

**CENTURY  
AUSTRALIA**  
INVESTMENTS LIMITED



TO: Australian Stock Exchange Limited  
FROM: Century Australia Investments Limited  
DATE: 23 June 2010  
SUBJECT: Investment Manager Update

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The Directors of Century Australia (Century) have received an update from 452 Capital (452) in relation to Peter Morgan's involvement in 452. The following is an update to the market since our original announcement of Peter's leave of absence due to health reasons on 28 July 2009.

452 confirmed that Peter Morgan has not been actively involved in the business of 452 or its investment decision making process since the announcement of his leave of absence on 28 July 2009. Since this announcement, the board of Century has been satisfied with the investment team that has taken full responsibility for the 452 investment process.

However, under the Investment Management Agreement (IMA) between Century and 452, shareholders can, by a special resolution, vote to terminate 452's appointment as investment manager where, prior to 30 June 2010, Peter Morgan ceases to be actively involved in the performance of the obligations of the manager under the IMA in an executive capacity on a full time basis for at least 9 months. This clause has, in the opinion of the board, been triggered and accordingly it is within the authority of shareholders in general meeting to terminate the current management arrangements.

After discussions, the board does not propose to convene a general meeting for shareholders to exercise the right to terminate 452 as investment manager as the board is satisfied with the current performance of 452. In addition, the board does not believe that the requisite majority would be obtained in general meeting for a special resolution to terminate the 452 IMA (being 75% of those attending and voting), and is therefore reluctant to incur the costs involved in convening an extraordinary meeting. If a significant number of shareholders requested the board to convene a meeting (by contacting the company on 02 - 8236 7701), it would do so in order to ensure that shareholders had the opportunity to vote on the matter.

From 1 July 2010 the IMA provides for a right to terminate the investment manager that is tied to portfolio performance, if 452 under-performs the S&P/ASX 300 Accumulation Index for a continuous period of 2 years by more than 5% per annum.

The board is aware of the significant discount between current market price of Century shares and the net tangible asset backing per share (NTA) and has been conducting an on market buy back over recent months. The board will continue to monitor the discount of share price to NTA and seek to maintain the value of Century shares to its members.



Rob Turner  
Chairman



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