

14 September 2006

# CENTURY AUSTRALIA

INVESTMENTS LIMITED

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

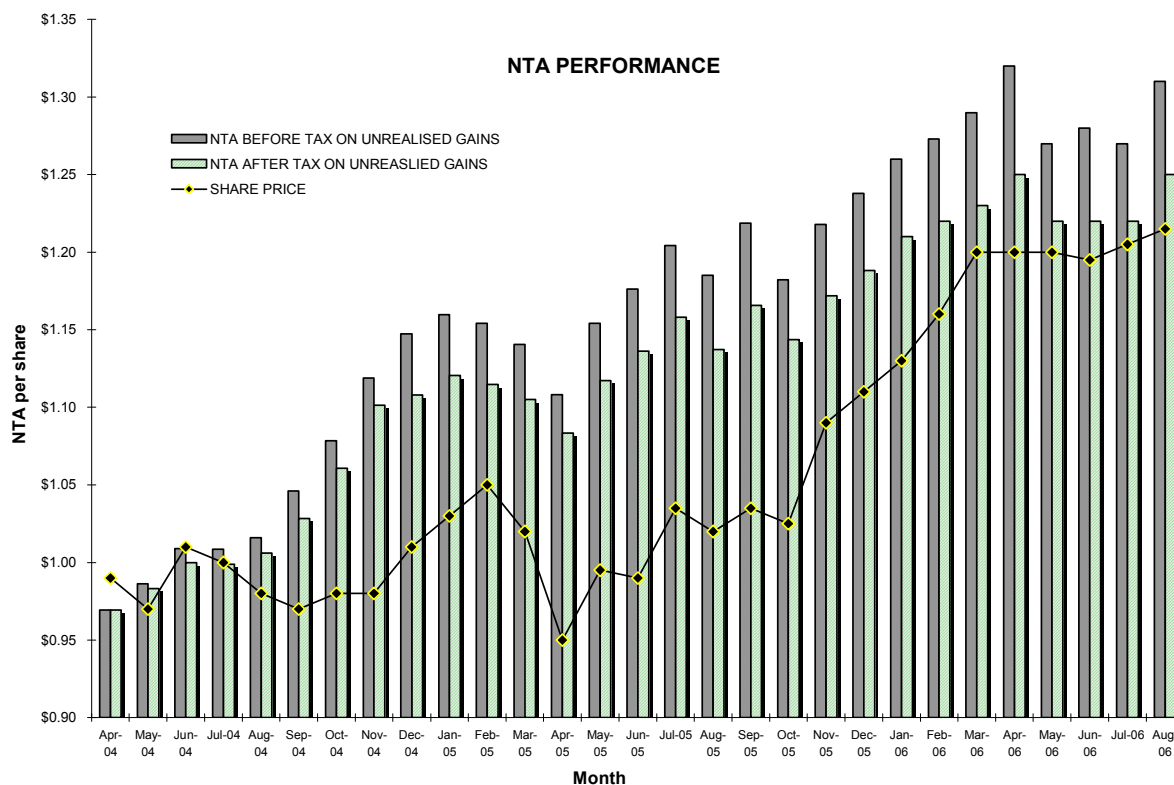
Dear Sir/Madam

## 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:

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 August 2006	1.31	1.25

## NTA Performance



Century Australia's NTA has now risen by more than 34 cents or 35% since the Initial Public Offering in April 2004 and 13 cents or 10% in the past 12 months to 31 August 2006.



## Market Review

The Australian sharemarket (as measured by the benchmark S&P/ASX 300 Accumulation Index) rose 3.3% in the month of August. The rise was fuelled largely by takeovers and speculation of further takeover activity as opposed to the reporting season which resulted in few positive earnings surprises. In fact, FY07 earnings forecasts for industrial stocks as a whole have been downgraded as company outlook comments were softer than expected.

Corporate activity was the focus for the month with an approach to Coles Myer (up 23.0%), leading to conjecture as to which other companies are potential takeover candidates. As such, Fosters (up 10.6%), Insurance Australia Group (up 6.4%) and Promina (up 7.1%) all rallied.

The strongest outperforming sectors during August were Consumer Staples (up 10.6%) and Utilities (up 5.5%) with these sectors exposed to the current merger and acquisition activity. The poorest performing sector was Energy (down 3.5%), as the oil price fell 6% during the month, Woodside (down 0.1%) launched a takeover bid for a US oil company and Origin (down 12.0%) lowered its FY07 earnings outlook.

The Consumer Staples performance was largely driven by Coles Myer following an approach regarding the company's ownership, however to date no formal offer has been made. Woolworths (up 8.7%), Metcash (up 8.4%) and Fosters also contributed to the outperformance of this sector.

The Financials ex Property sector outperformed driven by both banking and insurance stocks. All banks outperformed with the exception of National Australia Bank (up 1.2%). Similarly, the general insurance stocks had a solid month, in part driven by takeover speculation.

The Materials sector underperformed after BHP Billiton (down 0.3%) and Rio Tinto (down 1.2%) both reported results containing no positive surprises from an earnings or capital management perspective. In contrast, Rinker (up 4.9%) recovered some of its recent share price declines.

The Telecommunications sector underperformed the market with Telstra the greatest drag (down 2.1%). The Australian Government announced during the month that it would proceed with the sell down of its stake later this year with \$8 billion to be offered to retail and institutional investors and the balance being placed into the Future Fund. Telecom New Zealand (up 12.9%) rebounded off its recent lows.

## Portfolio Review

Century's underlying investment portfolio returned 3.70% for the month outperforming the benchmark by 0.4%. Positive contributors to the performance of the underlying investment portfolio for the month included overweight positions in Coles Myer, Lend Lease Corporation and Telecom New Zealand. Detractors from performance for the month included an underweight position in ANZ Bank and an overweight position in Ten Network Holdings.

## Investment Outlook

The Manager retains its cautious outlook on the Australian equity market, particularly following the market's strong rise in August which was primarily driven by corporate activity as opposed to higher earnings. The market (on an accumulation basis) is only a few percent away from record highs and still up over 20% on a one year basis. In the Manager's view, risk is not being adequately priced and company valuations are not compelling, whilst at the same time, the consumer is burdened by rising interest rates and high petrol prices.

Given the Manager's focus on long term investment, the portfolio will continue to be invested in a disciplined manner with a focus on both quality and value.



The top equity holdings of the Company as at the 31 August 2006 were as follows:

Security Name	% of Portfolio
Westpac Banking Corporation	7.4
BHP Billiton Limited	6.7
National Australia Bank Limited	5.6
Insurance Australia Group Limited	5.2
Promina Group Limited	4.2
News Corporation	3.9
Coles Myer Limited	3.6
AMP Limited	3.5
Rio Tinto Limited	3.3
Telstra Corporation Limited	3.3

As at the 31 August 2006, the portfolio held 13.4% in cash.

Century Australia Investments Limited

M Hart  
Chief Executive Officer

#### 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.

