

14 December 2010

**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 and before Deferred Tax Asset on realised capital losses and unused franking credits from prior period(s) <sup>2</sup>	NTA per share before estimated tax on unrealised income & gains <sup>3</sup>	NTA per share after estimated tax on unrealised income & gains <sup>4</sup>
	<b>A</b>	<b>B</b>	<b>C</b>
<b>30 November 2010</b>			
NTA before Dividend	84.7 cents	92.0 cents	91.8 cents
Less: Dividend payable 9.2.2011	(6.2) cents	(6.2) cents	(6.2) cents
NTA After Dividend	<b>78.5 cents</b>	<b>85.8 cents</b>	<b>85.6 cents</b>
<b>31 October 2010</b>	<b>86.7 cents</b>	<b>93.1 cents</b>	<b>92.4 cents</b>

As at 30 November 2010 the Deferred Tax Balances of the company was comprised of the following components:

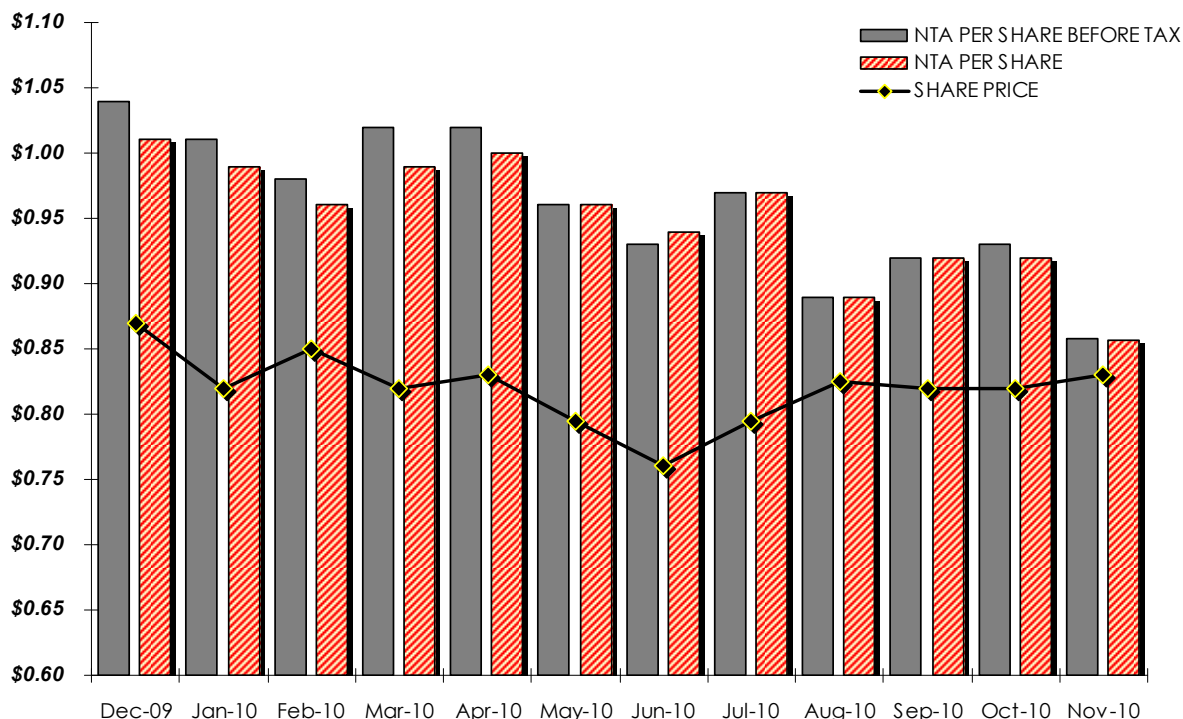
	Total amount	Amount per share	Comment
Tax liability on unrealised income & losses	\$(209,483)	(0.12) cents	Excluded from A and B, included at C
Tax asset on realised capital losses	\$12,301,942	7.20 cents	Excluded from A, included at B and C
Tax asset on unused franking credits	\$48,469	0.03 cents	Excluded from A, included at B and C
<b>Total net Deferred Tax Asset</b>	<b>\$12,140,928</b>	<b>7.11 cents</b>	

We note that the Deferred Tax Asset may or may not be an asset of the company if Century Australia does not continue at its current scale and in its current form.

1



## NTA PERFORMANCE



## PORTFOLIO COMMENTARY FOR NOVEMBER 2010

### Market Review:

The market was weaker with global macroeconomic issues again coming to the fore. The S&P/ASX300 Accumulation Index (the Index) finished November down 1.0%. Global markets were generally weak during November; with the S&P500 down 0.2%, the FTSE 100 down 2.6% and the Shanghai Composite down 5.3%. Key drivers were interest rate rises in China, in response to inflation pressures, and ongoing European sovereign debt concerns, particularly in Ireland.

Domestically, economic indicators were mixed. Retail sales trends softened, whilst wage pressure continued to increase given the strong employment market. Despite weak credit growth, the Reserve Bank of Australia surprised the market with its 0.25% interest rate rise to take the cash rate to 4.75%. This was quickly followed by the out-of-cycle rate rise of a further 15-20 basis points by the major banks. The Australian Dollar reached an all time high of 1.01 US cents, before coming under pressure to end the month lower at 96.2 US cents.

The best performing sector for the month was Health Care (up 5.6%), whilst the worst performing was the Consumer Staples sector (down 5.3%). The recent increase in corporate activity continued. There was a renewed bid from AMP for Axa Asia Pacific which has been recommended by Axa directors, whilst BHP's bid for Potash Corp was rejected by the Canadian government on national interest grounds.



### **Portfolio Review:**

The Century Australia Investment Portfolio (the Portfolio) fell 1.3%, underperforming the Index return by 0.3%. This underperformance was largely due to the Portfolio's overweight position in the lesser performing Consumer Discretionary and Financial sectors and its underweight position in the stronger performing Resources sector.

Better performing stocks in the Portfolio over the month included Telecom NZ (up 7.7%), after a better than expected Q1 profit report; Brambles (up 6.9%), as the market became increasingly comfortable with the operational turnaround and, Telstra (up 5.2%), as the government passed one of the key pieces of legislation required to enable the deal between Telstra and National Broadband Network to go ahead. The finalisation of this deal with its \$11 billion in compensation and other payments is likely to be positive for the stock, as it would provide increased certainty around the cash flow and dividend-paying capacity going forward. Telstra also announced some positive operating trends at its annual AGM and, importantly, confirmed that it intended to pay a 28 cents per share dividend in both FY11 and FY12.

Portfolio holdings which detracted from performance included Premier Investments (down 12.4%), after reporting difficult retail trading conditions; Fairfax (down 5.5%), and, Qantas (down 7.4%), following the much-publicised engine failure on one of its A380 aircraft. The company has acted prudently to ground the fleet and is likely to be fully compensated by Rolls Royce, the engine maker, for economic loss and reputational damage. These sort of sell-offs, on the back of short-term headwinds, provide great opportunities for investors with a longer-term time frame, able to look beyond transient factors. The banks were also weaker on concerns over government intervention to try and increase competition in the sector.

During the month, Perennial Value sold out of NewsCorp Non-voting stock, in order to reduce the Portfolio's overall exposure to the stock and preferring to gain exposure via the voting shares. Perennial Value also sold out of a small position in Ruralco Holdings.

In recent months, Perennial Value Management (PVM) has broadly aligned the Portfolio holdings with those of the PVM model portfolio. To date, this has involved the following actions:

1. Increasing holdings of ANZ, CBA, BHP, Amcor and News Corp Voting stock;
2. Reducing the overweight positions in Brambles and AMP;
3. Selling out of Woolworths, Primary Healthcare, News Corp Non-voting stock; and
4. Beginning the process of exiting some of the more illiquid small holdings which are not held in PVM model portfolio. At 30 November 2010 Perennial Value had completely sold out of holdings in Bunnings Warehouse Property Trust, Dulux Group, Carindale Property Trust, Reef Casino Trust, K&S Corporation, Ruralco Holdings and Guinness Peat Group. The Team had also reduced holdings in Korvest.

### **Investment Outlook:**

Economic conditions remain challenging in many developed markets, however, growth in emerging markets is strong and overall global growth is recovering. The Australian economy in particular is performing well, benefitting from its resource exposure to these emerging economies, falling unemployment, a strong financial system and stable asset prices. As a result of the current uncertainty, the market is currently trading at a very attractive level relative to long term valuations. This offers investors very good opportunities over the medium term.



## Top Equity Holdings – 30 November 2010:

The top ten equity holdings of the Portfolio as at 30 November 2010 were as follows:

Security Name	% of Portfolio
BHP Billiton Limited	9.89
Westpac Banking Corp	7.41
National Aust. Bank	6.25
Telstra Corporation.	5.99
Commonwealth Bank.	5.70
ANZ Banking Grp Ltd	4.99
Insurance Australia	3.40
Lend Lease Group	3.32
Fairfax Media Ltd	3.30
Amcor Limited	2.88

As at 30 November 2010, stock numbers stood at 29 with cash at 15.1%.

### Footnotes

1. The calculation is based on the Company's interpretation of law relating to ASX Listing Rule 4.12.
2. 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 all deferred taxes.
3. 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 unrealised gains on its long term investments. Deferred tax on unrealised gains was a deferred tax liability at the current reporting date.
4. 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.

