

14 June 2007

**CENTURY AUSTRALIA**  
INVESTMENTS LIMITED

Company Announcements Office  
Australian Stock Exchange Limited  
Level 7, 20 Hunter Street  
SYDNEY NSW 2000

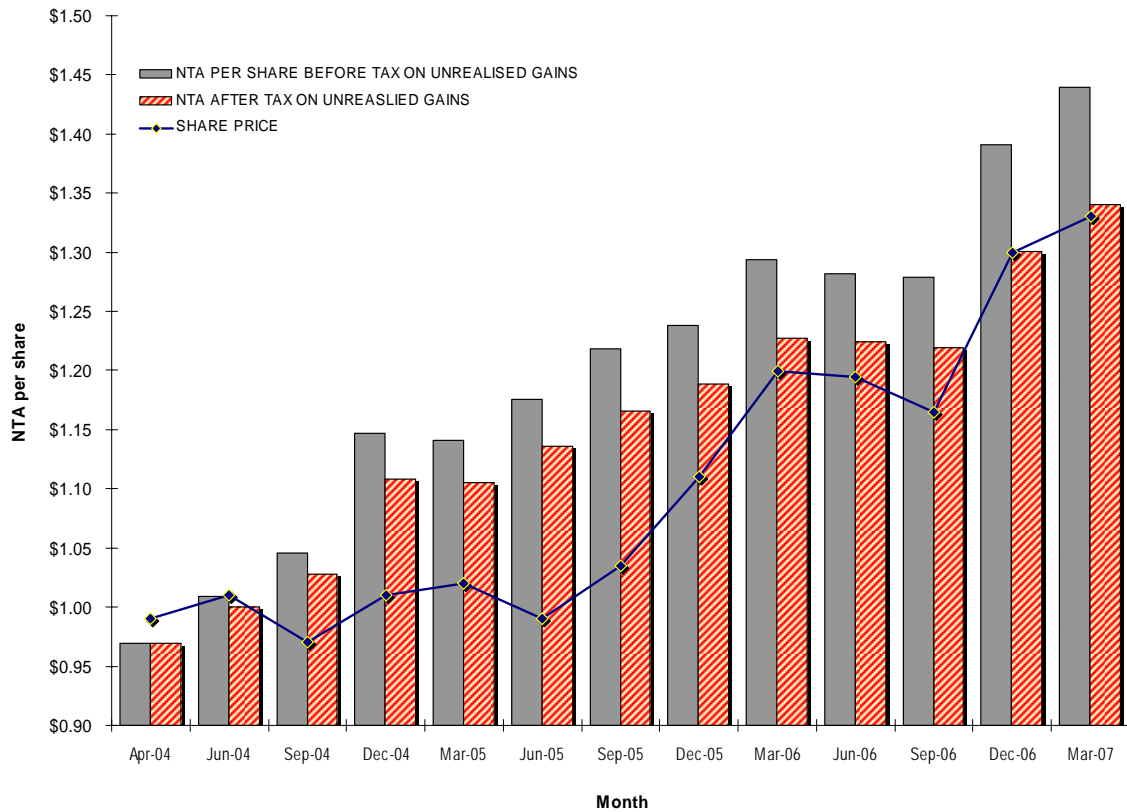
Dear Sir/Madam

**MONTHLY NET TANGIBLE ASSETS PER SHARE<sup>1</sup>**

The unaudited Net Tangible Asset Backing for Century Australia Investments Limited ("Century Australia") is as follows:

Month	NTA per share before estimated tax on unrealised income & gains <sup>2</sup>	NTA per share after estimated tax on unrealised income & gains <sup>3</sup>
31 May 2007	1.48	1.38
30 April 2007	1.47	1.37

**NTA Performance**



## **Market Review – May 2007**

The Australian equity market (as measured by the S&P/ASX 300 Accumulation Index) rose 2.6% during the month of May. The upwards trend continued across the globe with the US S&P 500 Index finishing the month up 3.2%.

On the domestic front the economic focus centred on the Federal Government's budget which delivered further fiscal stimulus via a reduction in personal income tax rates. In the Manager's view, concerns regarding inflation persist especially in light of strong employment data, consumer confidence and credit growth.

Merger and acquisition activity continued around the world, including News Corporation (down 2.1%) launching a bid for Dow Jones at the beginning of the month. However, a number of private equity related bids continue to be rejected by shareholders including Qantas (up 7.1%) and APN News & Media (up 2.8%).

Strongly performing sectors throughout the month were Materials (up 6.7%), Energy (up 6.6%), Telecommunications (up 4.2%) and Property Trusts (up 4.2%).

The weakest sectors during May were Consumer Staples (down 1.8%), Consumer Discretionary (down 0.3%) and Financials ex Property (up 0.6%).

## **Market Review – May 2007**

Century Australia's underlying investment portfolio returned 1.3% for the month of May, underperforming the benchmark S&P/ASX 300 Accumulation Index by 1.4%.

Positive contributors to performance during May included the portfolio's overweight position in Alumina and an underweight position in ANZ Banking Group. The portfolio did not own Woolworths, Brambles and BlueScope Steel which also assisted returns during the month. However, the portfolio was overweight in Fairfax Media, Coles Group and AMP which held back performance as these stocks underperformed during the month. The portfolio's cash position also detracted from returns for the month.

## **Investment Outlook**

The Investment Manager retains its cautious outlook on the equity market which again moved higher during May, despite a lack of fundamental valuation support. Excess liquidity has been a key driver of the market, with private equity involvement typically seen at the top of a bull market.

In the Investment Manager's view, the pricing of risk has fallen to very low levels and in general, company valuations on a 'through the cycle' basis are high, with many share prices inflated by speculation of merger and acquisition activity. As such, the Investment Manager continues to believe there are significant risks going forward in terms of the market's performance.

The portfolio continues to be positioned conservatively based upon the Investment Manager's clearly detailed process (quality and then value). The Investment Manager remains disciplined and cautious with high cashflow, high yielding companies continuing to dominate the portfolio.



## Top Equity Holdings – May 2007

The top equity holdings of the Century Australia as at the 31 May 2007 were as follows:

Security Name	% of Portfolio
BHP Billiton Limited	8.3
National Australia Bank Limited	6.8
Westpac Banking Corporation	5.8
Telstra Corporation Limited	5.5
Alumina Limited	4.5
AMP Limited	3.9
Fairfax Media Limited	3.9
Coles Group Limited	3.7
Commonwealth Bank of Australia	3.6
Insurance Australia Group Limited	3.5

As at the 31 May 2007, the portfolio held 14.6% in cash.

Peter Roberts  
Company Secretary

### Footnotes

<sup>1</sup> The calculation is based on the Company's interpretation of law relating to ASX Listing Rule 4.12.

<sup>2</sup> The Net Asset Backing is based on investments at market value and is after provision for tax on net realised gains and before providing for deferred tax on unrealized gains on its long term investments.

<sup>3</sup> Century Australia is a medium to long term investor and does not intend disposing of its total portfolio. However, under AIFRS the Company is required to provide for estimated tax on gains that would arise on such a disposal.

