

12 January 2006

**CENTURY  
AUSTRALIA**  
INVESTMENTS LIMITED



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:

<b>Month</b>	<b>NTA per share before estimated tax on unrealised income &amp; gains<sup>2</sup></b>	<b>NTA per share after estimated tax on unrealised income &amp; gains<sup>3</sup></b>
31 December 2005	1.24	1.19

**Market Review**

The Australian sharemarket (as measured by the S&P/ASX 300 Accumulation Index) continued to reach new record highs during December, advancing by 3.1% in the month. In the December quarter, the market rose 3.5%, capping off eleven consecutive quarterly rises and finishing the year up 22.5%. The market has now almost doubled since the lows reached in March 2003, (significantly outpacing earnings growth), to make it one of the best performing major sharemarkets globally.

In the Manager's view, the market continues to be driven by an abundance of liquidity, with performance concentrated in a relatively small number of stocks, namely those that are positively impacted by high commodity and oil prices, those with offshore exposure such as Rinker and specific restructuring-type stories such as Brambles.

In terms of sectors, the Materials (Rio Tinto, BHP Billiton, building material stocks) and Energy (Woodside, Santos) sectors were the strong performers during the month of December. News Corporation continued to perform well in December having now risen 12% from its lows in late October.

Weaker performances in December were posted by those sectors exposed to consumer spending (Consumer Discretionary and Staples) led by stocks including Ten Network, Pacific Brands, Fosters Group, McGuigan Simeon, Coca-Cola Amatil, Tabcorp and Woolworths. The telecommunications sector continued to lag the market driven largely by regulatory uncertainty.



## Market Review (cont.)

The financials sector underperformed the market in the month of December (following strong performances the previous two months) with ANZ Banking Group and National Australia Bank posting the weakest returns. Insurance Australia Group recovered during the month to post marginal outperformance.

## Performance

Century Australia's underlying investment portfolio returned 2.0% for the month of December, underperforming its benchmark, the S&P/ASX 300 Accumulation Index by 1.1%. The portfolio's 14.8% cash position and holding higher than benchmark weight positions in Pacific Brands and Ten Network were the major contributors to the underperformance. The portfolio did not own Woodside Petroleum or Newcrest Mining (which both delivered good returns for the month), so this also held back performance. The portfolio benefited from holding higher than benchmark weight positions in Rio Tinto and News Corporation and holding a lower than benchmark weight position in ANZ Bank. Not owning Woolworths and Fosters Group contributed positively to the monthly return of the portfolio as both these companies delivered negative returns for the month.

## Investment Outlook

The Manager retains a cautious outlook on the Australian equity market as it continues to reach new record highs. In the Manager's view, as outlined in previous months, the market is expensive and it is increasingly difficult to find companies trading at reasonable valuations. Hence, the Manager continues to hold a relatively high cash level. Overall the Manager remains disciplined in the adoption of its investment philosophy and style. The focus on quality and value has an inherently conservative effect on building a portfolio and therefore it is difficult for the Manager to outperform in steeply rising markets.

The largest overweight positions in the portfolio relative to the benchmark, Insurance Australia Group, News Corporation and Promina Group represent companies which the Manager believes, according to its investment philosophy and process, are undervalued relative to what it views as an expensive market. Similarly, the largest underweight positions relative to the benchmark, including ANZ Banking Group and BHP Billiton, and some large stocks that the Manager does not own including Woodside Petroleum are those which the Manager believes have the most stretched valuations.



The top equity holdings of the Company as at the 31 December 2005 were as follows:

Security Name	% of Portfolio
Westpac Banking Corporation	6.86
BHP Billiton Limited	6.08
National Australia Bank Limited	5.85
Insurance Australia Group Limited	5.55
Telstra Corporation Limited	4.56
Rio Tinto Limited	4.17
News Corporation	3.87
Promina Group Limited	3.41
Commonwealth Bank of Australia	3.06
AMP Limited	2.79

By order of the Board  
Century Australia Investments Limited

R O'Donnell  
(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.

