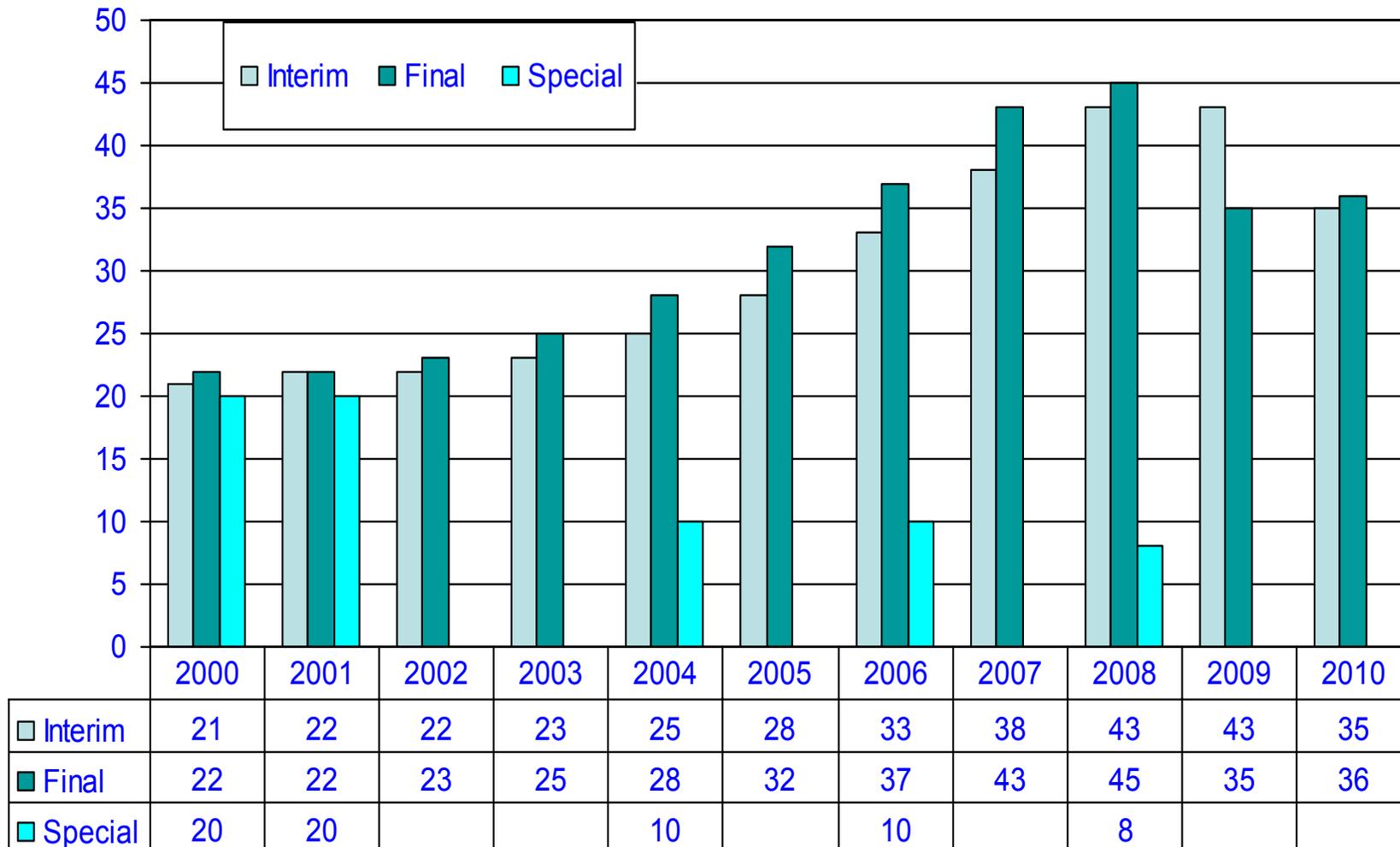


	2010	2009
Specials	2.488	0.866
Realised gains	2.161	-1.841
Impairment	0.000	-3.226
Acquisition costs	-0.401	0.000

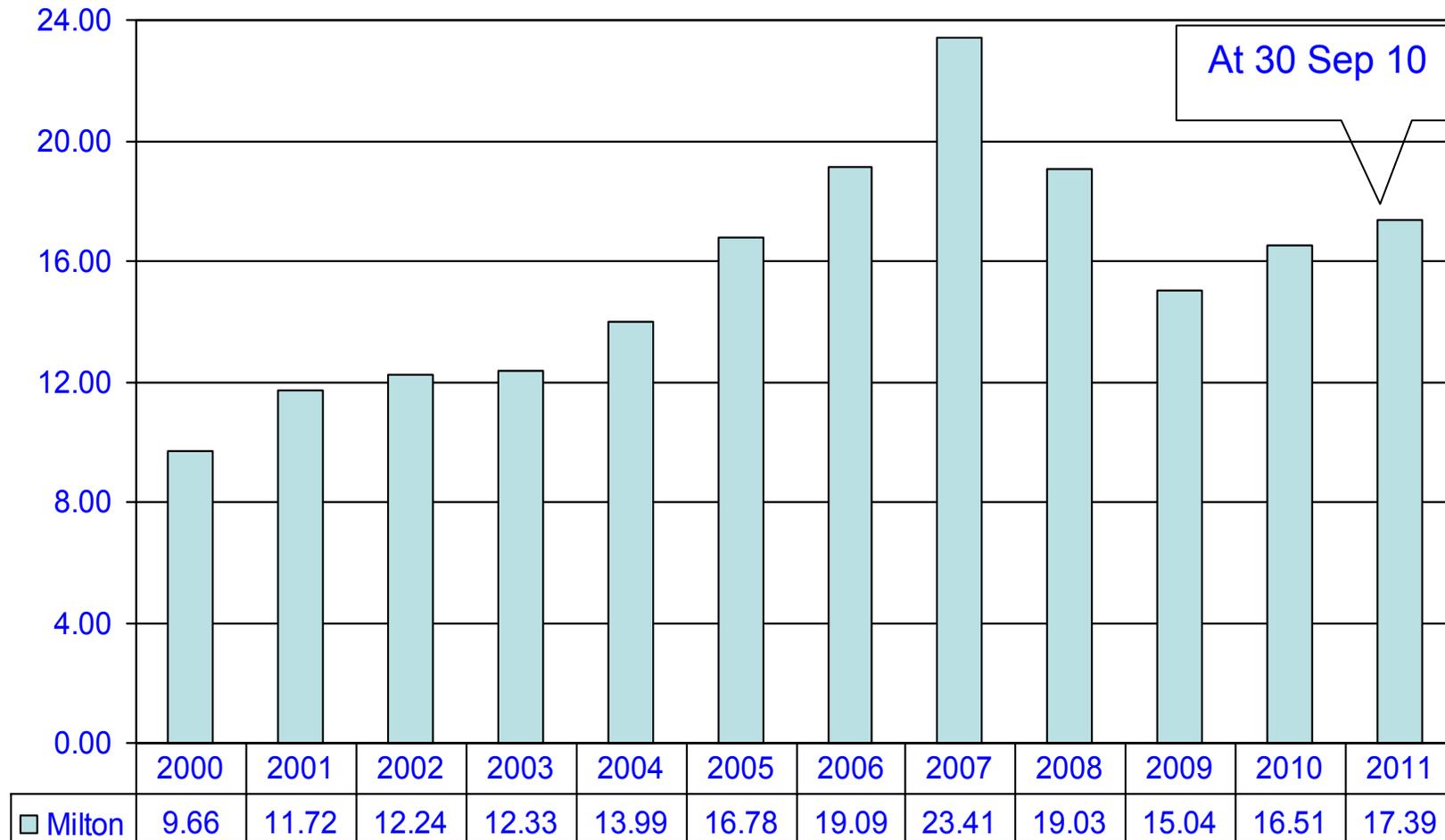
MILTON UNDERLYING EARNINGS PER SHARE



MILTON DIVIDEND HISTORY

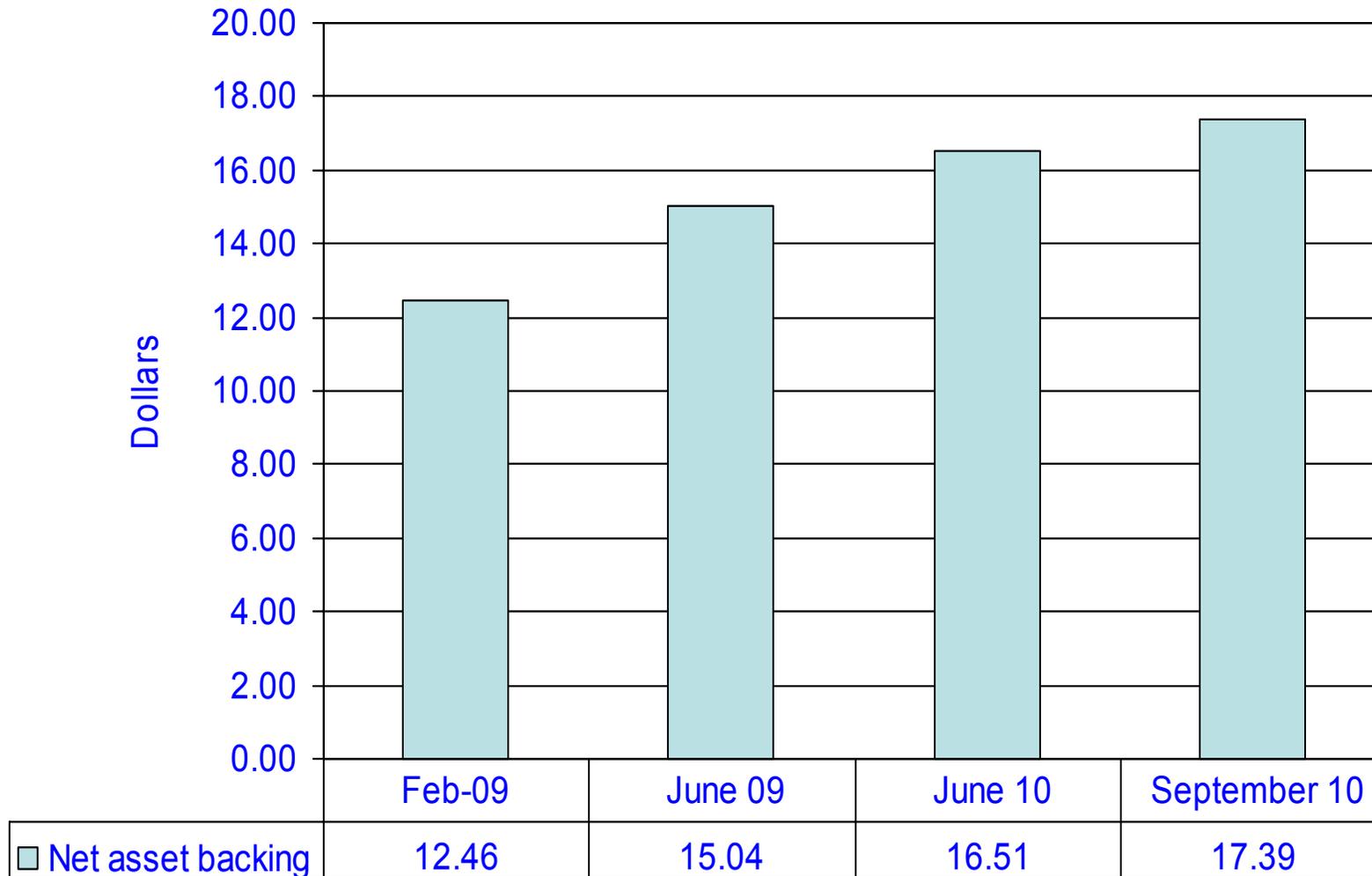


MILTON NET ASSET BACKING

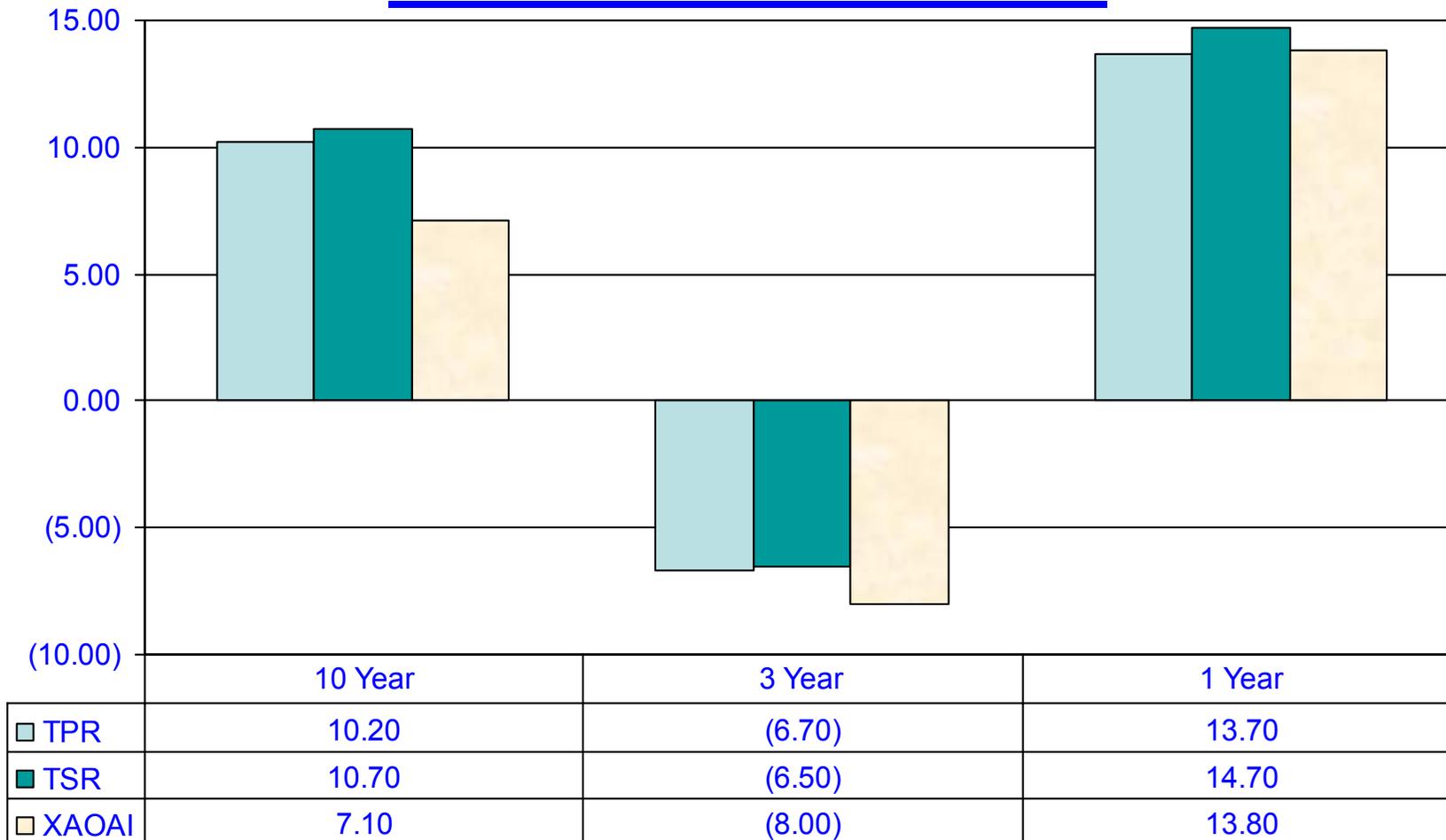


MILTON CORPORATION LIMITED
AN AUSTRALIAN LISTED INVESTMENT COMPANY SINCE 1958

MILTON NET ASSET BACKING



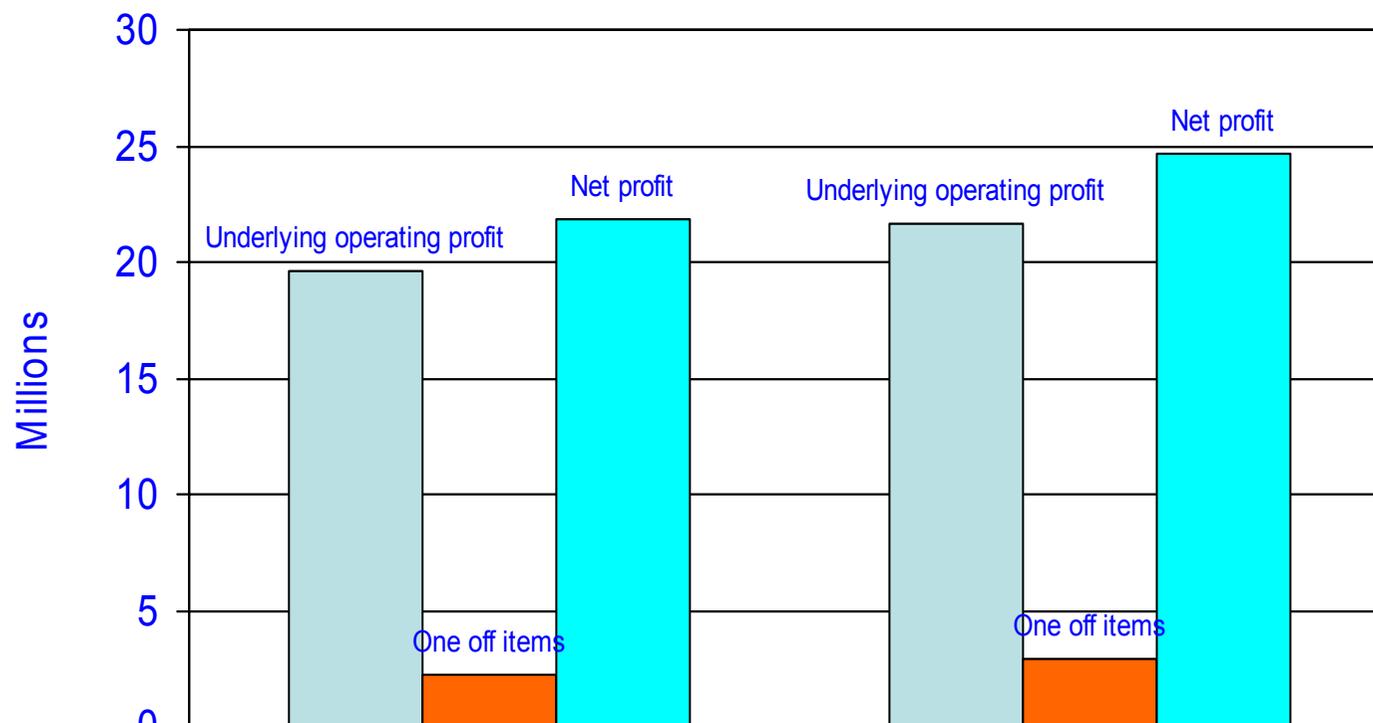
MILTON TOTAL RETURNS to 30 JUNE 2010



TPR – Total Portfolio Return TSR – Total Shareholder Return XAOAI - All Ordinaries Accumulation Return

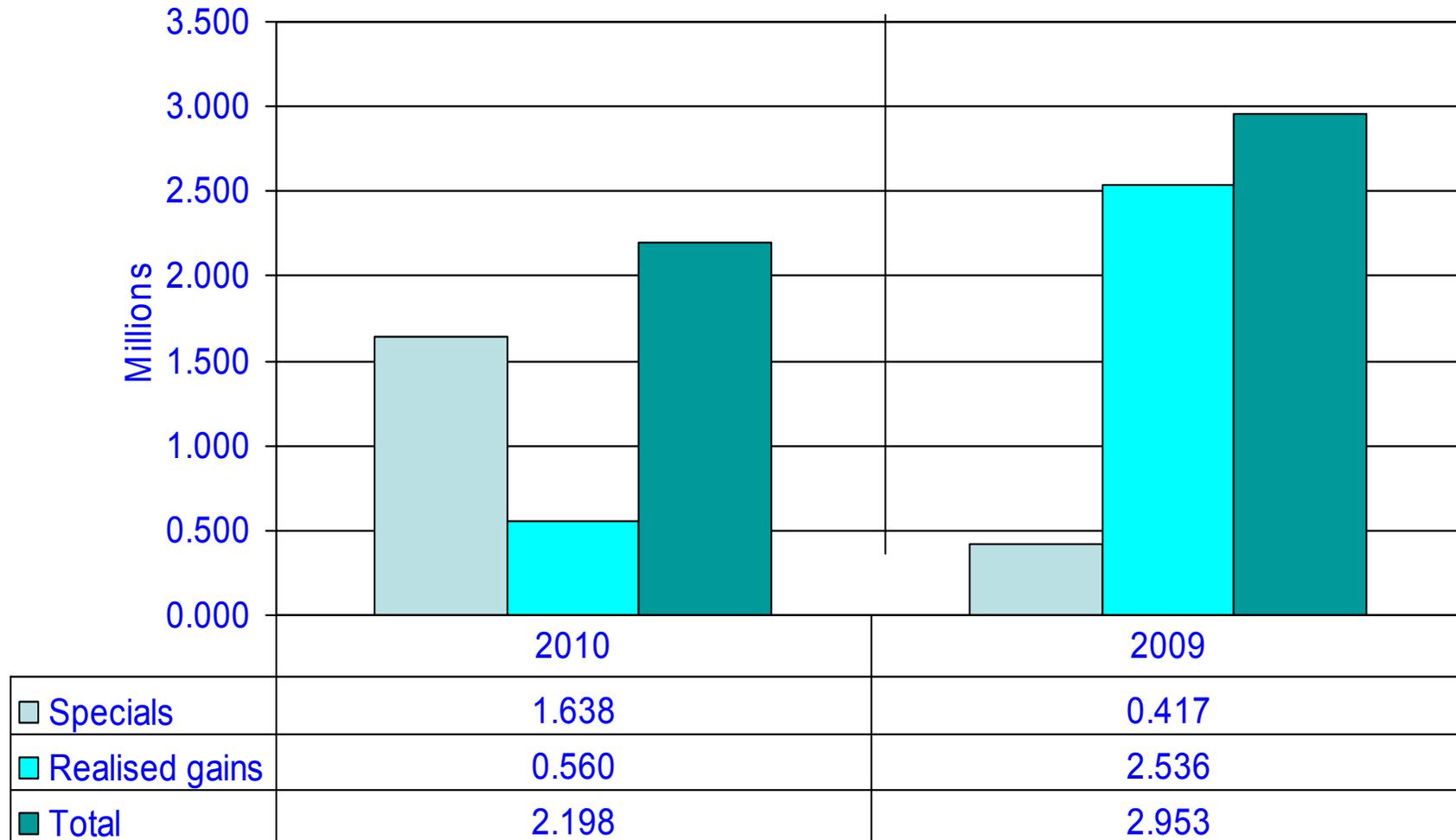
MILTON CORPORATION LIMITED
AN AUSTRALIAN LISTED INVESTMENT COMPANY SINCE 1958

CHOISEUL INVESTMENTS PROFIT COMPARISON

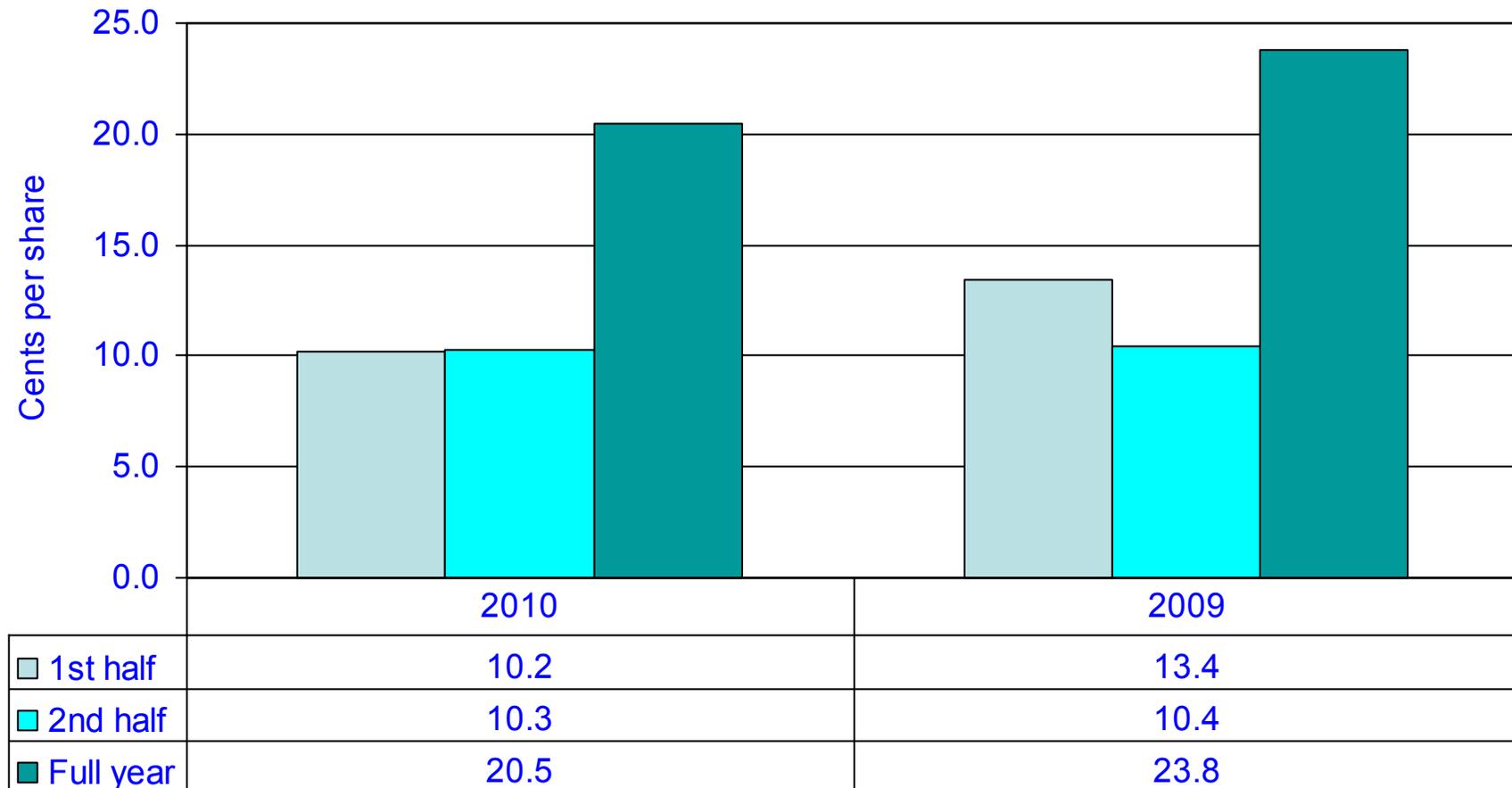


	2010	2009
Underlying operating profit	19.645	21.695
One off items	2.198	2.953
Net profit	21.843	24.648

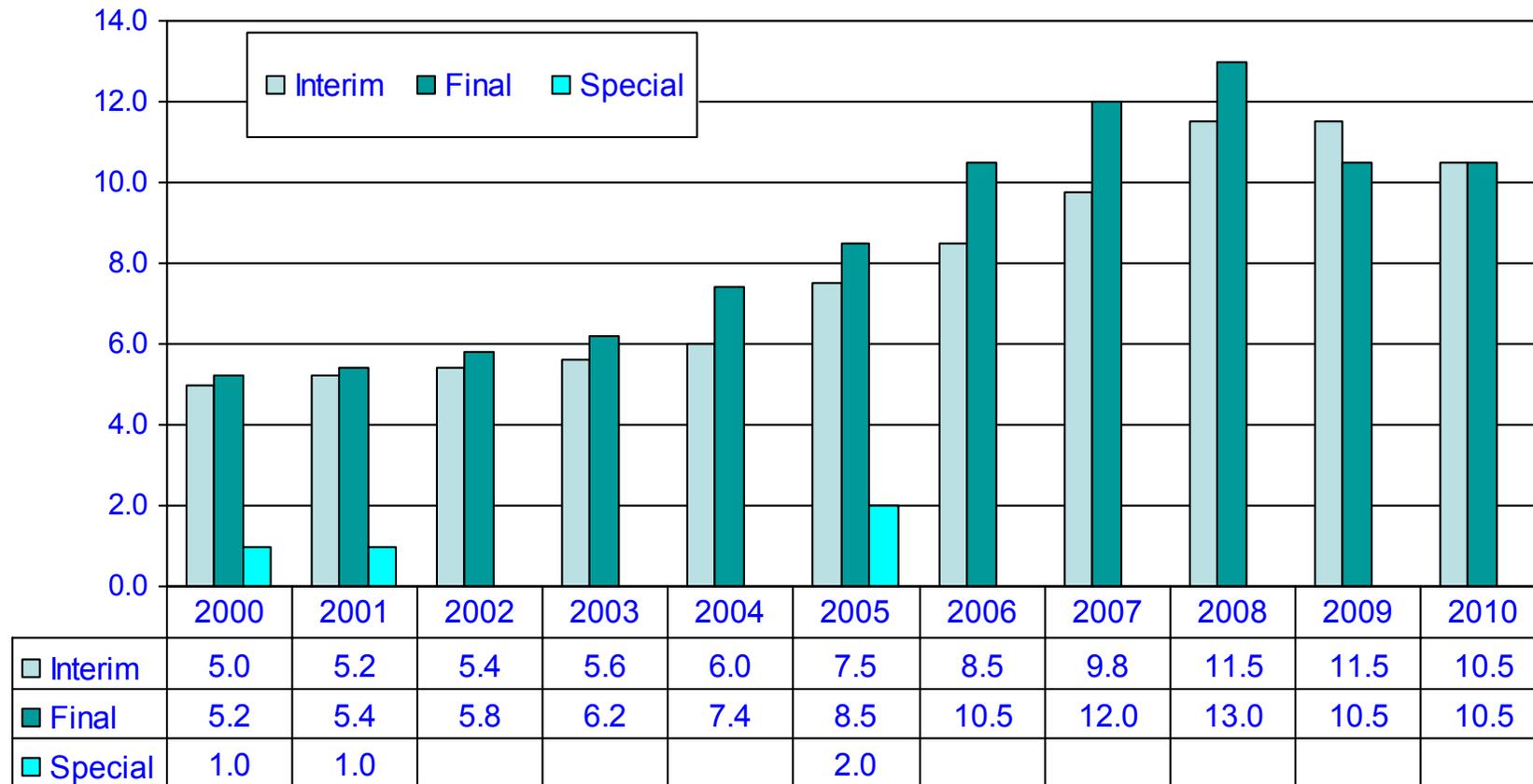
CHOISEUL “ONE OFF ITEMS”



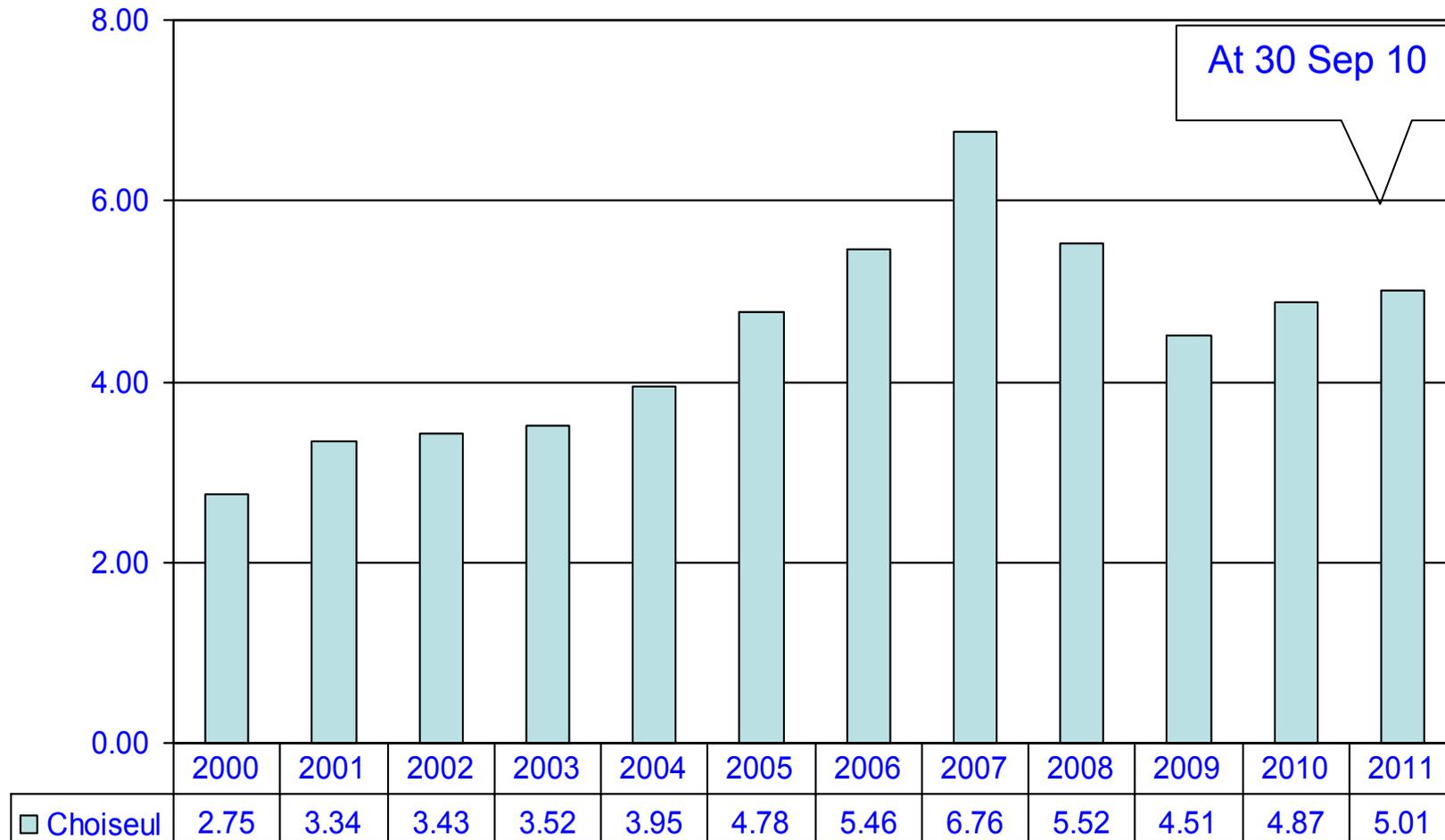
CHOISEUL UNDERLYING EARNINGS PER SHARE



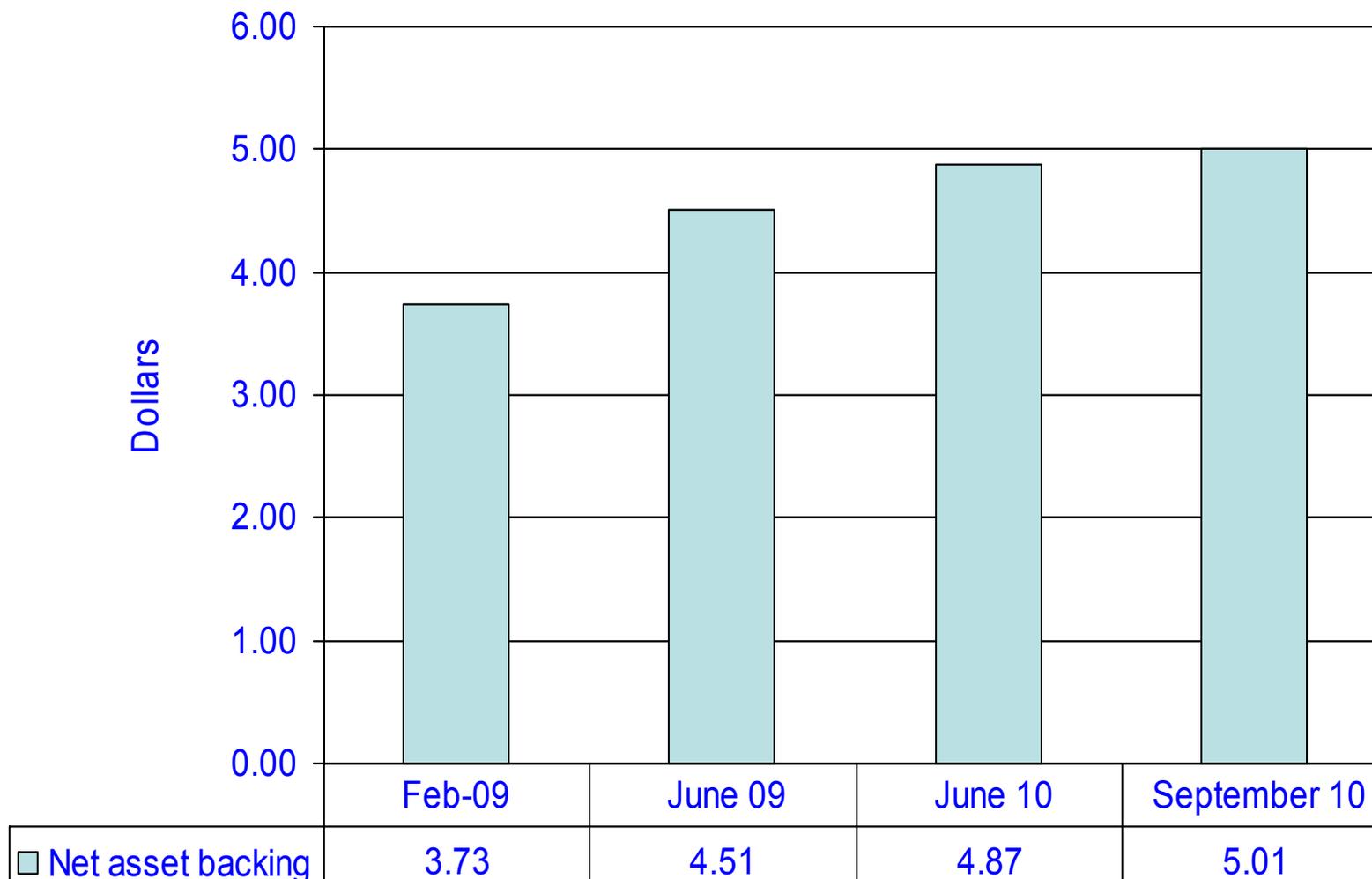
CHOISEUL DIVIDEND HISTORY



CHOISEUL NET ASSET BACKING



CHOISEUL NET ASSET BACKING



CHOISEUL TOTAL RETURNS



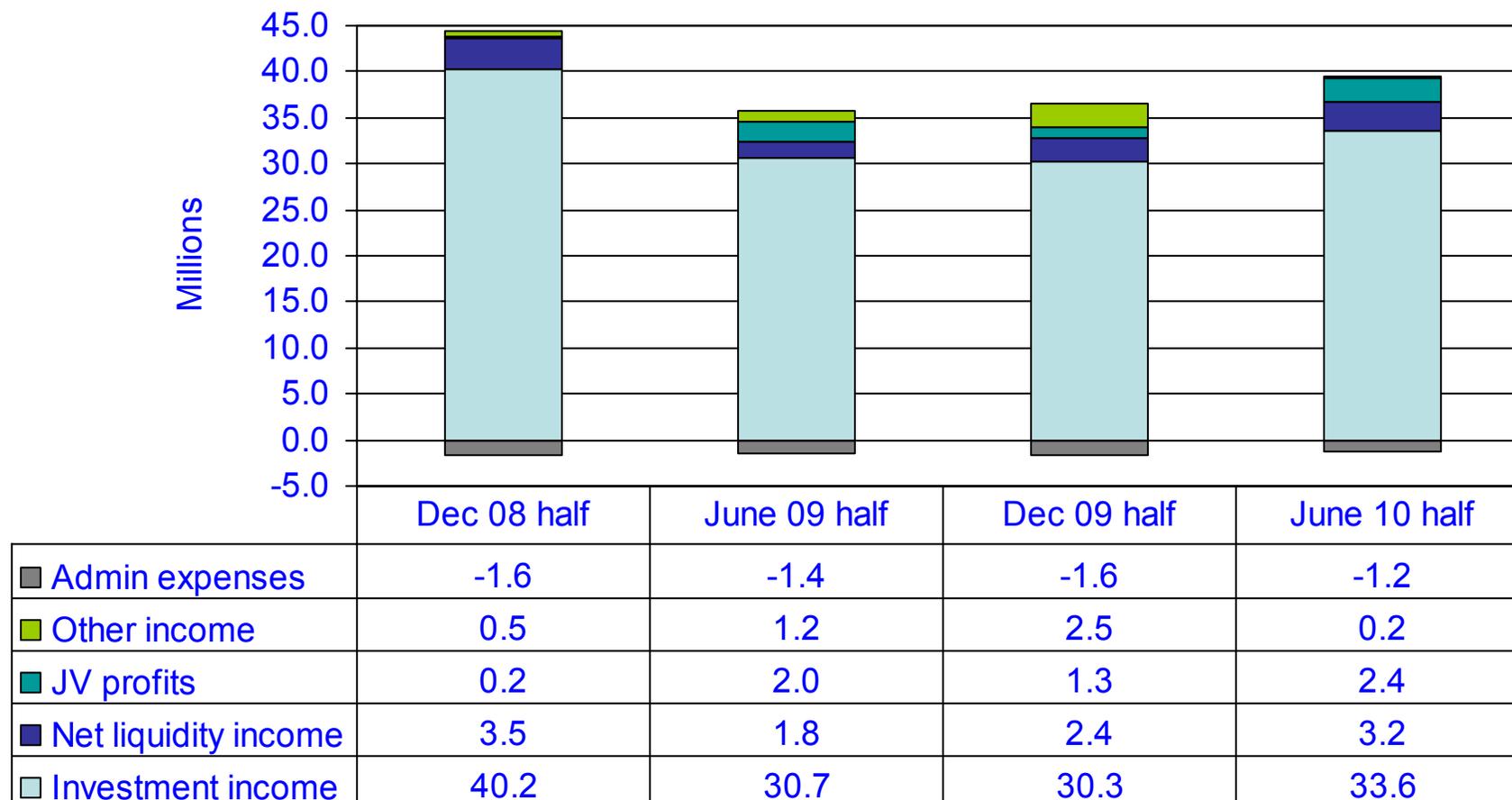
TPR – Total Portfolio Return TSR – Total Shareholder Return XAOAI - All Ordinaries Accumulation Return

MILTON CORPORATION LIMITED
AN AUSTRALIAN LISTED INVESTMENT COMPANY SINCE 1958

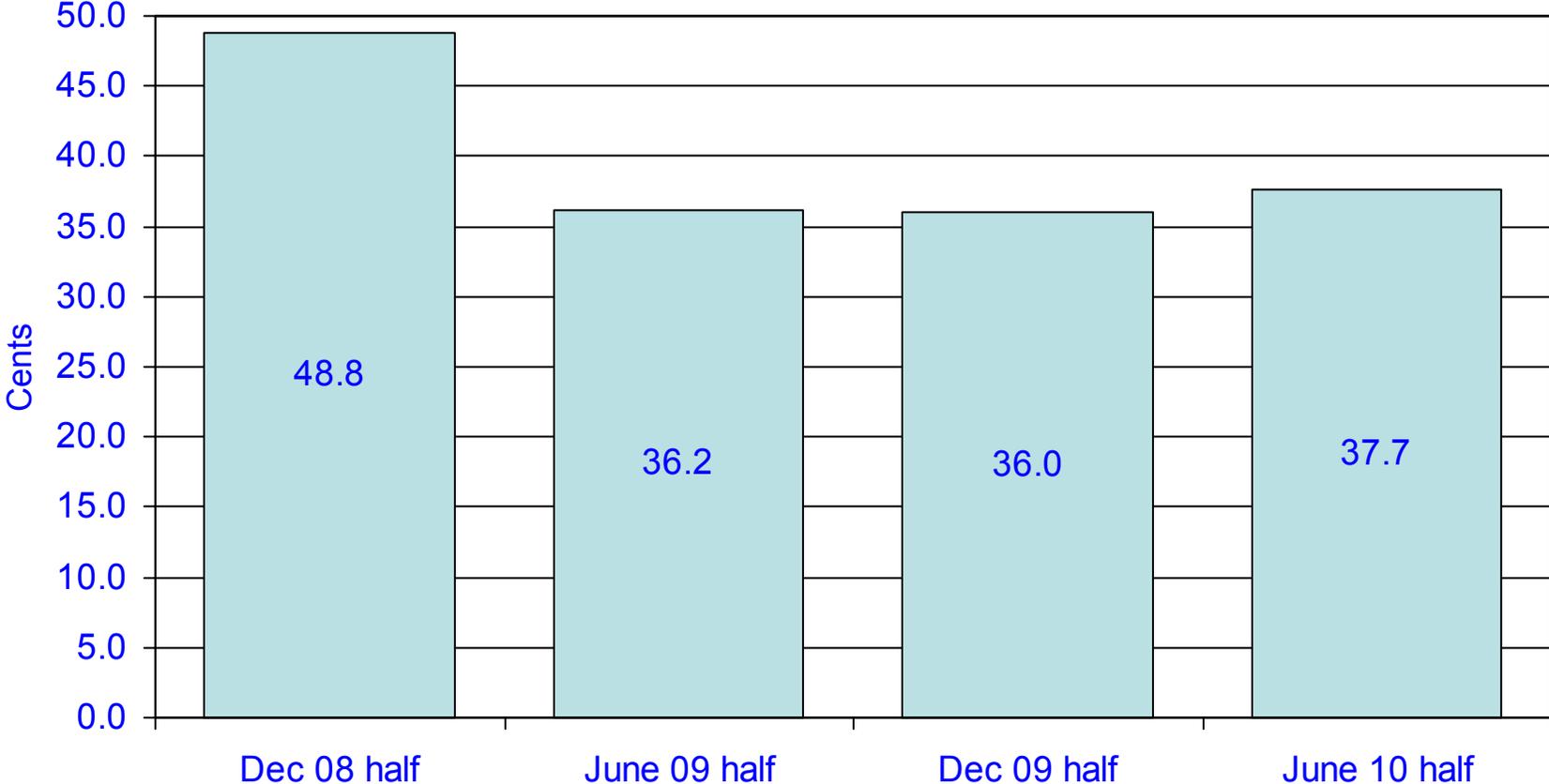
OUTLOOK

- Australian economy quite sound
 - Supported by the resource sector and its exposure to Asia
 - Economy growing at trend and strong employment
 - Recovery is not uniform across all sectors
 - RBA likely to increase official interest rates
- Europe and US will take longer to recover
- Strong AUD will impact earnings of exporters
- Dividends from Australian companies have started to improve
 - 50% of companies have increased the dividend
 - Milton's underlying eps for 1st qtr 11 > 1st qtr 2010

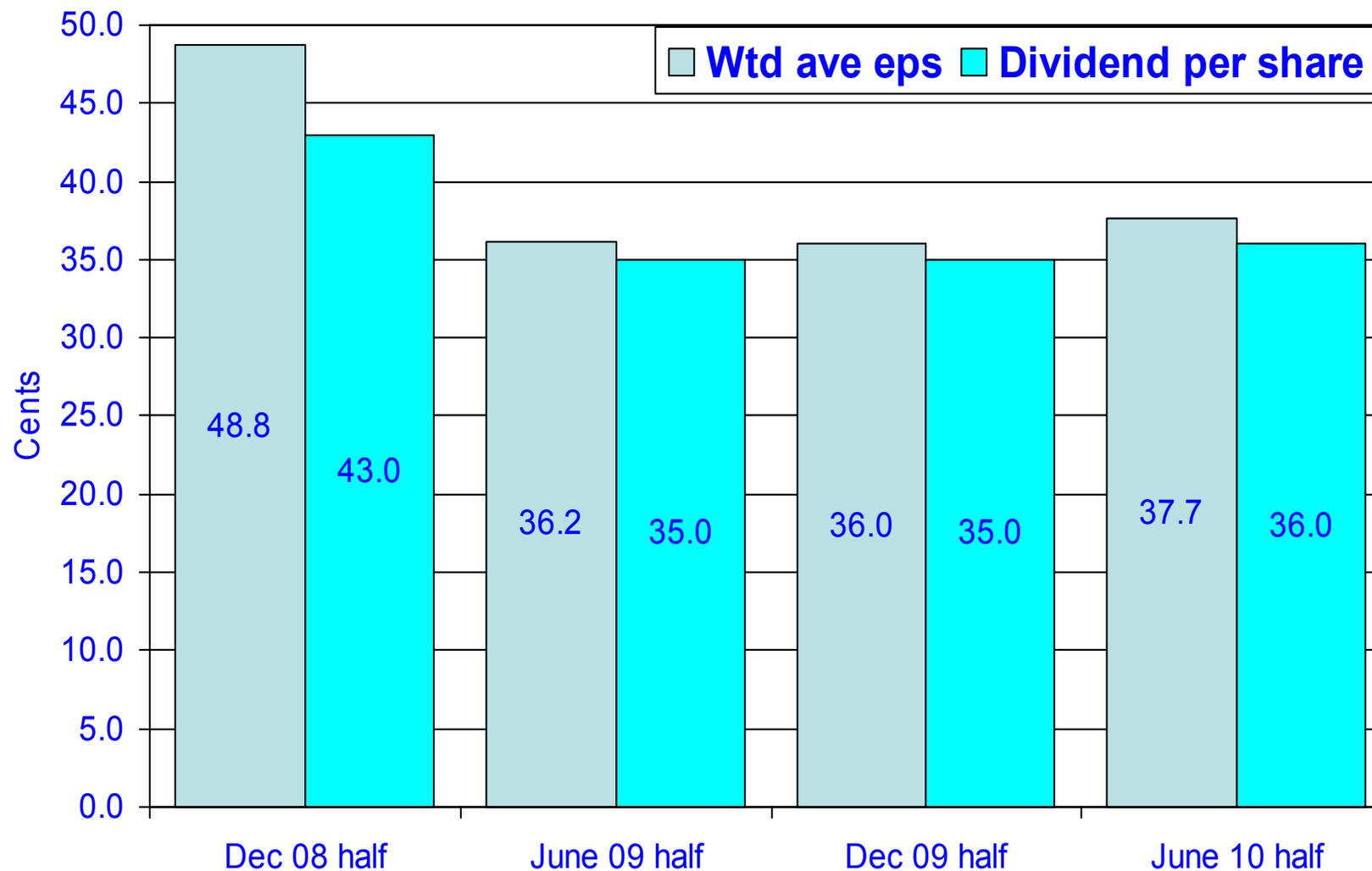
MILTON UNDERLYING PROFIT COMPONENTS



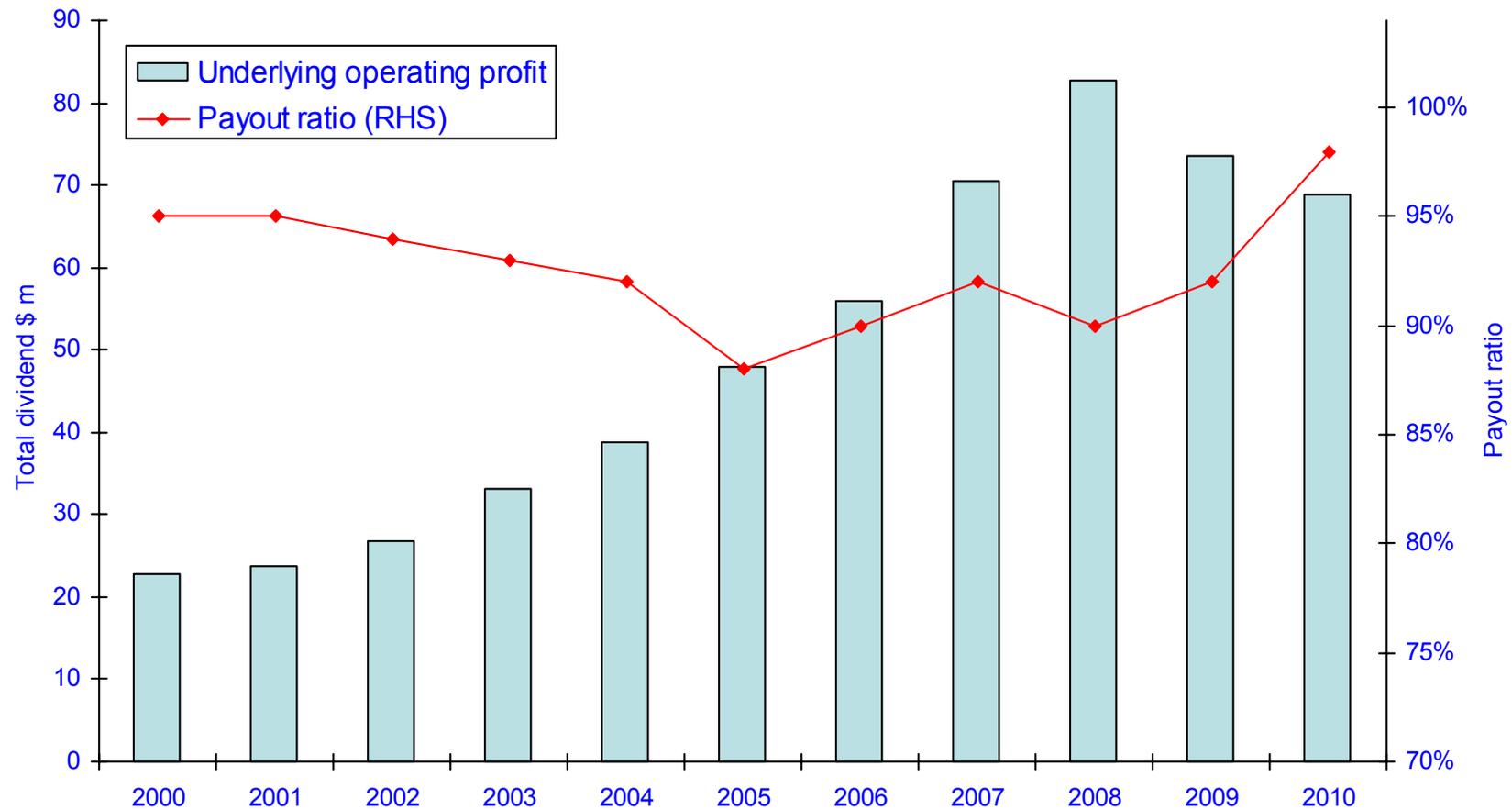
MILTON UNDERLYING EARNINGS PER SHARE BY HALVES



MILTON EPS & DPS BY HALVES

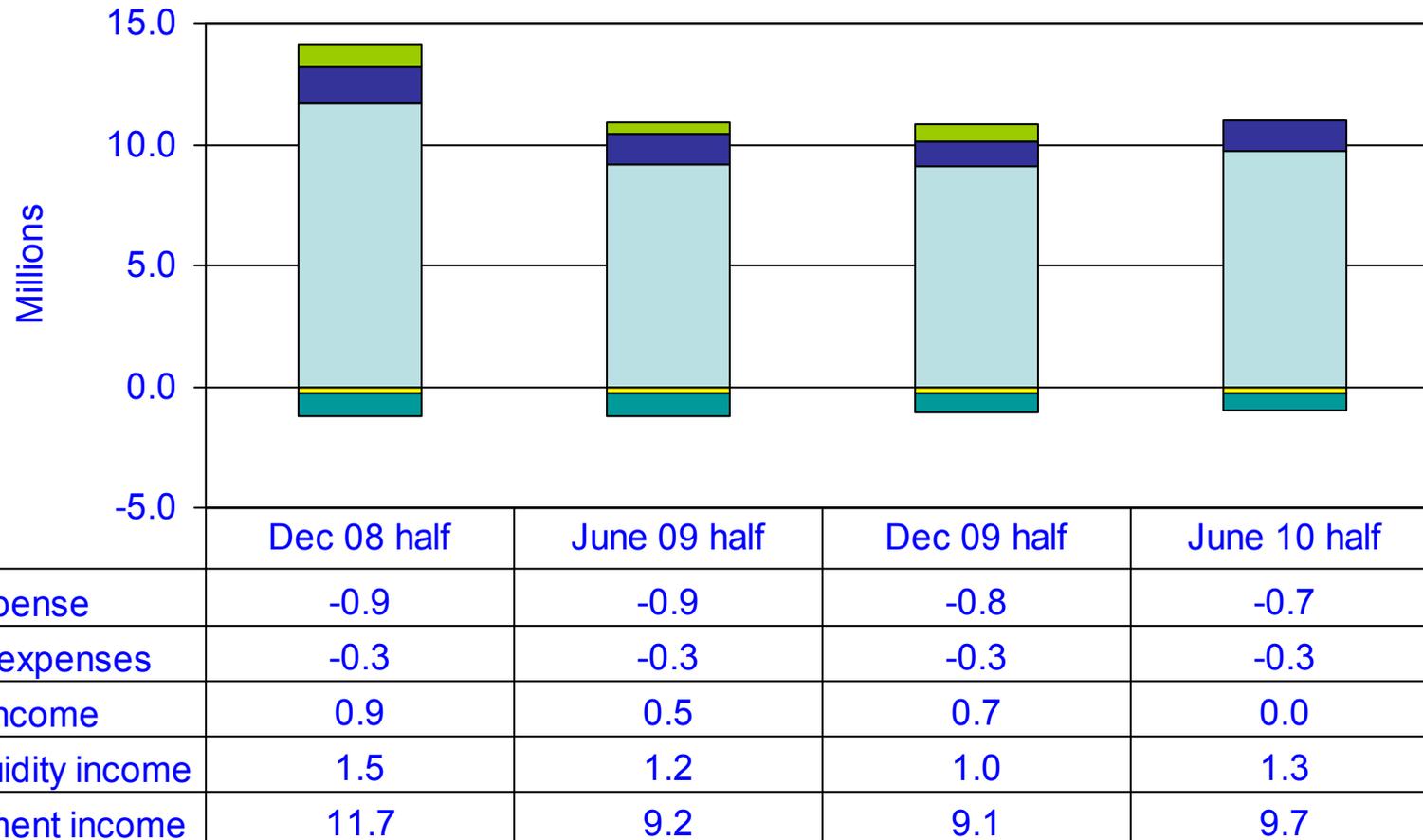


MILTON PAYOUT RATIO

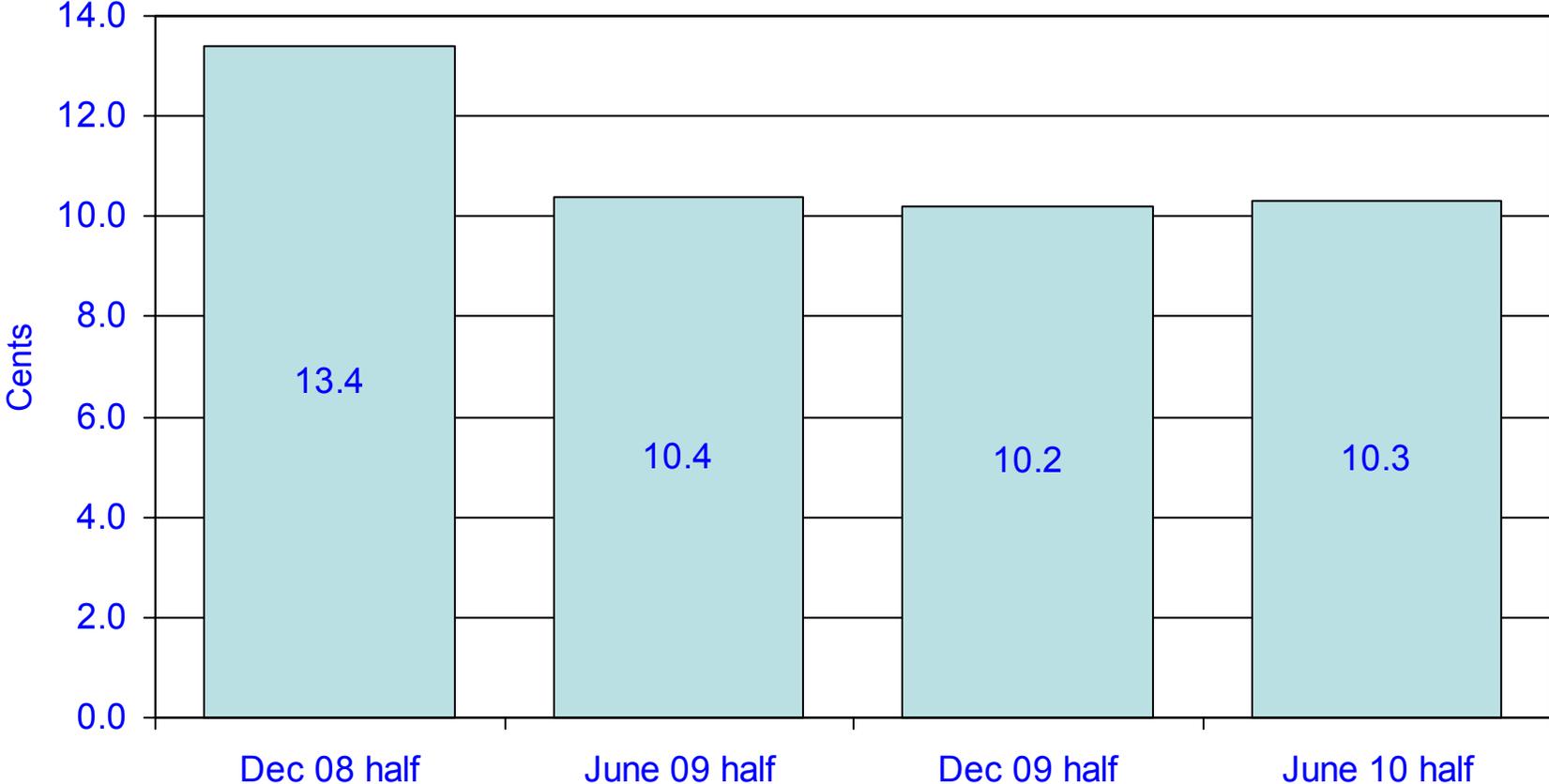


MILTON CORPORATION LIMITED
AN AUSTRALIAN LISTED INVESTMENT COMPANY SINCE 1958

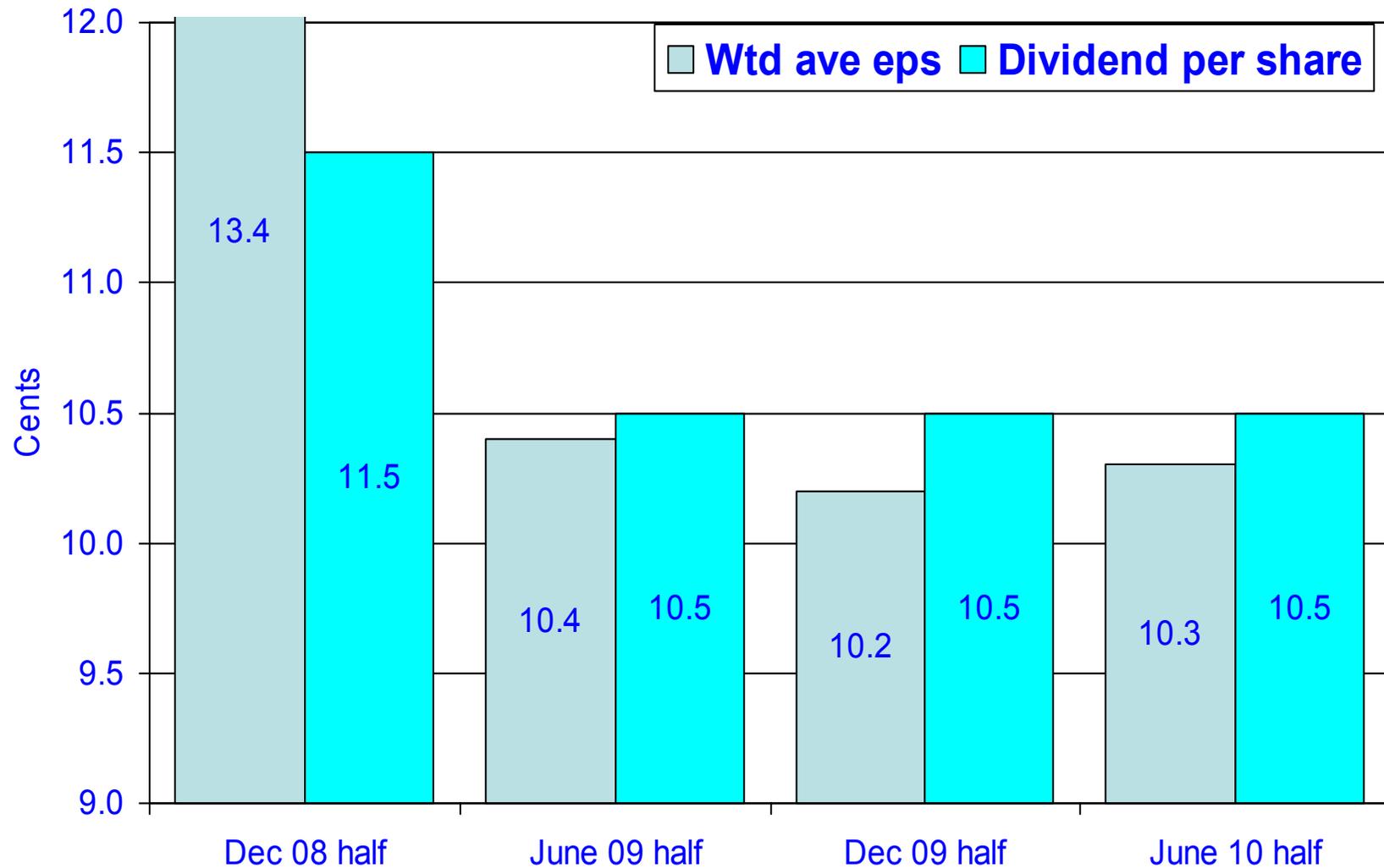
CHOISEUL UNDERLYING PROFIT COMPONENTS



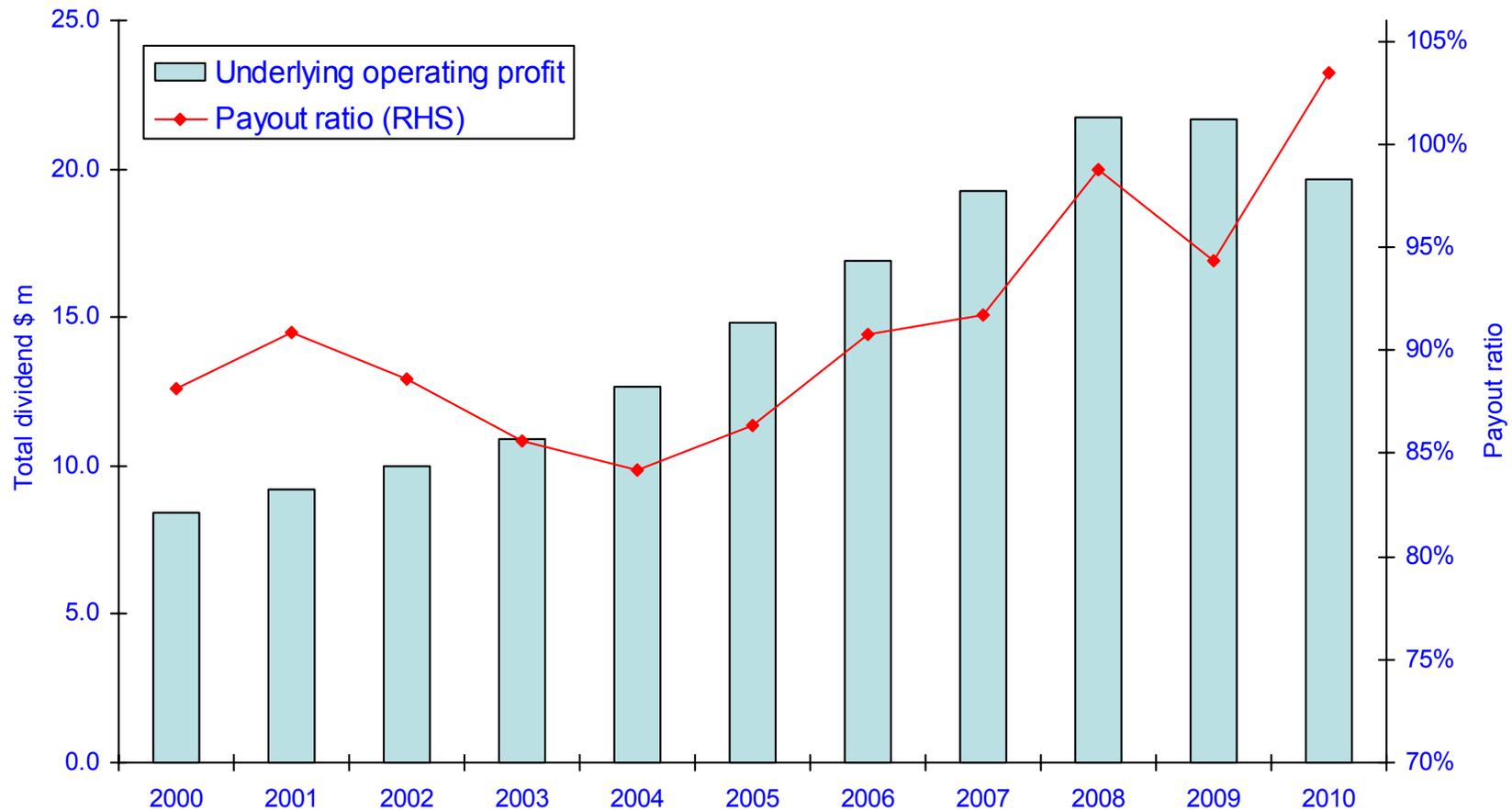
CHOISEUL UNDERLYING EARNINGS PER SHARE BY HALVES



CHOISEUL EPS & DPS BY HALVES



CHOISEUL PAYOUT RATIO



MILTON CORPORATION LIMITED
AN AUSTRALIAN LISTED INVESTMENT COMPANY SINCE 1958

MILTON BALANCE SHEET

30 JUNE 10

\$ million

Cash and other liquid assets (– 7.2%)	116
Investments (130 companies – 90.5%)	1,453
Other (JV's (– 1%) & Receivables)	36
Total assets	1,605
Other liabilities	(3)
<i>Net assets</i>	<i>1,602</i>
Prov. for tax on unrealised CGT	(130)
Total equity	1,472

MILTON'S

INVESTMENT CLASSIFICATION

31 AUGUST 2010

	% of Total Investments	Major investments
Banks	34.8	WBC, CBA, BEN, BOQ
Materials	12.7	BHP, BKW, RIO
Diversified Financials	12.2	SOL, CHO, PPT, MQG, ASX
Consumer Staples	11.5	WES, WOW
Commercial Services	4.1	CPB
Insurance	4.0	QBE, SUN
Energy	3.9	WPL, STO
Capital Goods	3.7	LEI, UGL
Real Estate	2.5	CFX
Healthcare	2.5	CSL
Other	8.1	TLS, AGK

MILTON TOP 10 INVESTMENTS

31 AUGUST 2010

	Market value \$ millions	% of total investments
Westpac Banking Corporation	195.3	12.8
Commonwealth Bank of Australia	117.4	7.7
B H P Billiton Limited	87.5	5.7
Wesfarmers Limited	74.4	4.9
National Australia Bank Limited	68.9	4.5
Woolworths Limited	58.7	3.8
Washington H Soul Pattinson	58.1	3.8
Australia & NZ Banking Group	56.9	3.7
Choiseul Investments Limited	52.7	3.4
Campbell Brothers Limited	52.5	3.4

MILTON TOP 11 - 20 INVESTMENTS

31 AUGUST 2010

	Market value \$ millions	% of total investments
Bank of Queensland Limited	46.6	3.1
Bendigo and Adelaide Bank Limited	39.0	2.6
Rio Tinto Limited	30.3	2.0
Woodside Petroleum Limited	29.0	1.9
Brickworks Limited	24.2	1.6
Telstra Corporation Limited	22.2	1.5
AGL Energy Limited	21.5	1.4
Perpetual Limited	20.1	1.3
Suncorp-Metway Limited	19.5	1.3
C S L Limited	<u>19.2</u>	<u>1.3</u>
Total Top 20	<u>1,094.3</u>	<u>71.6</u>

CHOISEUL BALANCE SHEET

30 JUNE 10

\$ million

Cash and other liquid assets (– 9.7%)	46
Investments (70 companies – 89.2%)	421
Other (Receivables & hybrids)	5
Total assets	472
Other liabilities	(1)
<i>Net assets</i>	471
Prov. for tax on unrealised CGT	(59)
Total equity	412

CHOISEUL'S INVESTMENT CLASSIFICATION 30 JUNE 2010

	% of Total Investments	Major investments
Banks	28.2	CBA, NAB, WBC, BEN, BOQ
Diversified Financials	24.0	W H Soul Pattinson, Milton, Macquarie
Materials	12.3	BHP, Brickworks
Insurance	9.5	QBE, Suncorp
Consumer Staples	8.0	WES, WOW, Metcash
Commercial Services	3.3	Campbell Brothers
Telecommunications	2.7	Telstra, TPG
Energy	2.5	Woodside, Santos, New Hope
Capital Goods	2.2	Leighton
Real Estate	1.8	Stockland
Other	5.5	AGL Energy, Invocare

CHOISEUL TOP 10 INVESTMENTS

31 AUGUST 2010

	Market value \$ millions	% of total investments
Washington H Soul Pattinson	51.0	12.2
Commonwealth Bank of Australia	34.1	8.1
National Australia Bank Limited	31.5	7.5
Westpac Banking Corporation	30.8	7.3
B H P Billiton Limited	27.7	6.6
QBE Insurance Group	27.4	6.5
Milton Corporation Limited	26.2	6.2
Wesfarmers Limited	14.2	3.4
Brickworks Limited	11.8	2.8
Campbell Brothers Limited	11.4	2.7

CHOISEUL TOP 11 - 20 INVESTMENTS

31 AUGUST 2010

	Market value \$ millions	% of total investments
Woolworths Limited	9.8	2.3
Bendigo and Adelaide Bank Limited	9.1	2.2
Bank of Queensland Limited	9.0	2.1
Telstra Corporation Limited	6.7	1.6
AGL Energy Limited	6.6	1.6
Macquarie Group Limited	6.3	1.5
Stockland Trust Group	5.7	1.3
Metcash Limited	5.6	1.3
Perpetual Limited	5.3	1.3
ANZ Banking Group Limited	4.9	1.2
Total Top 20	<u>335.1</u>	<u>79.7</u>

MILTON INVESTMENT CLASSIFICATION MOVEMENT

	Company Acquisition	Purchases	Sales	Revaluation	Value at 30 Jun 10
	\$ million	\$ million	\$ million	\$ million	\$ million
Banks	17.6	6.6		54.1	510.0
Capital goods	0.1	3.0	(1.0)	9.2	53.6
Commercial services	-	5.4		15.0	58.6
Consumer services		0.6		0.2	8.3
Consumer staples	6.2	7.7	(8.4)	15.8	150.6
Diversified financials	6.7	1.9	(1.0)	11.1	185.2
Energy	7.5	5.6	(0.5)	(2.9)	55.0
Healthcare	1.0	5.0	(0.1)	1.5	35.6
Insurance	0.3	3.1		2.7	60.9
Materials	25.8	6.3	(2.6)	5.4	188.1
Other	1.4	2.4	(2.2)	9.6	58.1
Real estate	0.1	2.0		4.1	35.9
Telecommunication	2.4	3.8		1.9	29.5
Utilities	-	1.3	(0.1)	1.8	23.4
Total	69.1	54.7	(15.9)	129.5	1,542.8

MILTON CORPORATION LIMITED
AN AUSTRALIAN LISTED INVESTMENT COMPANY SINCE 1958

MILTON TOP 10 ADDITIONS

	\$ million	S&P/ASX 20
BHP Billiton	17.7	✓
Rio Tinto	7.0	✓
Commonwealth Bank	6.1	✓
Telstra Corporation	6.1	✓
ANZ Banking Group	5.7	✓
Campbell Brothers	5.2	✗
Westpac Banking Corporation	5.0	✓
Woodside Petroleum	4.6	✓
Woolworths	3.8	✓
Coal & Allied	3.5	✗

CHOISEUL INVESTMENT CLASSIFICATION MOVEMENT

	Purchases	Sales	Revaluation	Value at 30 Jun 10
	\$ million	\$ million	\$ million	\$ million
Banks	3.0		12.2	118.6
Capital goods	0.5		1.4	9.4
Commercial services	2.2		3.2	14.0
Consumer services	0.9		0.1	5.3
Consumer staples	4.7	(2.6)	3.4	33.9
Diversified financials	0.9		10.7	101.1
Energy	1.3	(0.4)	(0.8)	10.7
Healthcare	0.6		(0.2)	1.1
Insurance	0.3		(2.0)	40.1
Materials	2.7	(0.5)	(0.8)	51.9
Other	0.3	(0.5)	1.8	13.8
Utilities	1.3		0.5	7.1
Telecommunication	3.4		2.3	11.3
Retailing	1.1		0.7	2.9
Total	23.2	(4.0)	32.5	421.2

CHOISEUL TOP 10 ADDITIONS

	\$ million	S&P/ASX 20	S&P/ASX 100
BHP Billiton	1.9	✓	✓
Fosters Group	2.0	✓	✓
AGL Energy	1.3	✗	✓
Telstra Corporation	3.2	✓	✓
ANZ Banking Group	1.5	✓	✓
Campbell Brothers	1.1	✗	✗
UGL Limited	1.1	✗	✓
Woodside Petroleum	1.1	✓	✓
Invocare	0.9	✗	✗
Coca-Cola Amatil	1.2	✗	✓

MILTON GROWTH OPTIONS

- SHARE PURCHASE PLANS (SPP)
 - Introduced in 1999
- ACQUISITIONS OF LISTED INVESTMENT COMPANIES
- ACQUISITIONS OF UNLISTED INVESTMENT COMPANIES

MILTON ACQUISITION HISTORY

- July 1998
 - Chatham, Matine and Milkirk
- December 2001
 - Cambooya Investments Ltd
 - 8.273 million shares issued
- June 2002 to August 2010
 - 16 unlisted investment companies
 - 28.223 million shares issued
- December 2010
 - Choiseul Investments Limited

PROPOSED CHOISEUL MERGER

- CHOISEUL PROFILE
 - LIC
 - MANAGED BY MILTON SINCE 1992
 - 11.9% OF SHARES OWNED BY MILTON
 - TOTAL ASSETS (JUNE 10) - \$472 M
 - INVESTMENT PORTFOLIO - \$421 M
 - CASH AND TERM DEPOSIT - \$46 M
 - 4,300 SHAREHOLDERS

PROPOSED TERMS OF MERGER

- NEW MILTON SHARES TO BE ISSUED TO CHOISEUL SHAREHOLDERS
- RATIO BASED ON RELATIVE NTA PER SHARE
- CHOISEUL NTA ADJUSTED BY INTERIM AND SPECIAL DIVIDENDS
- MILTON NTA ADJUSTED BY INTERIM DIVIDENDS

BENEFITS OF THE MERGER FOR MILTON & CHOISEUL

- ONE LIC WITH TOTAL ASSETS OF \$2 B
 - CLOSE TO TOP 100 ASX LISTED COMPANIES
- MORE THAN 19,000 SHAREHOLDERS
- PROVIDE GREATER LIQUIDITY FOR BOTH MILTON AND CHOISEUL SHAREHOLDERS
 - OBJECTIVE IS TO LOWER THE DISCOUNT AT WHICH THE SHARES TRADE
- COST SAVINGS

BENEFITS OF THE MERGER

– MILTON SHAREHOLDERS

- PROVIDE MILTON WITH ADDITIONAL CASH TO INVEST
- ACQUISITION OF EQUITY PORTFOLIO WITHOUT INCURRING BROKERAGE
- PARTIALLY OFFSET BY COSTS OF TRANSACTION

– CHOISEUL SHAREHOLDERS

- RECEIVE VALUE FOR THEIR SHARES BASED ON NTA
- POTENTIAL FOR 16 CPS FULLY FRANKED SPECIAL DIVIDEND
 - SUBJECT TO TAX RULING

MERGER TIMETABLE

- SCHEME BOOKLET RELEASED AT END OF OCTOBER 2010
- DIVIDENDS DECLARED MIDDLE OF NOVEMBER 2010
- CHOISEUL SHAREHOLDERS MEETING AT END OF NOVEMBER 2010
- NEW MILTON SHARES ISSUED MIDDLE OF DECEMBER 2010

SHAREHOLDER BRIEFING

OCTOBER 2010