

CENTURY AUSTRALIA

INVESTMENTS LIMITED



Wednesday 30 August 2006

Dear Shareholder,

I am writing to you to provide a brief overview of the results of Century Australia Investments Limited (Century Australia) for the full year ended 30 June 2006 which were released today.

The objectives of Century Australia are to deliver **regular income** and **long-term growth** to investors through the focused and disciplined investment strategy and processes of our Investment Manager, 452 Capital Pty Ltd who looks to invest in high quality, undervalued companies.

The Directors believe that the results announced today are consistent with the Company's objectives.

Profit Results and Dividends

Century Australia has delivered a strong underlying result from operations (before tax and realised gains on investment) of \$8.0 million, up 23% on last year's result of \$6.5 million. The result has been underpinned by an increase in dividends and distributions received from companies within the portfolio. Net profit after tax and realised gains on investments was \$13.6 million.

Directors declared a final fully franked dividend of **4.5 cents per share**, up 50% on last year's final dividend. It also represents a fully franked dividend of 7.0 cents per share declared for the financial year, which is up 40% on the 2005 financial year.

The fully franked final dividend reflects the Board's policy of returning gains from operating activities to shareholders and does not include the tax benefit of any realised capital gains (LIC capital gains).

The dividend will be paid on **29th September 2006** shareholders who are on the register on **11th September 2006**.

As you may be aware, Century Australia has a Dividend Reinvestment Plan. Eligible shareholders may apply the proceeds of their dividend at a 5% discount to market price. Details of the plan are available on the website (www.centuryaustralia.com.au). The last date for election



of the receipt of an election notice for participation in the Dividend Reinvestment Plan is **15th September 2006**.

Solid Shareholder Returns

Directors are pleased with the strong shareholder return of 26% (measured by the change in share price and dividends paid) for the twelve month period, which is above the benchmark S&P / ASX 300.

The NTA (before tax on unrealised gains) at 30 June 2006 was \$1.28 up 8% from 30 June 2005. The share price discount at 30 June 2006 was 6.6%, down from a discount of 16.6% at 30 June 2005.

Investment Portfolio Performance

Century's underlying investment portfolio produced an accumulated return of 16.34%, compared to a 24.02% return of the benchmark S&P / ASX Accumulation Index. This relative underperformance is largely the result of an underweight position in a number of cyclical companies (such as BHP) relative to the index and cash levels of up to 15% in the portfolio during the period. Both these positions are consistent with the Investment Manager's style and view that value was hard to find in the sharemarket during the financial year.

The Board is disappointed that the results are below the benchmark. However, based on the dividend results and the long-term investment strategy of the portfolio it continues to support the cautious and disciplined investment approach of the Investment Manager in the current market.

Full details of our results, as released to the Australian Stock Exchange are available on our website www.centuryaustralia.com.au.

I have attached a copy of the Company's calendar for the next twelve months for your information. I look forward to seeing you to the Company's 2006 Annual General Meeting on 17th October in Sydney. A notice of meeting and the Annual Report is due to be sent to you mid-September.

Thank you for your ongoing interest in and support of Century Australia.

Yours sincerely



Robert J Turner
Chairman

Calendar

Year End

- 30 June 2006

Ex-Date

- 5 September 2006

Record Date

- 11 September 2006

Final day for receipt of election to participate in DRP for 2006 final dividend

- 15 September 2006

Annual Report

- mid September 2006

Final Dividend - payment date

- 29 September 2006

Annual General Meeting

- 17 October 2006

Half year end

- 31 December 2006

Half year result announced

- February 2007

Interim Dividend - payment date

- March 2007

Annual General Meeting

AGL Theatre,
Museum of Sydney
Corner Bridge and Phillip Street, Sydney, NSW, 2000
Tuesday 17 October 2006 at 10am

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