

12 August 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") shares as at 31 July 2005 was \$1.20 (30 June 2005: \$1.18). 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.

On 1 July 2005, Century Australia adopted the Australian Equivalents to International Financial Reporting Standards (AIFRS). Effective 1 July 2005, the market value for investments is calculated using the bid price excluding realisation costs (previously the Company used last sale price including realisation costs).

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. After deducting this theoretical tax provision, the above figure would be \$1.16 (30 June 2005: \$1.14)

---

After producing gains of more than 20 percent over the last two financial years the Australian sharemarket, as measured by the S&P/ASX 300 accumulation index, started the new financial year in resilient fashion, producing an accumulated gain of 2.65% for the month of July. The market has now risen almost 80% since its low point in March 2003. For the 12 months to 31 July, the market has produced an accumulated return of just under 30%.

During the month of July resources, building materials and a number of small companies did well, whilst the more mature and cashflow rich companies such as telecommunications and utilities lagged the overall market's performance.

Resource based companies in particular continued to perform well during the month as economic indicators in the USA and Europe surprised on the upside and China announced a slight revaluation of its currency.

As stated in previous monthly NTA commentary, the Manager remains firmly of the belief that over recent months, excess liquidity (cash backed takeovers, buybacks and dividends) has been a large factor contributing to the strong performance of the equity market.



In the Manager's view, valuations are high after taking into account the peak cycle nature of earnings that a significant number of companies are enjoying. The Manager finds it quite perplexing that the valuations of a number of companies in the local market are substantially higher than their overseas peers and also notes that for some dual listed companies, Australian investors are prepared to pay up to 10% more for exactly the same company than their overseas counterparts.

The Manager sees the upcoming reporting season as important, particularly for providing clearer guidance on FY06 earnings. To this end, the Manager believes the risk to earnings forecasts remains on the downside with potential areas of weakness stemming from an inability to pass on increasing costs (hence margin pressure) and soft domestic demand.

Overall the Manager remains cautious and disciplined in the adoption of its investment philosophy and style. The focus on quality and value has an inherently conservative effect on building a portfolio and therefore it is difficult for the Manager to outperform in steeply rising markets.

The Manager continues to hold high cash levels and has major positions in strongly generating cash flow businesses such as Telstra, Telecom NZ, News Corporation, Ten Network, Rural Press and St George Bank.

The Manager continues to be very underweight Energy and holds no Wesfarmers, Woolworths, CSL, Brambles or Rinker due to relative valuation.

The Top Holdings of the Company as at the 31 July 2005 were as follows:

Security Name	% of Portfolio
Westpac Banking Corporation	6.97
Telstra Corporation Limited	6.62
National Australia Bank Limited	5.91
BHP Billiton Limited	5.53
St George Bank Limited	3.70
Rio Tinto Limited	3.33
Ten Network Holdings Limited	2.95
Commonwealth Bank of Australia	2.92
AXA Asia Pacific Holdings Limited	2.87
Telecom Corporation of New Zealand - Australia	2.51

By order of the Board  
Century Australia Investments Limited

R O'Donnell  
(Company Secretary)

