

14 January 2009

**CENTURY  
AUSTRALIA**  
INVESTMENTS LIMITED

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

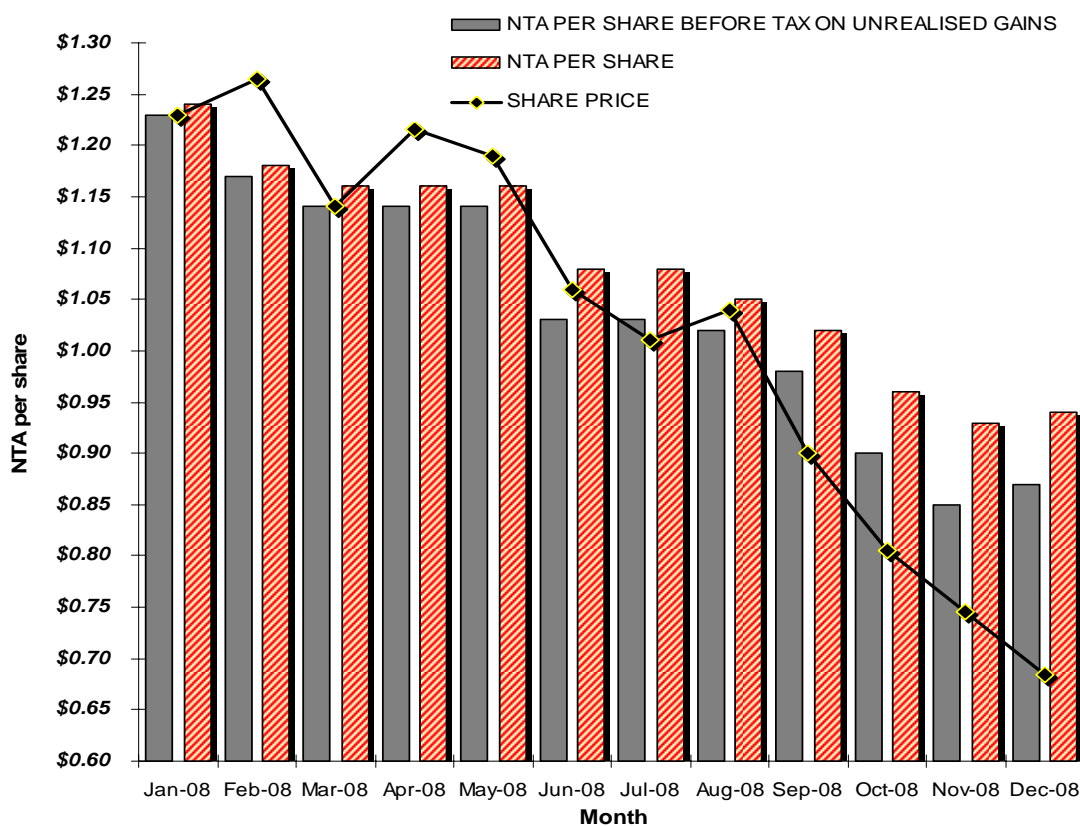
Dear Sir/Madam

**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 2008	0.87	0.94
30 November 2008	0.85	0.93

**NTA Performance**



## **Market Review – December 2008**

The Australian equity market (as measured by the benchmark S&P/ASX 300 Accumulation Index) ended the month of December 2008 down 0.14% to bring the total decline over the 2008 calendar year to -38.9%.

The US S&P 500 Index closed up 0.8% for the month of December ending a three month losing streak, however it closed down 38.5% for the year. Corporate news included the US Government bail-out sought by the three large auto manufacturers who are close to bankruptcy in the face of weaker motor vehicle demand and a rising US dollar. The US Federal Reserve lowered the federal funds rate to a range of 0% to 0.25%.

On the domestic economic front, the Reserve Bank cut interest rates by a further 100 basis points to 4.25%, bringing the total easing for the last 4 months in 2008 to 300 basis points, the most aggressive since the 1990-91 recession.

The continuing volatility over the past quarter provided disparate returns for the sectors. The strongest sectors for the month of December were Information Technology (up 12.8% for the month with Computershare up 18.4%), Consumer Discretionary (up 8.0% for the month) and Industrials (up 6.8% for the month). The worst performing sectors for the month were Property Trusts (down 10.4% for the month) and Telecoms (down 5.4% for the month).

## **Portfolio Review – December 2008**

The portfolio returned +1.41% for the month of December outperforming the benchmark's -0.14% return by +1.55%. Positive contributors to performance during December included the portfolio's overweight positions in Fairfax Media and News Corporation, an underweight position in Commonwealth Bank and not holding Westfield Group. Detractors from performance for the month came from an overweight position in Telecom Corporation of New Zealand as well as not holding Newcrest Mining and QBE Insurance Group.

## **Investment Outlook**

The Australian equity market (as measured by the S&P/ASX300 Accumulation Index) declined by 0.14% in the month ended 31 December 2008 and by 38.9% over the year. The Investment Manager continues to expect a volatile market in the months ahead and remains cautious towards companies with high levels of debt and/or companies with large short to medium term refinancing commitments.

Whilst there has been a significant pullback already experienced in equity markets, combined with stimulus packages being pumped into economies around the world, the Investment Manager, however, recognises that newsflow over the first quarter of calendar 2009 may remain negative with profit warnings, asset writedowns, company collapses, capital raisings and higher unemployment expected to feature.

The Investment Manager remains overweight companies in the media, telecommunications and insurance sectors. It holds no property trusts or infrastructure assets due to their high levels of debt, it is underweight commodity and commodity related companies, it does not own speculative promise companies and the portfolio remains underweight the banks overall.

Importantly, as mentioned in the Annual Report, the Investment Manager notes that due to the large amount of capital gains realised last financial year, coupled with the significant market decline this financial year to date, the Investment Manager does not believe substantial capital gains will be realised in the 2009 financial year and indeed for a number of years.



It should also be noted that with the significant decline of the sharemarket over the last 12 -18 months, a number of current holdings in the portfolio are trading at well below cost.

### Top Equity Holdings – December 2008

The top ten equity holdings of the Century Australia portfolio as at 31 December 2008 were as follows:

Security Name	% of Portfolio
Telstra Corporation Limited	7.2
Westpac Banking Corporation	6.4
BHP Billiton Limited	5.8
National Australia Bank Limited	5.2
AMP Limited	4.8
Washington H Soul Pattinson and Company Limited	4.5
Brambles Limited	4.3
News Corporation Limited	4.1
Fairfax Media Limited	3.8
Telecom Corporation of New Zealand Limited	3.5

As at 31 December 2008, the portfolio held 5.3% in cash.

Peter Roberts  
Company Secretary

#### 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 unrealised gains on its long term investments. Deferred tax on unrealised gains was a deferred tax asset at the current reporting date.

<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.

