

10th March 2005

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



Dear Sir/Madam

MONTHLY NET TANGIBLE ASSETS PER SHARE

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 | NTA per share after estimated tax on unrealised income & gains |
|-------------------|--|---|
| 28 February 2005* | 1.15 | 1.11 |

*** February’s NTA has been reduced by 2.00 cents on account of the payment of a fully franked interim dividend payable on 24th March 2005. The dividend amounted to 2.00 cents/share.**

The calculation is based on the Company’s interpretation of law relating to ASX Listing Rule 4.12.

In a month where the US Federal Reserve raised rates by a further 25 bp’s (its 6th tightening in this cycle) and where commodity prices continued their upward spiral, major sharemarkets around the world made solid upward moves. The Dow Jones appreciated by 3.4%, the Nikkei by 3.1% and the KOSPI (Korean Index) by an amazing 8.4%.

The Australian Sharemarket also reached record highs in February. It was one of the strongest months on record for Australian resource stocks. BHP rose by 18% and RIO by 10%, XSTRATA increased its price and dropped a range of conditions in its bid for WMR and the oil price finished the month at over \$52/bbl.

The S&P ASX300 Accumulation Index has not experienced a negative month since March 2004.

The market news in February was dominated by earnings results which by and large, were very positive. The positive impact on the market was driven by the fact that the very largest companies were reporting positive surprises. However, as the following table indicates, there were also plenty of earnings results that fell short of expectations:

Table 1: Company Earnings Reports – Above or Below Expectation

| POSITIVE SURPRISE | NEGATIVE SURPRISE |
|--------------------------|--------------------------|
| Telstra | Leighton |
| Macquarie Bank | Ancor |
| CSL | Pacific Brands |
| BHP Billiton | Mayne Nickless |
| RIO | QBE |
| Commonwealth Bank | Lend Lease |
| Bluescope Steel | James Hardie |

Official Australian interest rates have ignored both the strength of the domestic economy (evidenced by a number of corporate earnings announcements – particularly Commonwealth Bank and Telstra) and the continued rise in commodity prices. The Australian dollar, reflecting our improving terms of trade, has risen to almost 0.80c versus the US dollar at month end. Perhaps the RBA's rate rise will be the first of many.

There were very few changes effected in the portfolio during the month.

It will come as no surprise to learn that the Manager continues to stand by its view of the market. Optimism, creativity, complacency, liquidity and leverage are abundant in a market that appears to be expensive.

The headline valuation may not seem expensive. However, when you extract the effect of the lower PE banks, you get an industrial price earnings ratio of 19 times 2004 earnings and a forecast 17 times 2005 earnings. This is at levels rarely before seen in this market – at a time when interest rates appear destined to move higher.

These multiples equate to earnings yields of 5.2% and 5.8% respectively and contrast with a risk free 10 year bond return of 5.6%. In other words, the equity risk premium is currently negative. This is not sustainable.

Finally, China continues to have a positive impact on the market's performance. Here again we add a note of caution. A lot of China related growth has been driven by the liquidity pumped American consumer. Thus the country itself is indirectly leveraged to the continued easy liquidity found in the USA.

The Manager believes a tightening of liquidity in the US when it occurs and bites will also have an indirect negative impact on China. It is interesting to note that the Federal Reserve's rhetoric to the market has become decidedly more aggressive in recent communications to the market.

At some stage over the medium term the massive level of capital expenditure in China will slow. Both these factors will have a negative impact on commodity prices and resource companies.

The Australian Sharemarket is in no position to absorb bad news. As one commentator put it recently, “it is priced to perfection.” And when perfection is not delivered share prices are hit hard. Witness in late February the decline in the share price of Pacific Brands from \$3.05 to a low of \$2.60.

The portfolio remain positioned with

1. cash weightings at high end of range
2. reduced participation to industrials and more recently resources
3. maximum exposure to low risk, high dividend paying stocks
4. portfolio risk at the low end of our indicated range

Whilst this may result in the portfolio not participating to the full extent in recent months, when the market reverses, it will do so quickly and this type of positioning will result in a higher probability of capital preservation.

The Top Holdings of the Company as at the 28th February were as follows:

| Security Name | % of Portfolio |
|---|----------------|
| Cash | 14.32 |
| Telstra Corporation Limited | 7.8 |
| Westpac Banking Corporation | 7.06 |
| National Australia Bank Limited | 5.58 |
| Australia and New Zealand Banking Group L | 5.01 |
| BHP Billiton Limited | 4.73 |
| St George Bank Limited | 3.71 |
| Rio Tinto Limited | 3.62 |
| AXA Asia Pacific Holdings Limited | 2.94 |
| Commonwealth Bank of Australia | 2.81 |
| Suncorp-Metway Limited | 2.79 |

By order of the Board
Century Australia Investments Limited

R O'Donnell
(Company Secretary)