

## Appendix 4E Preliminary Final Report

### Century Australia Investments Limited ABN 11 107 772 761 For the period ending 30 June 2004

1. This preliminary final report is for the reporting period from initial listing on 8 April 2004 to 30 June 2004. There was no previous corresponding period.
2. Results for announcement to the market:

		Up/Down	%	\$'000
2.1	Revenue from ordinary activities	n/a	n/a	8,238
2.2	Profit from ordinary activities after tax attributable to members	n/a	n/a	1,757
2.3	Net profit for the period attributable to members	n/a	n/a	1,757

- 2.4 Dividends - refer Board of Directors Statement attached.
- 2.5 Record date - not applicable.
- 2.6 Brief explanation of above figures – refer Board of Directors Statement.
3. Statement of financial performance together with notes to the statement – refer attached.
4. Statement of financial position together with notes to the statement – refer attached.
5. Statement of cash flows together with notes to the statement – refer attached.
6. Dividends - refer Board of Directors Statement attached.
7. The Dividend Reinvestment Plan (DRP) is in operation. As no dividend has been declared or proposed during the period there is no last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
8. A statement of retained earnings showing movements – refer attached Note 15 Retained Profits.
9. Net tangible assets per security:

Period	NTA per share before estimated tax on unrealised income & gains	NTA per share after estimated tax on unrealised income & gains
30 June 2004	\$1.01	\$1.00

10. There were no entities over which control has been gained or lost during the period.

11. There were no associates or joint venture entities during the financial period.
12. There is no other significant information to report, other than what has been disclosed, that would be needed by an investor to make an informed assessment of the entity's financial performance and financial position.
13. Accounting Standards used by foreign entities - not applicable
14. Commentary on the results for the period - refer Board of Directors Statement attached.
15. This report is based on accounts which have been audited.

26 August 2004

**The Board of Directors of Century Australia Investments Limited makes the following statement:**

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Century Australia Investments Limited (“Century Australia”) was listed on the Australian Stock Exchange (ASX code CYA) on 8 April 2004. At 30 June 2004, Century Australia had 176,000,001 ordinary shares and 10,000,000 deferred ordinary shares on issue. Century Australia has over 5,800 shareholders as at 30 June 2004.

Century reported a profit before tax of \$2.705 million for the period ending 30 June 2004 and a net profit after tax of \$1.757 million. This equates to earnings per share of 1.00 cent for the period ended 30 June 2004.

To have reported a profit for the short period since listing required our manager, 452 Capital Pty Limited, to derive a profit from investment activities. In the two and a half months since listing, the Australian share market (as measured by the S&P ASX 300 Accumulation Index) appreciated by 3.04%. In this same period, our Manager was able to produce a return of 4.67% on the portfolio managed on behalf of Century. It is this positive return which produced Century’s profits in the relatively short period since listing. The Board believes that the Manager has produced an impressive return in outperforming the return of the Benchmark in this period.

A dividend for the period was not declared. This is because in the period from listing up to the end of the financial year, insufficient income was received from investments to make a distribution. In other words, the vast bulk of the return generated by our Manager was in the form of Capital Growth. Given the relatively small amount of income received from investments (interest paid on cash deposits or dividends received from stock investments) the Board did not feel that it was appropriate to make a distribution at this stage. We would expect that in future financial periods, there will be sufficient profits available for distribution to shareholders as dividends. As stated in the Prospectus dated 16 February 2004, where possible, any taxation benefits from profits earned will also be passed on to shareholders.

Yours sincerely

Robert Turner

James Green

Warwick Negus

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE PERIOD ENDED 30 JUNE 2004**

	Notes	Period ended 30 June 2004 \$'000
Revenues from ordinary activities	2	8,238
Cost of listed securities sold		(6,459)
Other revenues from ordinary activities	2	1,513
Directors' benefits expense		(56)
Management fees		(394)
Professional expenses		(56)
Borrowing costs		-
Other expenses from ordinary activities		<u>(81)</u>
 Profit from ordinary activities before income tax expense	 3	 2,705
Income tax expense relating to ordinary activities	4	<u>(948)</u>
Net profit attributable to members of Century Australia Investments Limited		<u>1,757</u>
 Increase in asset revaluation reserve	 14	 <u>3,214</u>
 Total revenues, expenses and valuation adjustments attributable to members of Century Australia Investments Limited and recognised directly in equity		 <u>4,971</u>
 Total changes in equity other than those relating from transactions with owners as owners attributable to members of Century Australia Investments Limited		 <u><u>4,971</u></u>
  Basic earnings per share (cents per share)	  17	  1.00
Diluted earnings per share (cents per share)	17	1.00

The financial statements should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2004**

	Notes	2004 \$'000
<b>CURRENT ASSETS</b>		
Cash assets	5	47,823
Receivables	6	2,981
Deferred tax assets	7	318
Other	8	<u>67</u>
<b>TOTAL CURRENT ASSETS</b>		<u>51,189</u>
<b>NON-CURRENT ASSETS</b>		
Deferred tax assets	7	1,248
Other financial assets	9	<u>128,974</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>130,222</u>
<b>TOTAL ASSETS</b>		<u>181,411</u>
<b>CURRENT LIABILITIES</b>		
Payables	10	1,747
Tax liabilities	11	257
Provisions	12	<u>2</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,006</u>
<b>NON-CURRENT LIABILITIES</b>		
Tax liabilities	11	<u>2,075</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,075</u>
<b>TOTAL LIABILITIES</b>		<u>4,081</u>
<b>NET ASSETS</b>		<u>177,330</u>
<b>EQUITY</b>		
Contributed equity	13	172,359
Reserves	14	3,214
Retained profits	15	<u>1,757</u>
<b>TOTAL EQUITY</b>		<u>177,330</u>

The financial statements should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2004**

	Notes	Period ended 30 June 2004 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends received		129
Interest received		1,295
Investment expenses paid		<u>(589)</u>
Net cash provided by operating activities	16(b)	<u>835</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments		7,031
Purchase of investments		<u>(130,841)</u>
Net cash used in investing activities		<u>(123,810)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issues of ordinary shares		176,000
Payment of share issue costs		<u>(5,202)</u>
Net cash provided by financing activities		<u>170,798</u>
Net increase in cash held		<u>47,823</u>
Add: Opening cash brought forward		<u>-</u>
Cash as at 30 June 2004	16(a)	<u>47,823</u>

The financial statements should be read in conjunction with the accompanying notes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report is for the entity Century Australia Investments Limited as an individual entity. Century Australia Investments Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Income Tax

Current income tax assets and/or liabilities comprise those obligations to or claims from fiscal authorities relating to the current or prior reporting period and are unpaid at the Statement of Financial Position date. They are calculated at tax rates and tax laws applicable to the fiscal periods they relate to, based on taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the statement of financial performance.

Deferred income taxes are calculated using the liability method on temporary differences, i.e. by comparing carrying amounts of assets and liabilities in the financial statements with their respective tax bases. In addition tax loss carry forwards as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised at those amounts that can probably be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at balance date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of financial performance. Only changes in assets or liabilities that affect temporary differences are recognised in the Company's equity directly, such as the revaluation of investments, the related change in deferred tax assets or liabilities is charged against the same line item of equity.

#### (b) Rounding

Australian Securities and Investments Commission Class Order 98/100 dated 10 July, 1998 applies to the Company and accordingly amounts have been rounded off to the nearest one thousand dollars in accordance with that Class Order, unless otherwise stated.

#### (c) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(d) Investments**

Investments classified as Non-Current Assets comprise holdings of long-term securities and are measured using the fair value basis.

ASX listed shares and securities are valued at market value as quoted on the ASX less allowances for realisation costs. Non ASX listed shares and securities are valued at their estimated market value. Investments including shares and securities are valued continuously. Accordingly, cost of sales equals sales revenue when investments are sold. Revaluations are credited directly to the Asset Revaluation Reserve after deducting a provision for potential deferred capital gains tax. When shares and securities are disposed of, the balance in the Asset Revaluation Reserve, relating to the disposed shares and securities is transferred to the Capital Profits Reserve.

Downward movements in the value of investments are taken to the statement of financial performance unless this downward movement reverses the previous upward movement to the asset revaluation reserve, where upon it is debited to the applicable asset revaluation reserve.

**(e) Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

**(f) Revenue**

Realised gains or losses on the sale of investments are calculated as the difference between sales proceeds and the fair value of the investments.

Dividends and distributions are brought to account on the date that the shares or units are traded "ex-dividend" or "ex-distribution". Interest income is brought to account on an accruals basis, as it is earned. Income due and receivable at balance date is carried as a receivable.

**(g) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

**(h) Earnings per Share**

Basic EPS is calculated as net profit attributable to members divided by the weighted average number of ordinary shares.

As there are no dilutive potential ordinary shares, diluted EPS is calculated using the same methodology.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(i) Financial Period**

The Company was incorporated on 28 January 2004 and commenced trading on 8 April 2004; hence the financial report reflects the trading results for the 3 month period ended 30 June 2004. As it is the Company's first financial period, there are no comparative figures.

**(j) Adoption of Australian Equivalents to International Financial Reporting Standards**

Australia is currently preparing for the introduction of Australian Equivalents International Financial Reporting Standards (AEIFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Company's Directors, in consultation with its auditors, are assessing the significance of these changes and preparing for their implementation. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The Directors are of the opinion that the key differences in the Company's accounting policies which will arise from the adoption of IFRS are:

*Classifications of financial instruments*

Under AASB 139 Financial Instruments: Recognition and Measurement, financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item.

The classifications are:

- loans and receivables – measured at amortised cost
- held to maturity – measured at amortised cost
- held for trading – measured at fair value with fair value changes charged to net profit or loss
- available for sale – measured at fair value with changes taken to equity and non-trading
- liabilities – measured at amortised cost

This will result in a change in the current accounting policy that does not classify financial instruments. Current measurement is at market value less an allowance for realisation costs, with derivative financial instruments recognised on the Statement of Financial Position and continuous revaluations are credited to the Asset Revaluation Reserve after deducting a provision for potential deferred tax. The future financial effect of this change in net fair value in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

	<b>Note</b>	<b>Period ended 30 June 2004 \$'000</b>
<b>NOTE 2: REVENUE FROM ORDINARY ACTIVITIES</b>		
Revenues from operating activities		
- dividends & distribution	2(a)	1,207
- proceeds on disposal of financial assets		<u>7,031</u>
Total revenue from operating activities		<u>8,238</u>
Revenues from non-operating activities		
- interest		<u>1,513</u>
Total revenue from non-operating activities	2(b)	<u>1,513</u>
Total revenue		<u>9,751</u>
(a) Dividend revenue from:		
- other corporations		<u>1,207</u>
(b) Interest revenue from		
- other persons		<u>1,513</u>

**NOTE 3: PROFIT FROM ORDINARY ACTIVITIES**

Profit from ordinary activities before income tax expense has been determined after:

(a) Expenses:		
- net loss on disposal of financial assets		(16)
(b) Revenue and net gains:		
- net gain on disposal of financial assets		588

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

	<b>Note</b>	<b>Period ended 30 June 2004 \$'000</b>
<b>NOTE 4: INCOME TAX EXPENSE</b>		
<p>(a) The prima facie income tax on the profit from ordinary activities differs from the income tax provided in the accounts and is reconciled as follows:</p>		
Prima facie tax on profit from ordinary activities before income tax at 30%		812
<p>Add tax effect of:</p>		
- imputation gross-up on dividends received		133
- withholding gross-up on dividends received		3
Income tax attributable to operating profit		948
<p>(b) Franking credit balance</p> <p>The amount of franking credits available for the subsequent financial year are:</p> <p>Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years</p>		
		699
	<b>Note</b>	<b>2004 \$'000</b>
<b>NOTE 5: CASH ASSETS</b>		
Cash at bank		33
11am account		47,119
Futures margin		671
		47,823
<b>NOTE 6: RECEIVABLES</b>		
CURRENT		
Outstanding settlements receivable		1,549
Interest receivable		218
Dividends receivable		1,079
Other receivables		135
		2,981

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

	Note	2004 \$'000
<b>NOTE 7: DEFERRED TAX ASSETS</b>		
CURRENT		
Future income tax benefit	7(a)	<u>318</u>
<p>(a) The future income tax benefit is made up of the following estimated tax benefits</p> <p style="padding-left: 20px;">- temporary differences</p>		
		318
NON CURRENT		
Future income tax benefit	7(b)	<u>1,248</u>
<p>(b) The future income tax benefit is made up of the following estimated tax benefits</p> <p style="padding-left: 20px;">- temporary differences</p>		
		1,248
<b>NOTE 8: OTHER ASSETS</b>		
CURRENT		
Prepayments		<u>67</u>
<b>NOTE 9: OTHER FINANCIAL ASSETS</b>		
NON CURRENT		
Listed securities at net market value	9(a)	<u>128,974</u>
<p>(a) Included in listed securities are the following material investments:</p> <p>(i) Telstra Corporation Limited (TLS) Telstra Corporation Limited is a provider of telecommunications and information products and services. The principal activities are provision of telephone lines; national local and long distance, and international telephone calls, mobile telecommunications, data, internet and on-line, wholesale, telephone directories and pay TV.</p> <p style="padding-left: 20px;">Century Australia Investments Limited holds 0.00023% in Telstra Corporation Limited</p>		
		14,313
<p>(ii) Westpac Banking Corporation (WBC) Westpac Banking Corporation is a provider of banking and financial services in Australia, New Zealand and nine Pacific Island nations. The Company also maintains offices in financial centres around the world. Westpac operates four main business divisions including Business and Consumer Banking, Institutional Bank, New Zealand Banking (which includes Pacific Banking) and BT Financial Group.</p> <p style="padding-left: 20px;">Century Australia Investments Limited holds 0.00034% in Westpac Banking Corporation</p>		
		10,767

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

	Note	2004 \$'000
<b>NOTE 10: PAYABLES</b>		
CURRENT		
Trade creditors		481
Sundry creditors and accruals		68
Equities purchased		<u>1,198</u>
		<u><u>1,747</u></u>

**NOTE 11: TAX LIABILITIES**

CURRENT		
Provision for income tax		<u>257</u>
NON CURRENT		
Provision for deferred income tax		<u>2,075</u>

Provision for deferred income tax represents tax applicable to the unrealised gains. The tax is only payable upon the realisation of long term investments and only to the extent that such realised capital gains cannot be offset by realised capital losses.

**NOTE 12: PROVISIONS**

CURRENT		
Provision for employee benefits	12(a)	<u>2</u>
(a) Aggregate employee benefits liability		<u>2</u>
(b) Number of employees at period end		<u><u>1</u></u>
Movements in each class of provision are set out below:		
Provision for employee benefits		
Carrying amount at the beginning of year		-
Additional provisions		<u>2</u>
Carrying amount at end of year		<u><u>2</u></u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

	Note	2004 \$'000
<b>NOTE 13: CONTRIBUTED EQUITY</b>		
(a) Issued and paid up capital		
176,000,001 ordinary shares fully paid		176,000
10,000,000 deferred ordinary shares fully paid		-
		176,000
(b) Movements in ordinary shares on issue	<b>Number</b>	
Beginning of financial period	-	-
Issued during the year		
- public equity raising on 16 February 2004		
Ordinary	176,000,001	176,000
Deferred ordinary	10,000,000	-
Transactions costs relating to share issue		(5,202)
Taxation benefit of transaction costs relating to share issue		1,561
		172,359
End of the financial period		

On 8 April 2004, 176,000,001 ordinary shares were allotted at \$1.00 per share and 10,000,000 deferred ordinary shares were allotted at \$0.00001 per share pursuant to the Prospectus dated 16 February 2004.

The Company has a dividend reinvestment plan in place which was not activated during the period. This plan was approved by the shareholders, prior to the date of the Prospectus dated 16 February 2004 and is described in Section 9.11 of the Prospectus dated 16 February 2004.

(c) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Deferred ordinary shares have no voting rights.

**NOTE 14: RESERVES**

<b>CURRENT</b>		
Asset revaluation reserve	14(a)	3,214
(a) Asset revaluation reserve		
Movement during the year		
Opening balance		-
Unrealised gains		4,591
Deferred taxation on unrealised gains		(1,377)
Closing balance		3,214

The asset revaluation reserve records revaluations of non-current assets.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

	Note	2004 \$'000
<b>NOTE 15: RETAINED PROFITS</b>		
Retained profits at the beginning of the financial period		-
Net profit attributable to members of Century Australia Investments Limited		1,757
Retained profits at the end of the financial period		<u>1,757</u>
<b>NOTE 16: CASH FLOW INFORMATION</b>		
(a) Reconciliation of cash		
Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related in the items statement of financial position as follows:		
Net cash provided by operating activities		<u>47,823</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax		
Profit from ordinary activities after income tax		1,757
Non-cash flows in profit from ordinary activities:		
Gain on disposal of non-current assets		(572)
Changes in assets and liabilities:		
Increase in dividends receivable		(1,079)
Increase in receivables		(1,767)
Increase in other assets		(67)
Increase in deferred tax liability		955
Increase in payables		1,747
Decrease in goods and services tax receivable		(135)
Increase in provisions		2
Increase in deferred tax assets		(6)
Net cash provided by operating activities		<u>835</u>
(c) Non cash financing and investing activities:		
The Company does not have any non cash financing or investing activities at period end.		
(d) Facilities:		
The Company does not have any loan facilities at period end.		
(e) Credit stand by arrangements:		
The Company does not have any credit stand by arrangements at period end.		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2004 (cont'd)**

	<b>Note</b>	<b>2004 \$'000</b>
<b>NOTE 17: EARNINGS PER SHARE</b>		
Basic earnings per share based on operating profit after income tax	cents	1.00
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	shares	176,000,001
Earnings used in calculating basic earnings per share	\$'000	1,757
A diluted earnings per share is the same as the basic earnings per share	cents	1.00
<p>To provide meaningful EPS values, the EPS calculation uses the level of average number of ordinary shares on issue subsequent to the IPO process (April 2004) as the denominator of the EPS calculation, the numerator includes the 3 months earnings.</p>		

**NOTE 18: SEGMENT REPORTING**

The Company operated within one business segment (making investments) and one geographical segment (Australia).