
CENTURY
AUSTRALIA
INVESTMENTS LIMITED



Annual General Meeting
Wednesday 24th November 2010
2.00pm

Delivering **regular income** and **long-term growth** to investors through
a **focused and disciplined** investment strategy

Agenda

- Introduction
- **Presentation by John Murray, Managing Director - Perennial Value Management Limited**
- **Chairman's Address**
- **Ordinary business**
 - Annual reports and accounts for the year ended 30 June 2010
 - Re-election of directors – Rob Turner
 - Adoption of the Remuneration Report
 - Appointment of Auditor
 - Voting on Buyback

Introduction

Significant changes in recent months

- Absence and departure of Peter Morgan
- Termination of investment management agreement 452 Capital
- Appointment of Perennial Value Management with effect from 9 September 2010
- 0.55% p.a. management fee

Perennial Value Management

- Formed in March 2000
- Currently manages over \$10 billion
- 50% owned by staff and 50% by Perennial Investment Partners (a wholly owned subsidiary of ASX Listed IOOF with market capitalisation of \$1.7 billion)
- Perennial Value Australian Shares Trust delivered the following returns over the period 31 March 2000 to 31 October 2010

- Perennial Value	12% p.a. after fees
- S&P ASX/300 Accumulation Index	8.1% p.a.
- Outperformance	3.9% p.a.





Century Australia Investments Limited

Perennial Value Australian Shares

John Murray – Managing Director
Tony Oesterheld – Senior Portfolio Manager

November 2010

About Perennial Value



\$20.9 billion FUM
As at 31 October 2010

Investment Businesses


- Perennial Value \$9.6 billion**
 - Value Australian Shares \$9.2 billion
 - Value Shares for Income \$70.8 million
 - Value Smaller Companies \$288.5 million
- Perennial International
- Perennial Growth
- Perennial Fixed Interest
- Perennial Real Estate

Source: Perennial

Focus on making money for our clients

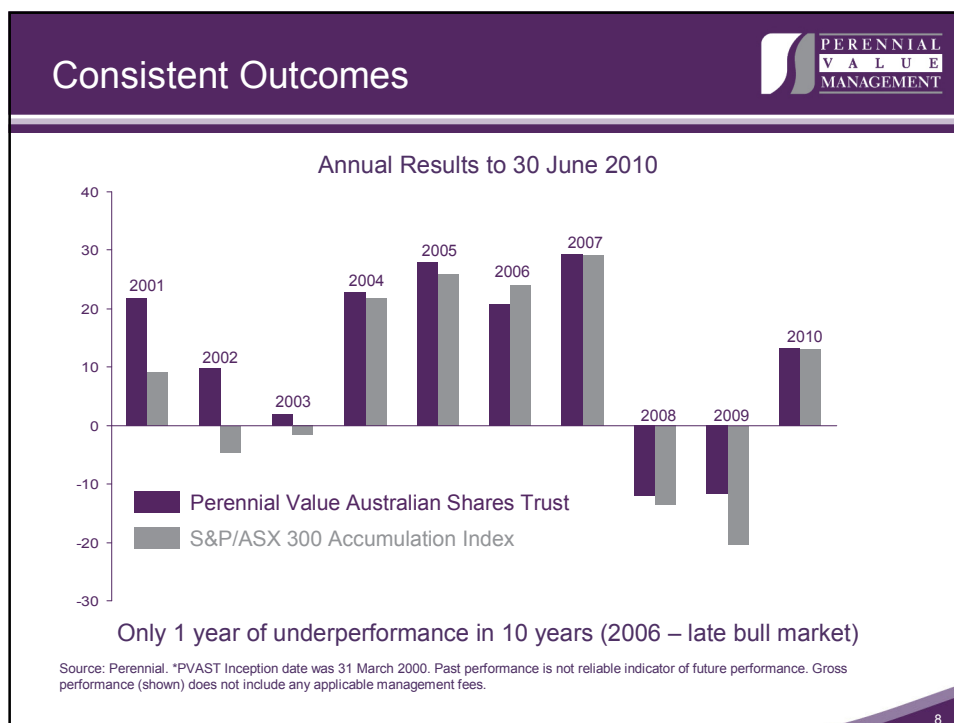
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Results




Period to 31 October 2010	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	PVASt Since Inception* (% p.a.)
Perennial Value Australian Shares Trust	0.9	17.2	-3.4	6.9	12.8
S&P/ASX 300 Accumulation Index	4.7	13.0	-7.6	5.4	8.1
Value Added/Detracted	-3.8	4.2	4.2	1.5	4.7

Source: Perennial Investment Partners. *Perennial Value Australian Shares Trust inception date was 31 March 2000. Past performance is not reliable indicator of future performance. Gross performance (shown) does not include any applicable management fees.



PVM Research Ratings



Overall highest rated Australian Shares manager

- Morningstar: Highly Recommended
- Lonsec: Highly Recommended
- Van Eyk: A Rated
- S&P: 5 Star
- Zenith: Recommended

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Perennial Value Management Team













John Murray
Managing Director

Tony Oesterheld
Senior Portfolio Manager

Stephen Bruce
Research Co-ordination/ Senior Analyst

Paul Durham
Senior Analyst

Grant Oshry
Senior Small Cap Portfolio Manager/ Analyst

Andrew Smith
Small Cap Portfolio Manager/ Analyst

Damian Cottier
Analyst


Terry Couper
Analyst

Steven Yee
Dealer

Name	Years with PVM	Years in Industry	Qualifications	Previous Experience	Responsibilities
John Murray	10	25	B.A (Acc), CA, ASIA	Westpac, MBA, Perpetual, Banker's Trust, PWC	
Tony Oesterheld	3	24	M.Ec, LLB	AMP Capital, QBE, GIO	Steels, Utilities, Building Materials, Diversified Financials, Misc. Industrials
Stephen Bruce	10	10	B.Ec, M.Com, CA, CFA, ASIA	ABN Amro, Morgan Stanley, Deutsche Bank, KPMG	Banks, Healthcare, Telcos, Agl. Chem., Misc. Industrials
Paul Durham	10	23	B.Sc (Mining Engineering), M.B.A	Ord Minnett, North Broken Hill	Resources, Contractors, Gaming, Paper and Packaging, Misc. Industrials
Grant Oshry	7	11	CA, CMA (UK), B.Com, B.Acc (Hons)	MLC, Deutsche Asset Mgt, Arthur Anderson	Small Caps
Andrew Smith	2	9	B.Com (Hons)	Linwar Securities, Tyndall	Small Caps
Damian Cottier	5	8	B.Com, LLB, CFA	Freehills, Baker & McKenzie, Gilbert & Tobin	Insurance, Media, LPTs Small Caps
Terry Couper	3	5	B.Bus (Acc), CA	JP Morgan, General Electric, Deloitte	ESG overview, Transport, Consumer Staples, Mining Services, Small Resources, Misc. Industrials
Steven Yee	1	6	B. Com (Fin. and Comp. Sc.)	Perpetual Investments	

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Highly-experienced, Stable Team



- 2 portfolio managers >20 years experience, proven long-term track records
- Portfolio management split 80:20
- Paul Durham >20 years resources experience
- Equity ownership – 7 of 9 staff hold equity in PVM
- Very low staff turnover
- Strong numbers focus – 4 Chartered Accountants
- Stock rotation & mentoring

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Investment Process



UNIVERSE SCREENING	FUNDAMENTAL RESEARCH	PROPRIETARY RANKING (Perennial Value Screen)	PORTFOLIO CONSTRUCTION	CLIENT PORTFOLIO
400 STOCKS	250 STOCKS	220 STOCKS	50 STOCKS	50 STOCKS
<ul style="list-style-type: none"> • Screen for <ul style="list-style-type: none"> - \$50m min capitalisation - Concept stocks, high debt, poor management 	<ul style="list-style-type: none"> • Characteristics sought: <ul style="list-style-type: none"> - Sound financial position - Good management - Profit track record - Strong market positions • Capital preservation • ESG • Company visits • Peer reviews • 2,250 financial years 	<ul style="list-style-type: none"> • Six key measures sourced from company models <ul style="list-style-type: none"> - P/E - P/FCF - Gross Yield - P/NTA - Net interest cover - Forecast 3yr EPS Growth • Stocks ranked best to worst value • Used to illustrate relative value 	<ul style="list-style-type: none"> • Determines every stock's weighting • Function of <ul style="list-style-type: none"> - Risk Limits - Liquidity - Conviction Rating • Sell discipline 	

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Rule No. 1: Capital Preservation



At market peak, Perennial Value had nil exposure to highly geared, complex structures

	% Fall from High to Low
. LPT's	-75%
. Infrastructure sector	-69%
. ABC Learning	-100%
. Allco	-100%
. Asciano	-96%
. Babcock & Brown	-100%
. Centro	-99%
. Challenger Financial	-87%
. Credit Corp	-97%
. Funtastic	-95%
. MFS	-100%
. RAMS	-98%

Source: Perennial. As at 10 June 2009.

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Stock Research – Amcor



Key features:

- Core portfolio holding since 2007
- Acquisition of Alcan packaging business at bottom of the cycle


Sustainability of business:

- Sound financial position – Yes, interest cover 4.4x despite major acquisitions
- Good management – Yes, excellent management focused on key drivers
- Demonstrable profit track record – Yes, profitable for each of last 20 years
- Strong market positions – Yes, strong in key European and US markets

Valuation:

- Good value – FY12 P/E 11.1x, Gross Yield 6.6%
- Potential upside to earnings

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Portfolio Characteristics						
						
Prospective FY11	Price to Earnings (times)	Price to free cashflow (times)	Gross Yield (%)	Price to NTA (times)	Net Interest Cover (times)	3yr EPS growth (%p.a.)
Market Average	12.6	12.3	5.9	2.2	23.6	14.8
Perennial Value	11.7	10.8	6.1	2.0	25.5	18.2
Premium/ (Discount) to Market	(7%)	(13%)	4%	(12%)	8%	23%

Portfolio true to label 'Value' style

Source: Perennial. As at 15 November 2010. The above figures are forecasts only.

Corporate Governance	
	
<ul style="list-style-type: none"> • PVM takes an active role in corporate governance issues • Publicly challenging Boards to benefit our investors: <ul style="list-style-type: none"> – Seven/WesTrac, Fairfax, RIO, NAB • PVM will vote against company board recommendations when we believe they are not in the interests of shareholders • Voting Policy – PVM votes on all resolutions at AGMs • ESG a key risk management tool 	

Conclusion



- Investment staff ownership of our business and in our funds
- Pragmatic, moderate value style = more consistent, reliable returns
- Capital preservation
- Dividend stream critical
- Corporate governance
- Buying good businesses for good value
- Proven long-term track record

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Disclaimer



- Investment Manager: Perennial Investment Partners Limited ABN 59 087 901 620, AFSL No. 238763 ("Perennial"). Sub Manager: Perennial Value Management Limited ABN 22 090 879 904, AFSL No. 247293. Perennial International Equities Management Pty Limited ACN 099 336 375, Perennial Fixed Interest Partners Pty Limited ABN 35 099 336 357, Perennial Growth Management Pty Limited ABN 41 099 336 384 and Perennial Real Estate Investments Pty Limited ABN 35 117 913 685 are Subsidiaries and Authorised Representatives of Perennial. Responsible Entity: IOOF Investment Management Limited ABN 53 006 695 021, AFSL No. 230524.
- Whilst every effort to ensure the information in this presentation is accurate; its accuracy, reliability or completeness is not guaranteed. Perennial expressly advises that it shall not be liable in any way whatsoever for any loss or damage which may be suffered by any person relying upon such information or any opinion, analysis, recommendation or conclusion contained in this presentation or otherwise arising in connection with the content of, or any omission from, this presentation.
- Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors.
- The fact that particular securities may have been mentioned should not be interpreted as a recommendation to either buy, sell or hold those securities.
- The contents of this presentation were prepared for information purposes only. Accordingly, reliance should not be placed on this presentation as the basis for making an investment, financial or other decision. This information does not take into account your investment objectives, particular needs or financial situation.
- Investment in the Trusts must be accompanied by the application form attached to the current product disclosure statement. The current product disclosure statement can be found on Perennial's website www.perennial.net.au.

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Perennial Value Management Presentation

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Chairman's Address

Financial Performance

- Net profit \$13m compared to \$26.7m loss in 2009 year
- 2010 impairment losses \$3.8m (2009 - \$20.3m)
- 2010 realised gains \$14m (2009 - \$26m realised losses)
- Net Assets decreased from \$162.1m from \$167m
 - After payment of \$6.5m dividends
 - After funding the of the on market share buybacks of \$13.9m
- 30 June 2010 gross performance
 - Century 13.28%
 - S&P/ASX300 13.05%

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Chairman's Address

Impairment

- Impairment charges have no impact on net asset backing as Century constantly revalues its assets to market value
- Impaired assets often remain appropriate long term investments
- New standards which do not require impairment adjustments not yet adopted

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Chairman's Address

Dividends

- Dividends in respect of the year ended 30 June 2010:
 - Interim: 3.5 cents per share
 - Final: 5 cents per share

8.5 cents per share in total

- No longer restrained by available profits or retained earnings due to changes to Corporations Law

- Currently some legal debate

Chairman's Address

Capital Management

- Monitoring share price discount to NTA

- December 2009 to August 2010 a total of 18,312,318 shares were bought back for a total value of \$14.97 million, almost 10% of issued capital

- Board were discussing significant buyback prior to becoming aware of uncertainty of 452

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Re – election of Director

Resolution

“To re-elect Rob Turner as a Director of the Company, who retires in accordance with the Company's constitution and being eligible, offers himself for re-election.”

Director Re-election: Mr Rob Turner - Proxies

	Holders	Votes
For	566	67,036,151
Against	20	666,567
Chair's Discretion	110	2,305,596
Other Discretion	25	492,662
Abstained	37	2,697,731

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Adoption of Remuneration Report

Resolution

“In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report for the year ended 30 June 2009 in the form set out in the Directors Report.”

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Remuneration Report - Proxies

	Holders	Votes
For	487	65,942,748
Against	77	1,984,546
Chair's Discretion	111	2,330,360
Other Discretion	25	492,662
Abstained	58	2,448,391

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Appointment of Auditor

Resolution

“That, subject to the Australian Securities and Investments Commission granting its consent to the resignation of the Company’s current auditor, Grant Thornton NSW, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company and the directors be authorised to set its remuneration.”

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Appointment of auditor - Proxies

	Holders	Votes
For	584	69,052,976
Against	8	375,426
Chair's Discretion	110	2,330,360
Other Discretion	25	492,662
Abstained	31	972,047

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Voting on Buyback

- With the departure of 452, appropriate to provide shareholders an opportunity to exit
- Shareholders have the choice to choose to remain and continue with Perennial Value Management, as investment manager

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Voting on Buyback

EXAMPLE CALCULATION

Buyback price based on 19 November 2010

Net Tangible Assets	92
Less Deferred Tax Asset	(5)
Less transaction costs	(0.26)
Estimated dividend to be declared prior to the buyback	(5.5)
Estimated buyback price	81.24 cents per share
Share Price	83.5 cents per share

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Voting on Buyback

Timetable

Record Date	10 December 2010
Mail booklet to shareholders	By 15 December 2010
Offer opens	15 December 2010
Offer closes	14 January 2011
Notify manager of acceptance level	17 January 2011
Calculate NTA and buyback price Provide buyback price to auditor for verification	31 January 2011
Announce buyback price Registries commences payment run	1 February 2011
Complete payment to bought back shareholders	By 7 February 2011

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Voting on buyback

Resolution

"That to the extent required under Section 257C of the Corporations Act, the terms of the buyback agreement under which the Company will buy back Shares on an equal access basis and on the terms set out in the Explanatory Memorandum is approved."

Voting on buyback - Proxies

	Holders	Votes
For	556	68,028,425
Against	85	3,276,491
Chair's Discretion	79	1,319,187
Other Discretion	25	492,662
Abstained	13	81,942

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Delivering **regular income** and **long-term growth** to investors through
a **focused and disciplined** investment strategy
