

12 February 2010



Company Announcements Office  
 Australian Stock Exchange Limited  
 Level 4, 20 Bridge Street  
 SYDNEY NSW 2000

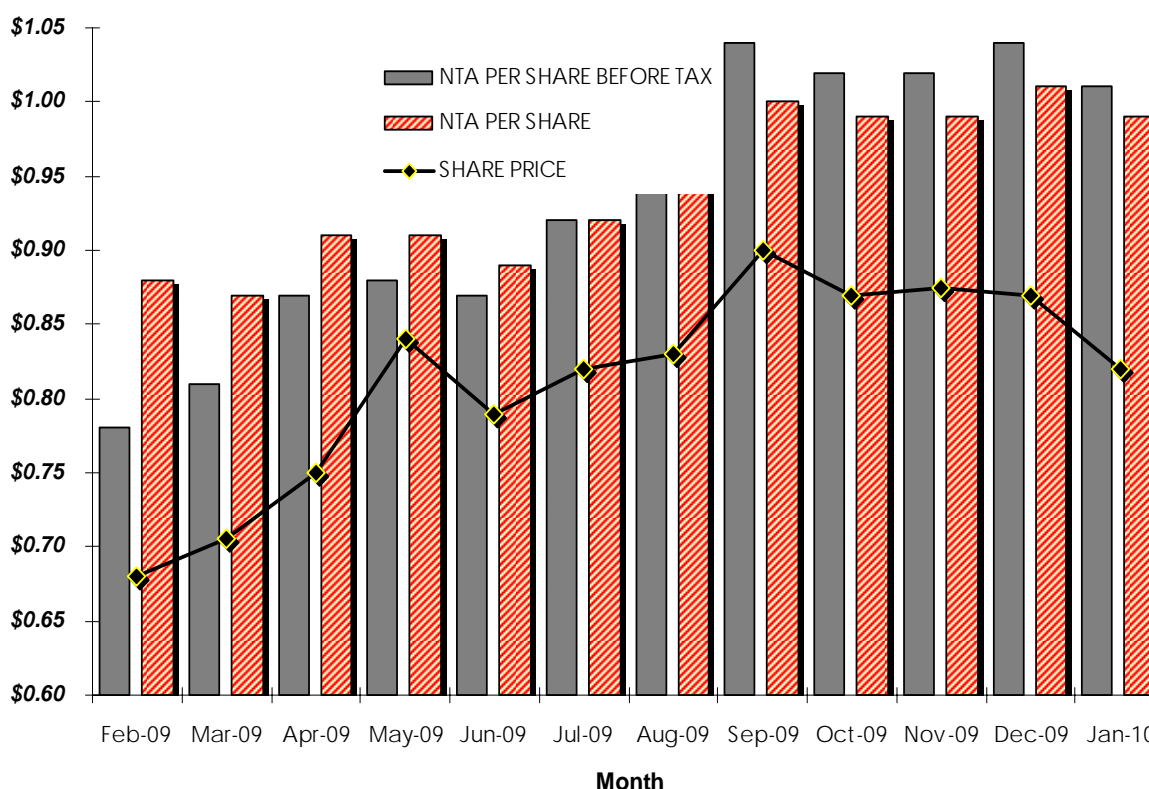
Dear Sir/Madam

**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 January 2010	1.01	0.99
31 December 2009	1.04	1.01

**NTA Performance**



## Market Review

The Australian equity market (as measured by the S&P/ASX 300 Accumulation Index) ended the month of January 2010 down 6.2%. The market is now up 36% on a 12 month basis and 50% since its lows in March 2009.

The US market finished the month weaker with the S&P 500 down 3.7%. The global share market performance was largely driven by three factors during the month; sovereign risk facing the likes of Greece and to a lesser extent Spain, increased lending constraints being placed on Chinese banks to temper inflationary pressures in China and finally the proposed regulatory restraints on the US financial system by the Obama administration. Furthermore, the US faced mixed economic news in the month, with weak new home sales and job numbers being offset by a stronger manufacturing survey.

The Federal Reserve maintained rates in the range of 0%-0.25% whilst on the domestic front the RBA did not meet in January. The AUD traded in a large range for the month, eventually finishing down 1.5% to USD 0.88. Commodity prices suffered under the weight of these global economic fears, the oil price ended the month down 8% to \$73.30 USD a barrel.

The market selloff was widespread, with no sectors managing to post a positive return. The main outperformers were Information Technology (down 1.1%), Property Trusts (down 3.0%) and Telecommunications (down 3.1%). Weak commodity prices contributed to underperformance in both the Energy (down 9.8%) and Materials sectors (down 9.0%), whilst Consumer Staples (down 8.4%) also underperformed.

## Portfolio Review – January 2010

The portfolio returned -3.73% for the month of January versus the benchmark S&P/ASX 300 Accumulation Index return of -6.17%, an outperformance of +2.44% relative to the benchmark. Positive contributors to performance during January included the portfolio's overweight positions in Washington H. Soul Pattinson and Fairfax Media, an underweight position in BHP Billiton as well as not holding Wesfarmers. The portfolio's cash position also assisted returns. Detractors from performance for the month came from an overweight position in News Corporation as well as not holding Commonwealth Bank, Macquarie Bank, Suncorp-Metway or Macquarie Infrastructure Group.

## Investment Outlook

The Australian equity market (as measured by the S&P/ASX300 Accumulation Index) declined by 6.2% over the month of January 2010. Despite the pullback in returns, the market is still up 50.2% from its March 2009 lows and the Investment Manager remains cautious on the outlook for a number of reasons including:

- The move by the Chinese authorities to curb lending growth has highlighted the risk that China may move to moderate its policy stimulus sooner than anticipated in response to heightened concerns over emerging inflation pressures. This in turn will flow through to weaker demand for commodities and pressure share prices of resource companies (which in the Investment Manager's view are overvalued);
- Numerous legacy issues remain from the Global Financial Crisis with the foremost being the expansion of government balance sheets globally in order to stimulate their respective economies. Sovereign debt concerns have continued to broaden over recent months to include many members of the Eurozone namely Greece, Portugal, Spain and Ireland. The possibility of a debt default by either one or a number of members of the EU has raised concerns of the need of a bailout from other members of the EU. It has also resulted in a refocus on the risk of large government debt burdens globally;



- Following from above, consumer demand is still weak in the developed economies and hence the strength of the global recovery is vulnerable to any early pullback in government stimulus packages. The Investment Manager therefore remains cautious on the continuing high levels of unemployment in the developed nations (such as the US and UK) and the flow on this has for their respective housing markets and the rebound of the global economy as a whole;
- The Investment Manager is of the view that many domestic share prices have run ahead of near term earnings deliverability and this is likely to become more evident during the February reporting season. In the Manager's view, market forecasts for earnings growth will be difficult to achieve as the scope for further cost savings is limited. Top line revenue growth will also be hard to achieve against a backdrop of reduced government fiscal stimulus and a rising interest rate environment.

452 Capital continues to hold a conservative portfolio in that its companies are not highly geared, have strong cash flows and are relatively attractively valued on a through the cycle basis. The Investment Manager holds overweight positions in Media, Telecommunications and Gaming, whilst it holds significant underweight positions in Banks and Resource companies on valuation grounds.

Century Australia is a listed investment company and will always have a material exposure to the Australian sharemarket. If the Australian sharemarket falls markedly, it is likely that the value of the portfolio will fall as well. Additionally it should be noted that the ability of Century Australia to pay dividends in 2010 may be impacted by the level of unrealised capital losses currently in the portfolio and the possibility that some companies in the portfolio may reduce the dividends they pay, thereby reducing the dividends available to be distributed to shareholders.

#### Top Equity Holdings – January 2010

The top ten equity holdings of the Century Australia portfolio as at 31 January 2010 were as follows:

Security Name	% of Portfolio
Telstra Corporation	8.2
Westpac Banking Corporation	6.5
Woolworths	5.0
National Australia Bank	4.9
Brambles	4.8
Fosters Group	4.4
Insurance Australia Group	3.7
Fairfax Media	3.7
AMP	3.3
Amcor	3.3

As at 31 January 2010 the portfolio held 10.5% in cash.

#### 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 unrealised 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.

