

CENTURY AUSTRALIA

INVESTMENTS LIMITED



ABN 11 107 772 761

APPENDIX 4D

HALF- YEAR REPORT

FOR PERIOD ENDED 31 DECEMBER 2006

Previous Corresponding Period - Period Ended 31 December 2006

CENTURY AUSTRALIA INVESTMENTS LIMITED

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This half-year report is for the reporting period from 1 July 2006 to 31 December 2006. The previous corresponding half-year period was 1 July 2005 to 31 December 2005.

KEY RESULTS

PROFIT AND LOSS				
	\$' 000	% CHANGE	UP / DOWN	
Operating revenue from ordinary activities	5,501	2.9%	up	
Operating profit before income tax expense and realised gains on investment portfolio	3,745	0.1%	down	
Realised gains on investment portfolio before tax	12,524	95.7%	up	
Profit before income tax	16,269	60.0%	up	
Profit after tax and net profit after tax attributable to members	12,956	51.4%	up	
NET TANGIBLE ASSETS				
	\$ 31/12/06	\$ 31/12/05	% CHANGE	UP / DOWN
NTA (per share) before estimated tax on unrealised income & gains	\$1.39	\$1.24	12.1%	up
NTA (per share) after estimated tax on unrealised income & gains	\$1.30	\$1.19	9.2%	up

BRIEF EXPLANATION OF THE RESULTS

Net profit after tax is \$12.9 million, which is 51% up on the prior period. The result is driven by an increase in realised gains on the investment portfolio (before tax) of \$6.1 million or 96%.

Operating profit before income tax expense and before realised gains was \$3.7 million, down 0.1% from the prior period and consists mainly of dividends and interest received less expenses associated with operations.

Under the Company's accounting policies adopted under the Australian equivalent to IFRS ("AIFRS"), realised gains on long-term investments (in relation to available-for-sale financial instruments) are reported in the income statement of the Company. As a result, the Company has separately identified realised gains on investments of \$12.5 million before income tax.

More details of the results are included in the Directors' Statement and ASX Release contained on the following pages.

DIVIDENDS

An interim dividend of **3.00 cents per share**, fully franked, will be paid on **26 March 2007** to holders of ordinary shares on the register as at **9 March 2007**. This interim dividend has not been provided for in the 31 December 2006 financial report.

The Dividend Reinvestment Plan ("DRP") will operate for the interim dividend, under the same DRP terms and conditions as previously applied. Eligible shareholders may apply the proceeds of their dividend at a 5% discount to market price, as defined in the DRP rules.

CENTURY AUSTRALIA INVESTMENTS LIMITED

Under its terms, the DRP automatically terminates in June 2007 and the Board has the discretion to extend the operation of the plan for a further three years. The Board has resolved to extend the DRP but at a reduced discount of 2%. As noted above, the current discount of 5% will apply to the interim dividend.

The last date for the receipt of an election notice for participation in the Dividend Reinvestment Plan is **16 March 2007**.

A fully franked final dividend of 4.5 cents per share was paid to holders of ordinary shares on 29 September 2006 in respect of the financial period to 30 June 2006.

This report is based on accounts which have been audited by the Company's Auditors - Grant Thornton, NSW.

CENTURY
AUSTRALIA
INVESTMENTS LIMITED



DIRECTORS' STATEMENT AND ASX RELEASE

CENTURY AUSTRALIA DELIVERS STRONG RESULTS

Century Australia today announced its results for the period ended 31 December 2006.

Financial Highlights

- Profit after tax was \$12.9 million, up 51% (2005: \$8.6 million);
- Directors have declared a interim fully franked interim dividend of 3.00 cents per share, up 20% - payable on 26 March 2007 (2006 interim: 2.5 cents);
- Share price of \$1.30, up 8% for the period and 17% for 12 months to 31 December 2006;
- Total return to shareholders of 12% for the period and 23% for the twelve months to 31 December 2006 - as measured by change in share price and dividends paid during the year;
- Net Tangible Asset (NTA) after tax of \$1.30 per share, up 7% for the period and 9% for the 12 months to 31 December 2006 (2005: \$1.19)
- Share price was equal to NTA (after tax) at 31 December 2006 , compared to a discount of 6% at 30 June 2006 and discount of 2% at 31 December 2005;
- Portfolio return of 14.7% for the six month period ended 31 December 2006 compared to a return of 14.4% for the benchmark S&P / ASX 300 Accumulation Index;
- Total portfolio (including cash) at 31 December 2006 was \$255.9 million, up 10% for the half year;
- Earnings per share of 7.19 cents per share, up 49% on the prior period.

Profit Results

Century Australia has delivered a strong net profit after tax of \$12.9 million, up 51% on the prior period. This is another strong result from Century Australia, with the Investment Manager delivering a 14.7% return for the period, outperforming the S&P/ASX300 Accumulation Index by 0.4%.

The dividend revenue of \$4.6 million has increased 4.2% since the 2005 interim period. This result was impacted by a sell down in the banking sector by the Investment Manager during the period, as well as the inclusion of a number of special dividends in the prior period result.

Under the Company's accounting policies adopted under the Australian equivalent to IFRS ("AIFRS"), realised gains on long-term investments (in relation to available-for-sale financial instruments) are reported in the income statement of the Company. As a result, the Company has separately identified realised gains on investments of \$12.5 million before income tax.

The Chairman, Mr Robert Turner, said that results have been underpinned by a 96% increase in realised gains on the same period last year. "Century Australia's half year operating profit was a reflection of a strong equity market which was underpinned by unprecedented levels of liquidity and takeover activity. In particular, Century benefited from takeover activity in the media, insurance and retail sectors", he said.

Dividend Increases

Century Australia has declared a fully franked interim dividend of 3.00 cents for the period ending 31 December 2006, payable 26 March 2007. This represents a 20% increase on the same period last year.

CENTURY AUSTRALIA INVESTMENTS LIMITED

The dividend reflects franking credits received from operating profit and tax paid but does not include credits for LIC capital gains.

The Dividend Reinvestment Plan (DRP) will be available to all shareholders on the register at 16 March 2007. Eligible shareholders may apply the proceeds of their dividend at a 5% discount to market price, as defined in the DRP rules.

Under its terms, the DRP automatically terminates in June 2007 and the Board has the discretion to extend the operation of the plan for a further three years. The Board has resolved to extend the DRP but at a reduced discount of 2%. As noted above, the current discount of 5% will apply to the interim dividend.

Mr Turner said that the increase in the fully franked interim dividend declared reflected the Board's policy of returning gains from investment activities to shareholders. "The increase in the fully franked interim dividend includes a distribution of the franking reserves." he said

Solid Shareholder Returns

Directors are pleased with the strong shareholder return of 12% (measured by the change in share price and dividends paid) for the six month period since June 2006 or 23% since December 2005. The S&P/ASX300 Accumulation Index provided a return of 14% for the 6 months since June 2006 and 24% since December 2005.

Net Tangible Assets (after tax on unrealised gains) at 31 December 2006 were \$1.30, up 9% from 31 December 2005. Dividends paid out are deducted from NTA. As a medium to long term investor, Century Australia intends to retain its core investment portfolio unless circumstances warrant a revision. However, if estimated tax on unrealised

CENTURY AUSTRALIA INVESTMENTS LIMITED

portfolio capital gains were to be deducted, the NTA per share would be \$1.30, compared with \$1.19 as at 31 December 2005 and \$1.22 as at 30 June 2006.

The Board is pleased that the share price has improved and matched net tangible assets per share after tax ("NTA") as at 31 December 2006, compared to a discount of 6% as at 30 June 2006 and discount of 2% as at 31 December 2005. The previously announced share buy-back closed on 15 November 2006, although no shares were bought back.

Investment Portfolio Performance

The Australian Equity market, despite the volatility in mining companies in this half year, continued to perform strongly with the S&P/ASX 300 Accumulation Index closing at a record high at the end of December. The market over the six months to 31 December 2006 was, in the view of the Investment Manager driven largely by merger activity and speculation, with an unprecedented level of private equity investment participation coupled with high levels of liquidity.

Century Australia's Investment Manager, 452 Capital, generated 14.7% on the underlying investment portfolio for the six months to 31 December 2006 outperforming the benchmark S&P/ASX 300 Accumulation Index which returned 14.4%.

The Investment Manager's stock selection, focusing on quality and undervalued companies, led to a number of stocks in the portfolio contributing positively to performance over the half year. The top contributors to performance included overweight positions in Promina Group, Southern Cross Broadcasting, Fairfax Media and Insurance Australia Group. Not owning Woodside Petroleum and taking an underweight position in BHP Billiton also assisted returns as both these stocks significantly underperformed the market over this period. The portfolio's cash holding, which averaged 13% over the six months to 31 December 2006 held back performance as did not owning Zinifex Limited, QBE Insurance Group and Qantas Airways.

Investment Outlook

The Investment Manager continues to believe that the market is being driven by excess liquidity rather than fundamentals. Overall, the Investment Manager also believes valuations are expensive, with many share prices inflated by speculation of merger and acquisition activity and earnings forecasts are potentially vulnerable after relatively cautious AGM commentary. In addition, there continues to be uncertainty regarding the duration and severity of the US economic slowdown.

The Investment Manager continues to invest the assets of the Company cautiously. The positions the Investment Manager takes with regards to individual investments continues to be determined by its investment process, which leads it to assess quality and then value.

Given the portfolio's focus on long term investment, the Board remains committed to the Investment Manager's disciplined process and style.

Administrative arrangements

As mentioned at the Annual General Meeting, Century Australia and 452 Capital have been working towards transferring the accounting and administration services for Century Australia that are currently provided by 452 Capital to Whites Outsourcing.

We are pleased to report agreement has been reached, and a Deed of Variation to the Investment Management Agreement has been executed on 27 February 2007. The new arrangements provide for a \$250,000 rebate by 452 Capital from its annual investment management fee to offset the accounting, administration and general management costs now incurred by Century Australia.

CENTURY AUSTRALIA INVESTMENTS LIMITED

The Board believes that this agreement maintains a clear division of responsibility between Century Australia's Board and the Investment Manager. We are very pleased to have engaged White Outsourcing to undertake the accounting and administration services. White Outsourcing is an experienced administrator, with a number of LIC clients on their books. We believe Century Australia will benefit from their experience

28 February 2007

Enquiries:

Michelene Hart

Chief Executive Officer,

Century Australia

Tel: 02 8524 9920, 0417 340 142

About Century Australia

Century Australia is a listed investment company that has been established to provide investors with access to the investment style and expertise of 452 Capital, a boutique funds management company. The investment objective of the Company is to provide long-term capital growth and income by investing in quality, undervalued Australian companies.

Calendar

Half Year End

- 31 December 2006

Ex-Date

- 5 March 2007

Record Date

- 9 March 2007

Final day for receipt of election to participate in DRP for interim dividend

- 16 March 2007

Interim Dividend Payment Date

- 26 March 2007

Year End

- 30 June 2007

Results and final dividend announcement

- 31 August 2007 (approximately)

Annual Report

- mid September 2007

Annual General Meeting

- 17 October 2007

Annual General Meeting

AGL Theatre,
Museum of Sydney
Corner Bridge and Phillip Street, Sydney, NSW, 2000
17 October 2007 at 2.30 pm

Not later than **14 Days after Month End** Net Tangible Asset backing is announced to the ASX and posted on the Company website

CENTURY AUSTRALIA

INVESTMENTS LIMITED



ABN 11 107 772 761

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2006

**CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006**

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**CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006**

DIRECTORS' REPORT

Your Directors submit the financial report of the Company for the half-year ended 31 December 2006.

DIRECTORS

The names of Directors who held office during or since the end of the half-year are:

Robert Turner (Non-Executive Chairman)
Stephen Menzies (Non-Executive Director)
Russell Hooper (Non-Executive Director) Appointed 12 September 2006
Ross Finley (Non-Executive Director) Appointed 11 September 2006
Warwick Negus (Non-Executive Director) Resigned 12 September 2006

Directors were in office for this entire period and through to the date of this report unless otherwise stated.

REVIEW OF OPERATIONS

The operations of Century Australia Investments Limited ("Century Australia") for the half-year ended 31 December 2006 resulted in a profit before tax of \$16.269 million (2005: \$10.162 million) and operating profit after providing for income tax expense of \$12.956 million (2005: \$8.558 million).

Century Australia recorded realised gains on sale of investments after income tax of \$8.767 million (2005: \$4.479 million) for the half-year. The gains or losses on realised investments were calculated by deducting the historical cost from the net proceeds on sale and associated taxation and were brought to account in the Income Statement by reversing the amount from the Asset Revaluation Reserve.

Long term investments are continuously revalued to fair value. For the half-year ended 31 December 2006, investments were revalued upwards by \$15.511 million (2005: \$8.268 million). After adjustment for deferred tax on unrealised gains; a net increment of \$10.858 million (2005: \$5.788 million) was transferred to the Asset Revaluation Reserve. After providing for income tax on disposal of investments during the half-year, \$8.767 million (2005: \$4.479 million) being the revaluation increment relating to the disposal was included in profit from ordinary activities rather than treated as a direct equity adjustment.

On 28 February 2007, the Directors of Century Australia declared an interim fully franked dividend on ordinary shares of 3.00 cents per share in respect of the financial period to 31 December 2006 (2005: 2.50 cents per share). This interim dividend has not been provided for in the 31 December 2006 financial report.

ROUNDINGS

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

**CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006**

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307 of the Corporations Act 2001 is set out on page 13 and forms part of this report.

This report has been made and signed in accordance with a resolution of Directors.



R Turner
Non-Executive Chairman

Dated this 28 day of February 2007

CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006

INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Notes	31 Dec 2006 \$'000	31 Dec 2005 \$'000
Revenues	2	5,501	5,344
Directors' benefits expense		(87)	(77)
Investment management fees		(1,236)	(1,108)
Professional expenses		(62)	(47)
Other expenses		(371)	(349)
		<hr/>	<hr/>
Profit before income tax expense and realised gains on investment portfolio		3,745	3,763
		<hr/>	<hr/>
Realised gains on investment portfolio before tax		12,524	6,399
		<hr/>	<hr/>
Profit before income tax expense		16,269	10,162
		<hr/>	<hr/>
Income tax expense		(3,313)	(1,604)
		<hr/>	<hr/>
Net profit attributable to members of Century Australia Investments Limited		12,956	8,558
		<hr/>	<hr/>
Basic earnings per share (cents per share)	3	7.19	4.82
Diluted earnings per share (cents per share)	3	7.19	4.82
Dividend per share (cents per share)	3	4.50	3.00

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

CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006

BALANCE SHEET
AS AT 31 DECEMBER 2006

	31 Dec 2006 \$'000	30 Jun 2006 \$'000
CURRENT ASSETS		
Cash and cash equivalents	41,298	24,155
Trade and other receivables	1,523	2,809
Other current assets	19	53
Deferred tax assets	187	173
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	43,027	27,190
NON-CURRENT ASSETS		
Deferred tax assets	462	619
Available-for-sale financial assets	214,300	207,315
	<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS	214,762	207,934
	<hr/>	<hr/>
TOTAL ASSETS	257,789	235,124
CURRENT LIABILITIES		
Trade and other payables	1,799	2,583
Current tax liabilities	3,192	2,227
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	4,991	4,810
NON-CURRENT LIABILITIES		
Deferred tax liabilities	16,421	11,741
	<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES	16,421	11,741
	<hr/>	<hr/>
TOTAL LIABILITIES	21,412	16,551
	<hr/>	<hr/>
NET ASSETS	236,377	218,573
EQUITY		
Issued capital	177,763	175,704
Reserves	38,144	27,287
Retained earnings	20,470	15,582
	<hr/>	<hr/>
TOTAL EQUITY	236,377	218,573
	<hr/>	<hr/>

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

**CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006**

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Share Capital Ordinary \$'000	Retained Earnings \$'000	Revaluation Reserves \$'000	Total Equity \$'000
Balance at 1.7.2005	173,040	4,555	23,704	201,299
Available-for-sale financial assets:				
- net gains recognised in equity	-	10,163	(1,895)	8,268
Income tax relating to items charged or credited to equity	-	(3,049)	569	(2,480)
Net income recognised directly in equity	-	7,114	(1,326)	5,788
Profit attributable to members	-	8,558	-	8,558
Total recognised income and expense for the period	-	15,672	(1,326)	14,346
Shares issued during the year	1,444	-	-	1,444
Dividends	-	(5,302)	-	(5,302)
Balance at 31.12.2005	174,484	14,925	22,378	211,787
Balance at 1.7.2006	175,704	15,582	27,287	218,573
Available-for-sale financial assets:				
- net gains recognised in equity	-	-	15,510	15,510
Income tax relating to items charged or credited to equity	-	-	(4,653)	(4,653)
Net income recognised directly in equity	-	-	10,857	10,857
Profit attributable to members	-	12,956	-	12,956
Total recognised income and expense for the period	-	12,956	10,857	23,813
Shares issued during the year	2,059	-	-	2,059
Dividends	-	(8,068)	-	(8,068)
Balance at 31.12.2006	177,763	20,470	38,144	236,377

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

CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006

CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	31 Dec 2006 \$'000	31 Dec 2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	5,631	5,628
Interest received	651	946
Investment expenses paid	(2,053)	(1,520)
Income tax paid	(2,178)	(56)
	<hr/>	<hr/>
Net cash provided by operating activities	2,051	4,998
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	54,401	25,540
Purchase of investments	(33,300)	(32,457)
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	21,101	(6,917)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(6,009)	(3,858)
	<hr/>	<hr/>
Net cash used in financing activities	(6,009)	(3,858)
Net increase/(decrease) in cash held	<hr/>	<hr/>
	17,143	(5,777)
Add: Cash at 1 July 2006	<hr/>	<hr/>
	24,155	37,446
Cash at 31 December 2006	<hr/>	<hr/>
	41,298	31,669

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 1: BASIS OF PREPARATION

The half-year financial report is a general purpose financial report that has been prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2006 and any public announcements made by Century Australia Investments Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies applied by the company in this interim financial report are the same as those applied by the company in its financial report as at and for the year ended 30 June 2006.

The following significant accounting policies were applied in the preparation of the interim financial statements as at and for the half year ended 31 December 2006

(a) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as available-for-sale financial assets under AASB 139 Financial Instruments: Recognition and Measurement and will continue to be recognised in the Balance Sheet at fair value. During the period changes in fair value for investment securities will be recognised in equity. Unrealised gains and losses arising from changes in fair value are taken directly to equity. The gains or losses on realised investments calculated by deducting the historical cost from the net proceeds on sale and associated taxation shall be brought to account in the Income Statement by transferring this amount from the Revaluation Reserve.

Fair Value

Fair value is determined based on current bid prices for all quoted investments and exclude disposal costs.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. A prolonged decline is assessed in terms of the company's investment strategy. Impairment losses are recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006
(Cont'd)

NOTE 1: BASIS OF PREPARATION (Cont'd)

(b) Derivative Financial Instruments

Exchange traded options are recorded at their market value as determined by reference to the last available price of the security on its primary exchange on the day of valuation.

CENTURY AUSTRALIA INVESTMENTS LIMITED - FINANCIAL REPORT
HALF-YEAR ENDED 31 DECEMBER 2006

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006
(Cont'd)

	31 Dec 2006 \$'000	31 Dec 2005 \$'000
NOTE 2: REVENUE		
Operating activities		
- dividends & distribution from other entities	4,594	4,408
Non-operating activities		
- interest from other persons	907	936
	<u>5,501</u>	<u>5,344</u>
Total revenue	<u>5,501</u>	<u>5,344</u>
NOTE 3: DIVIDENDS PAID		
Dividends paid during the half-year:		
Declared final fully franked ordinary dividend of 4.50 (2005: 3.00) cents per share franked at the tax rate of 30% (2005: 30%).	<u>8,068</u>	<u>5,302</u>
Dividends proposed during the half-year:		
Interim fully franked ordinary dividend of 3.00 (2005: 2.50) cents per share franked at the tax rate of 30% (2005: 30%).	<u>5,434</u>	<u>4,454</u>
NOTE 4: EARNINGS PER SHARE		
	Number	Number
Weighted average number of ordinary shares used in calculation	180,231,262	177,466,442
	\$'000	\$'000
Profit for half-year	12,956	8,558
	Cents	Cents
Basic and diluted earnings per share	<u>7.19</u>	<u>4.82</u>
NOTE 5: CONTINGENT LIABILITIES		
There are no contingent liabilities and there has been no change in contingent liabilities since the last annual reporting date.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006
(Cont'd)

NOTE 6: EVENTS AFTER BALANCE DATE

On 28 February 2007, the Directors of Century Australia Investments Limited declared an interim fully franked dividend on ordinary shares in respect of the financial period to 31 December 2006. The total amount of the dividend is \$5,433,979 which represents a fully franked dividend of 3.00 cents per share. The interim dividend has not been provided for in the 31 December 2006 financial statements.

On 27 February 2007, the Directors of Century Australia Investments Limited entered into an Deed of Variation Agreement with their Investment Manager, 452 Capital Pty Limited to transfer all accounting and administration services for Century Australia Investments Limited that are currently provided by 452 Capital Pty Limited to Whites Outsourcing. The new arrangement provides for a \$250,000 rebate per annum by 452 Capital Pty Limited to Century Australia Investments Limited from its annual investment management fee to offset the accounting and administration costs incurred by Century Australia Investment Limited.

On 28 February 2007, the Directors of Century Australia Investments Limited entered into an agreement with White Outsourcing for White Outsourcing to undertake all accounting and administration services of Century Australia Investments Limited going forward.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) the financial statements and notes, as set out on pages 4 to 11 are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and;
 - b) giving a true and fair view of the Company's financial position as at 31 December 2006 and of the performance for the half-year ended on that date of the Company.

- 2) the Chief Executive Officer in both the capacity of Chief Executive Officer and Chief Finance Officer has declared that:
 - (a) the financial records of the Company for the half-year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the half-year comply with Accounting Standards; and
 - (c) the financial statements and notes for the half-year give a true and fair view.

- 3) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable..

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



R Turner
Chairman

Dated this 28th day of February 2007


**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CENTURY AUSTRALIA INVESTMENTS LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Century Australia Investments Limited for the half year ended 31 December 2006, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants


G S LAYLAND
Partner

Sydney

28 February 2007

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CENTURY AUSTRALIA INVESTMENTS LIMITED**

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Century Australia Investments Limited (the company), which comprises the balance sheet as at 31 December 2006 and the income statement, statement of changes in equity and cash flows statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes to the financial statements and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and true and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the appropriate accounting policies and reasonable accounting estimates inherent in the half-year financial report.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001, including giving a true and fair view of the company's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Century Australia Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CENTURY AUSTRALIA INVESTMENTS LIMITED
(cont)**

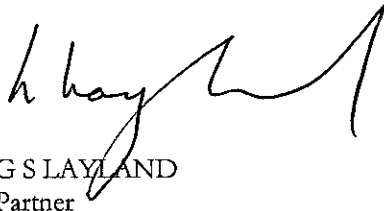
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Century Australia Investments Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants



G S LAYLAND
Partner

Sydney

28 February 2007