

12 January 2007

**CENTURY  
AUSTRALIA**  
INVESTMENTS LIMITED

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

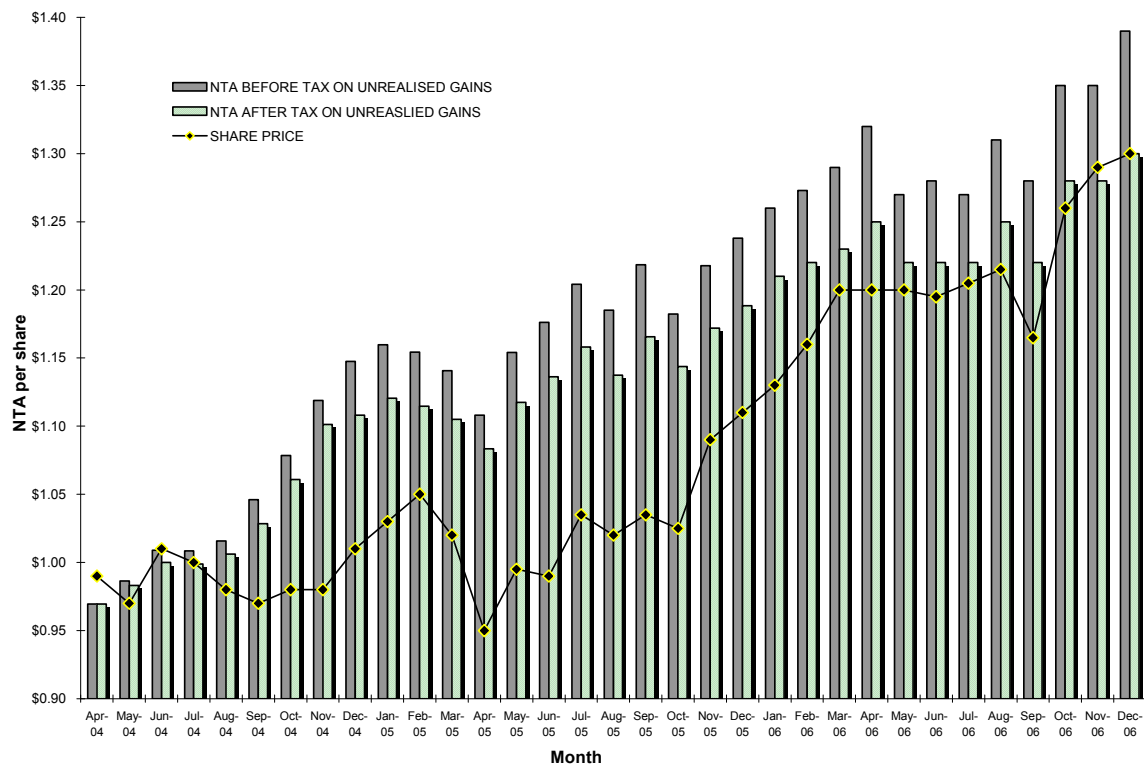
Dear Sir/Madam

**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>
31 December 2006	1.39	1.30

**NTA Performance**



Century Australia's NTA has now risen by more than 42 cents or 43% since the Initial Public Offering in April 2004 and 15 cents or 12% in the past 12 months to 31 December 2006.



## Market Review

The Australian equity market (as measured by the S&P/ASX 300 Accumulation Index) finished the year strongly rising 3.7% in the month of December 2006.

Merger and acquisition activity continued to drive the market during December including the takeover offer for Qantas Airways (up 5.5%) and transactions in the insurance sector with Insurance Australia Group (up 9.9%) acquiring Equity Insurance Group, QBE (up 11.4%) announcing the acquisition of the Praetorian Financial Group and Promina (up 5.7%) strengthening after the ACCC announced that it would not oppose the merger with Suncorp (down 0.5%).

The best performing sector during the month was Telecommunications (up 10.9%) driven by Telstra Installment Receipts (up 15.0%), Telstra (up 9.8%) and Telecom New Zealand (up 8.0%). The other sectors to outperform were Utilities (up 7.7%) and Property Trusts (up 7.2%).

The weakest sectors during December were Information Technology (down 0.7%) and Materials (down 0.2%). Within the Materials sector Diversified Resources underperformed the market, driven by BHP Billiton (down 3.6%) and Rio Tinto (up 0.1%) as a result of falling commodity prices. Building Material stocks were generally stronger with the exception of Rinker (down 3.2%) and Steel stocks rallied during the month as OneSteel (up 6.1%) and Smorgon Steel (up 6.3%) announced a new transaction structure for their proposed merger.

The Consumer Discretionary sector (up 2.4%) was pushed higher by continued activity in the Media stocks as John Fairfax Holdings (down 7.1%) and Rural Press (ordinary shares up 11.3% and preference shares up 9.4%) announced a merger, News Corporation (up 4.0%) rallied on speculation that a deal between News Corporation and Liberty Media would be finalised (subsequently announced on Christmas Eve) and Seven Network (up 7.2%) received approval from shareholders to spin off its media assets into a \$4 billion joint venture deal with a private equity player.

The Consumer Staples sector outperformed (up 6.0%) driven by Woolworths (up 8.6%), Coles Group (up 5.6%) and Lion Nathan (up 3.3%) which rallied after dropping out of the bidding process for Independent Liquor.

## Portfolio Review

Century Australia's underlying investment portfolio returned 3.1% for the month of December 2006, slightly underperforming the benchmark S&P/ASX 300 Accumulation Index by 0.5%. Positive contributors to performance during December included the portfolio's overweight positions in Insurance Australia Group and Fletcher Building. Underweight positions in BHP Billiton and ANZ Banking Group also assisted returns. The portfolio's cash holding, which ranged from 13.8% to 16.2% during the month held back returns as did overweight positions in John Fairfax Holdings and Westpac Banking Corporation.

## Investment Outlook

The Australian equity market continues to be extremely strong with the benchmark S&P/ASX300 Accumulation Index closing at a record high at the end of December. As the Manager has stated previously, the market continues to be driven by excess liquidity rather than fundamentals. On the whole the Manager 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. As such, the Manager continues to believe there are significant risks going forward in terms of the market's performance.



The positions the Manager takes with regards to individual investments in the portfolio continue to be determined by the Manager's process which leads it to assess quality and then value.

The top equity holdings of the Company as at the 31 December 2006 were as follows:

Security Name	% of Portfolio
Westpac Banking Corporation	7.2
BHP Billiton Limited	6.5
National Australia Bank Limited	5.4
Coles Group Limited	4.5
Telstra Corporation Limited	4.3
AMP Limited	4.1
Insurance Australia Group Limited	4.0
Alumina Limited	3.6
Promina Group Limited	3.4
Wesfarmers Limited	3.2

As at the 31 December 2006, the portfolio held 16.2% 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.

