

13 October 2006

# CENTURY AUSTRALIA

INVESTMENTS LIMITED

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

Dear Sir/Madam

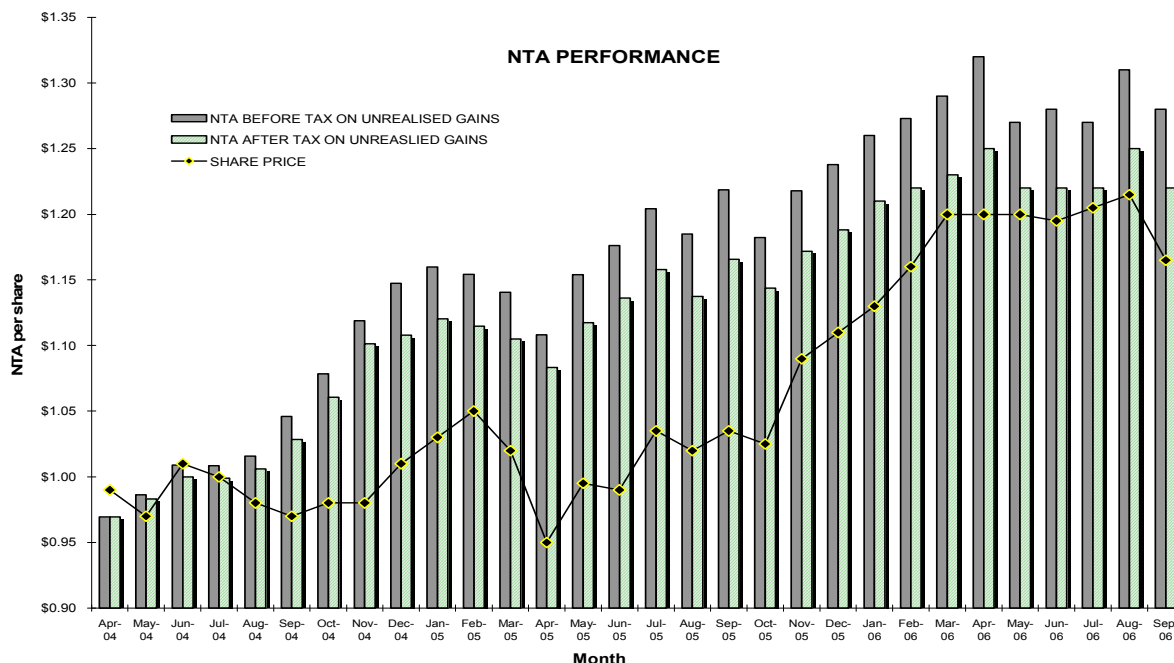
## MONTHLY NET TANGIBLE ASSETS PER SHARE<sup>1</sup>

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>
30 September 2006	1.28	1.22

September's NTA has reduced predominantly on account of the payment of a fully franked final dividend of 4.5 cents per share payable on 29<sup>th</sup> September 2006.

## NTA Performance



Century Australia's NTA has now risen by more than 31 cents or 32% since the Initial Public Offering in April 2004 and 6 cents or 5% in the past 12 months to 30 September 2006.



## Market Review

The Australian equity market (as measured by the S&P/ASX 300 Accumulation Index) rose 1.3% in the month of September 2006. The market had another volatile month being down 2.4% at its lows, before rallying strongly in the final week.

On the domestic economic front there was weaker than expected second quarter GDP growth and the Reserve Bank left interest rates unchanged in September after increasing the cash rate by 25 basis points to 6.0% in August. In the US, there was continued weak housing related data raising concerns regarding a slowdown in consumer demand. Confidence returned towards the end of the month as the oil price eased.

Speculation regarding corporate activity continued to drive the market during September with Fosters Group (up 10.2%), Brambles (up 10.7%), Amcor (up 13.3%) and Australian Pharmaceutical Industries (up 8.8%) named as a few of the likely targets while formal bids came from Wesfarmers for OAMPS and Tullow Resources for Hardman Resources.

The best performing sector during the month was Healthcare (up 9.6%), with takeovers again driving the outperformance after a bid for Mayne Pharma (up 40.2%). The other sectors to outperform were Industrials (up 5.3%) driven by Brambles and Wesfarmers (up 4.0%) and Utilities (up 5.0%).

The weakest sectors during September were Materials (down 2.5%) and Energy (down 2.4%) due to the oil price falling 13% during the month and nervousness regarding the impact that a slowdown in the US economy would have on global growth and the demand for commodities. BHP Billiton (down 6.6%) and Rio Tinto (down 3.9%) were both negatively impacted. The building materials stocks fared better with Rinker (up 0.7%) reconfirming 2007 guidance during the month, in contrast to three major US homebuilders downgrading their outlook after US domestic housing data continued to decline.

The Financials ex Property sector underperformed slightly for the month with all the major banks and insurers underperforming the market with the exception of Promina (up 2.8%) and QBE (up 2.7%).

The Consumer Discretionary sector outperformed (up 4.1%), with the focus for the Media sector continuing to be media reform legislation which will potentially provide opportunities for acquisitions. As such, the main potential targets outperformed, namely Fairfax (up 7.3%), Southern Cross Broadcasting (up 14.1%) and Ten Network (up 7.8%). News Corporation (up 4.7%) performed well as a deal with John Malone's Liberty Media appeared likely. The Gaming stocks were also strong with Tattersall's (up 11.8%) and Unitab (up 6.1%) outperforming after shareholders approved the merger offer.

The Telecommunications sector outperformed (up 3.3%) for the month with little news flow from either Telecom New Zealand (up 5.0%) or Telstra (up 3.1%).

The Consumer Staples sector (up 2.6%) was pushed higher by takeover speculation for Fosters Group. In addition, Coles Myer (up 2.9%) rose after the Board rejected the indicative proposal to acquire the group at \$14.50 and responded by releasing more details on the company's longer term strategy which highlighted strong potential earnings growth.

## Portfolio Review

Century's underlying investment portfolio returned 1.10% for the month versus the benchmark return of 1.31%. Positive contributors to performance for the month included an underweight position in BHP Billiton and Woodside Petroleum and overweight positions in News Corporation and Ten Network. Detractors from performance for the month included overweight positions in Insurance Australia Group and Westpac Banking Corporation.



## Investment Outlook

The market continues to be extremely volatile with the benchmark S&P/ASX300 Accumulation Index trading in a 3.8% range during September. The volatility reflects continued uncertainty regarding the economic environment, in particular the US economy and the implications for global growth, and the heightened interest in domestic merger and acquisition activity.

Whilst current market volatility has created some investment opportunities the Investment Manager continues to retain a cautious outlook for the Australian equity market with the market remaining at near record highs and still up over 16% on a one year basis to 30 September 2006. The Investment Manager also remains concerned that market earnings expectations for companies, which are at or near cyclical highs in their operating cycles, are too optimistic as peak cycle earnings are being extrapolated into future years. The positions the Investment Manager takes with regards to individual investments continues to be determined by its investment process which leads it to invest in a disciplined manner with a focus on both quality and value.

The top equity holdings of the Company as at the 30 September 2006 were as follows:

Security Name	% of Portfolio
Westpac Banking Corporation	7.3
BHP Billiton Limited	6.3
National Australia Bank Limited	5.3
Insurance Australia Group Limited	5.2
Promina Group Limited	4.3
News Corporation	4.1
Rio Tinto Limited	3.6
Coles Myer Limited	3.6
AMP Limited	3.5
Telstra Corporation Limited	3.4

As at the 30 September 2006, the portfolio held 11.3% 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.

