

Chairman's letter

Dear Shareholder

Buyback Booklet

At the Company's Annual General Meeting held on 24 November 2010, shareholders in attendance approved, by a small margin an equal access off-market share buyback of issued shares.

The enclosed booklet outlines the details and timetable for the buyback and the necessary forms to be completed should you wish to participate in the offer.

Shareholders are not required under the buyback to sell any shares and you can remain a shareholder of Century. The buyback will allow those shareholders who wish to exit Century, an opportunity to exit at a price close to the Company's net tangible assets. The buyback price will be the net tangible assets per share of Century after deducting the deferred tax asset, transaction costs associated with the buyback and cash required to pay a special dividend to all shareholders. The buyback price will be determined 10 days after the buyback closing date.

An example of the buyback price based on the NTA at 31 October 2010:

	Cents per Share
Net Tangible Assets ⁽¹⁾	92.58
Less: Deferred Tax Asset	(5.72)
Less: Transaction costs	(0.24)
Estimated Buyback Price (before special dividend)	86.62
Less: Special dividend declared on 30 November 2010	(6.20)
Estimated Buyback Price (after special dividend)	80.42
Share Price as at 31 October 2010 ⁽²⁾	82.00

Notes:

(1) After tax NTA as lodged with the ASX on 12 November 2010 (after adding back selling costs of 0.25% of the market value of investments)

(2) The Share Price as at 31 October 2010 is on cum dividend basis

Directors appointed Perennial Value Management Limited ("PVM") effective 9 September 2010 as the investment manager of the Century portfolio replacing 452 Capital. PVM is a value manager with a similar investment style to that of 452 Capital. PVM has delivered a return (after fees) of 12% per annum over the past decade, 3.9% per annum above the S&P/ASX 300 accumulation index. See attached letter.

Your directors make no recommendation whether you should participate in the buyback as this is an individual shareholder decision. However, myself and two other directors who hold shares in Century are not participating in the buyback and one director is yet to make a decision.

If you decide not to participate in the buyback you are not required to take any action and your shareholding in Century will not change.

Enquiries concerning the buyback should be made to the Company Secretary, Peter Roberts on 02 8236 7701 within Australia or +61 2 8236 7701 from outside Australia between the hours 9.00 am to 5.00 pm (AEDT), Monday to Friday.

Yours Sincerely



Rob Turner
Chairman
Century Australia Investments Limited



Dear Investor,

It is my pleasure to write to you having recently assumed responsibility for the management of the Century Australia Investments Ltd portfolio. My colleagues and I in Perennial Value are delighted to now be involved with Century and look forward to the opportunity to present to you at your forthcoming AGM.

We believe that our moderate value investment style is ideally suited to the needs of Century Australia investors. Our focus on investing in quality companies, with strong balance sheets and attractive valuations has a proven track record of delivering superior investment returns over the long term.

After taking over management of the Century portfolio, we have reviewed the portfolio and moved to more broadly align the portfolio holdings with those of the Perennial Value portfolio. The most significant change to date has been to reduce the very large underweight position in resources. This has already benefited the portfolio given the recent strength of the resources sector. We have also increased holdings of stocks in which we have a high level of conviction such as ANZ and Amcor and sold out of Woolworths, a stock which we do not believe is trading on an attractive long-term valuation. Finally, we have moved to exit several of the smaller, less liquid holdings which we do not hold in the Perennial Value portfolio.

Perennial Value Management (PVM) was formed in March 2000 and currently manages over \$10 billion for a large number of retail investors, superannuation funds and institutions. We are proud to have been entrusted by investors to manage money for over 10 years.

The firm is half owned by the investment management staff. This both provides a strong alignment of interests with those of our investors and has produced one of the most stable investment teams in the industry. Continuity of the management team and consistent adherence to a disciplined investment process has been a key factor in our ability to deliver consistently good returns for investors. Our team of nine investment professionals is amongst the most experienced in the industry with three of the senior team members each having over 20 years investment experience and the average experience of the team being 14 years. Further details of the Perennial Value's investment process and investment team can be found in the enclosed flier.

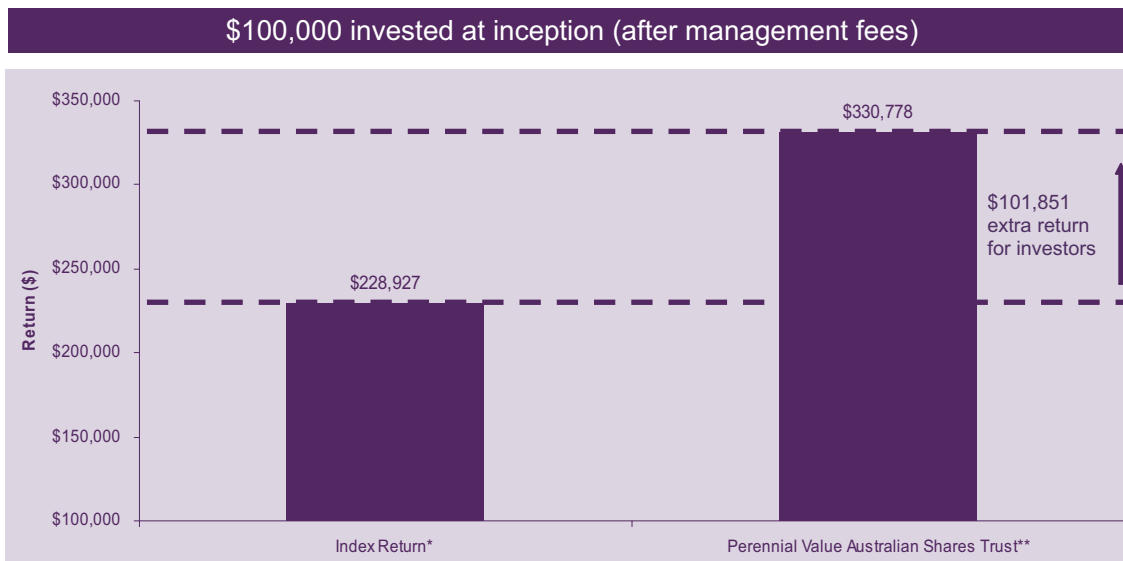
The remaining 50% of Perennial Value is owned by Perennial Investment Partners, a wholly-owned subsidiary of IOOF Ltd, an ASX-listed financial services company with a market capitalisation of over \$1.7bn and a history of over 160 years. Perennial Investment Partners comprises a stable of five separate boutique investment management businesses, with combined funds under management of over \$20bn across a wide range of asset classes. Perennial Value and the other boutiques benefit from the shared resources of Perennial Investment Partners which provides all support services including back office, administration, legal and compliance. This arrangement gives us the best of both worlds, as we are operationally independent, owned and controlled by the investment staff, yet we have the support infrastructure of a larger organisation.

Perennial Value Management is also among the most highly-rated investment managers in Australia, with top ratings from a range of research houses including:

- Lonsec – Highly Recommended
- Morningstar – Highly Recommended
- S&P – 5 Stars
- Van Eyk – A-rated
- Zenith - Recommended

We were also pleased to be awarded the prestigious Morningstar Fund Manager of the Year award for 2009.

As an active value-based stockpicker, Perennial Value has certainly been put to the test on many occasions over the last decade, such as during the virtually unprecedented volatility of the last three years. We would like to think that we have served our investors well. For example, a \$100,000 investment in the Perennial Value Australian Shares Trust at inception would now be valued at \$330,778 after management fees. This is \$101,851 more than the value of a similar investment in ASX300 Accumulation Index which would now be worth \$228,927. Expressed differently, Perennial Value has delivered a return (after-fees) of 12.0% pa over this period, some 3.9% pa above the index return of 8.1% pa.

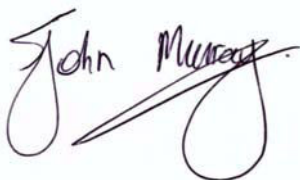


*S&P/ASX 300 Accumulation Index. **\$100,000 invested on 31 March 2000 in the Perennial Value Australian Shares Trust showing the value of the investment at 31 October 2010. Based on the assumption that distributions are reinvested. Source: Perennial Investment Partners Limited.

Of course, that is all in the past now and what matters is what we do going forward. We will continue to invest in a prudent and pragmatic fashion, continually seeking to invest in good businesses which represent good value.

Finally, Perennial Value has a track record of actively engaging with companies on corporate governance issues and you can rest assured that holding company directors and senior management to account will remain as strong a focus as ever.

Yours faithfully



John Murray
Managing Director
Perennial Value Management Limited

Investment Philosophy and Objective

Perennial Value is a specialist active Australian equities manager, with a 'value' stockpicking investment style. Perennial Value believes that investment markets are not fully efficient, as asset prices are sometimes driven by irrational influences. Perennial Value aims to buy good businesses that are undervalued, with a belief that they are eventually recognised by markets and re-rated to reflect their value. Perennial Value aims to outperform the S&P/ASX300 Accumulation Index (the Index) by 3% p.a., over rolling 3 year periods.

At a Glance

Index	S&P/ASX300 Accum. Index
Number of Stocks	20 to 70
Tracking Error (ex ante)	3% to 5%
Investment Horizon	Minimum 3 years
Cash Holding	Maximum 10%
Lonsec Rating	Highly Recommended
van Eyk Rating	A rating
Morningstar Rating	Highly Recommended
Zenith Rating	Recommended
Standard & Poor's	*****

Stock Selection Process

Perennial Value's investment process begins with screening approximately 400 stocks in the Index. Stocks which have a market capitalisation of \$50 million or greater and are eliminated due to factors such as expensive P/E's, high debt and lack of earnings track record. Detailed modelling and research is then conducted on approximately 170 stocks. To qualify for investment, stocks must have sustainable businesses and offer good value at the current share price. Every potential investment opportunity is assessed on key qualitative and quantitative criteria. The following key qualitative criteria are assessed:

- Sound financial position (low debt)
- Good management
- Demonstrable profit track record
- Strong market positions

Relative value is measured by Perennial Value's proprietary stock ranking model, the 'Perennial Value Screen'. Six key financial measures from each stock are considered in by the Value Screen:

1. Price to earnings
2. Price to free cash flow (a more rigorous measure than gross cash flow)
3. Gross dividend yield
4. Price to net tangible assets
5. Net interest cover (to measure financial strength)
6. Earnings growth

For each of the six measures, stocks are assigned a ranking; each measure is evenly weighted. Stocks are then assigned a weighted average final score, which determines final rankings. The outcome of this detailed research process is a list of stocks which are eligible for inclusion in the Perennial Value Australian Shares Trust.

The next phase of Perennial Value's process is portfolio construction. The major driver of portfolio construction is Perennial Value's desire to deliver a 'true to label' value portfolio. This means that the Trust has a strong bias towards the highest ranking, or best value, stocks in the Value Screen.

Investment Team

John Murray founded Perennial Value in 2000 and has been involved in investment management for 25 years, specialising in Australian equities analysis. John has a strong background in value investing. His previous roles include Director of Australian Equities at Westpac Investment Management. John also spent time at Maple Brown Abbott, where he held senior portfolio management and research responsibilities. John joined MBA from Perpetual Investments, where he was Head of Australian Equities for over four years. John is supported by a team of eight investment professionals.



Tony Oesterheld, who has 24 years experience managing Australian shares, working with AMP, GIO and QBE Insurance before joining Perennial Value. **Stephen Bruce**, a Chartered Accountant and a CFA Charterholder. Prior to joining Perennial Value, Stephen was a Treasury Accountant with ABN Amro. **Paul Durham** has 23 years investment experience and prior to joining Perennial worked as a Senior Analyst at Ord Minnett for 12 years. **Grant Oshry** brings to the team analysis and dealing experience from his previous roles at MLC, Deutsche Asset Management and Arthur Anderson. Grant is a Chartered Accountant. **Damian Cottier** is a corporate lawyer, having practiced with law firms Freehills, Baker & McKenzie and Gilbert & Tobin. **Andrew Smith** as a Senior Equity Analyst. Andrew focuses on researching smaller companies. **Terry Couper** is a Chartered Accountant and brings to the team a strong grounding in financial analysis from his previous roles at JP Morgan, General Electric and Deloitte. **Steven Yee** comes to Perennial with six years dealing experience for Australian equities portfolios.

Century Australia Investments Limited
(ACN 107 772 761)

Off-Market Buyback Booklet

This is an important document and requires your urgent attention.

If you are in any doubt as to how to deal with this Booklet, please consult your legal, financial, taxation or other professional adviser immediately.

If you have recently sold all of your Shares, please disregard all enclosed documents.

Important Notices

General

This Booklet is dated 15 December 2010.

Century Australia Investments Limited (**Century**) is offering Eligible Shareholders the opportunity to participate in an off-market buyback of part or all of their issued Shares (**Buyback**). The Buyback was approved by Shareholders at the annual general meeting held on 24 November 2010.

You should read this Booklet in its entirety before making a decision on whether to participate in the Buyback.

If you decide not to participate in the Buyback, you do not need to do anything. If you decide to participate in the Buyback, your Tender must be provided to Share Registry by no later than 7:00 pm (AEST) on the Closing Date (14 January 2011).

Purpose of this Booklet

The purpose of this Booklet is to provide important information regarding the Buyback and is provided to assist Shareholders in making an informed decision about whether to participate.

Eligibility

Shareholders (other than Excluded Foreign Shareholders) who hold Shares on the Record Date (10 December 2010) will be entitled to participate in the Buyback.

Participation in the Buyback is voluntary. Shareholders do not have to participate in the Buyback if they do not want to.

ASIC and ASX

A copy of this Booklet has been lodged with ASX and ASIC. None of ASX, ASIC or any of their officers takes any responsibility for the contents of this Booklet.

Investment decisions

This Booklet does not take into account the investment objectives, financial situation, tax position and requirements of any particular person. This Booklet should not be relied on as the sole basis for any investment decision in relation to Shares. Independent financial and taxation advice should be sought before making any decision to invest in Century or in relation to the Buyback. It is important that you read the entire Explanatory Memorandum before making any investment decision.

Members should carefully consider these factors in light of their particular investment objectives, financial situation, tax position and requirements. If Members are in any doubt on these matters, they should consult their legal, financial, taxation or other professional adviser before deciding whether to participate in the Buyback. Past performance is no indication of future performance.

Forward looking statements

This Booklet includes certain prospective financial information which has been based on current expectations about future events. **The prospective financial information is, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information.** The assumptions on which prospective financial information is based may prove to be correct or may be affected by matters not currently known to, or considered material by, Century.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Century, the officers of Century or any person named in this Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on those statements.

The forward looking statement in this Booklet reflects views held only as at the date of this Booklet.

Defined terms

Capitalised terms in this Booklet are defined either in the Glossary in Section 5 of this Booklet or where the relevant term is first used.

References to **dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Booklet are due to rounding.

Electronic document

This Booklet may be viewed online at www.centuryaustralia.com.au. A paper copy of this Booklet has been provided to all Shareholders and will be provided free of charge to any person who requests a copy by contacting Century.

Important dates and times

Ex Date*	6 December 2010
Record Date*	10 December 2010
Date of this Booklet / despatch to all Shareholders	15 December 2010
Opening Date	15 December 2010
Last date for withdrawal of Acceptances	14 January 2011
Closing Date	7:00 pm (AEDT) 14 January 2011
Calculation date for Buyback Price	31 January 2011
Announcement of Buyback Price	7 February 2011
Entry into Buyback Contracts and payment for Shares bought back and payment of special dividend	9 February 2011

* Applies to both the special dividend and the Buyback

The above dates are subject to change and are indicative only. While Century does not anticipate any changes to these dates, it reserves the right to change them without prior notice to Shareholders. Subject to the Corporations Act and the Listing Rules, any change to these dates and times will be publically announced on ASX as soon as it is reasonably practicable to do so.

Century also reserves the right to terminate the Buyback at any time prior to the date on which Century enters into Buyback Contracts with Shareholders by making an announcement to the ASX to that effect.

How to Participate

It is your choice whether or not to participate in the Buyback.

If you choose NOT to participate in the Buyback, you do not need to take any action, and the number of Shares you hold will not change as a result of the Buyback.

If you DO choose to participate in the Buyback:

- You can choose to Tender some or all of your Shares. This means you are willing to sell your Shares at the Buyback Price;
- You will not have to pay brokerage when dealing directly with Century or appoint a stockbroker to sell your Shares.

To participate in the Buyback, you need to:

STEP 1 Decide how many Shares you wish to sell.

STEP 2 Submit your Tender by completing the enclosed Tender Form. Further details regarding each of these steps are set out in Section 1.13.

Enquiries

If you have any questions in relation to the Buyback or the content of this Booklet, please call the Company Secretary, Peter Roberts on 02 8236 7701 within Australia or +61 2 8236 7701 from outside Australia between the hours 9.00 am to 5.00 pm (AEDT), Monday to Friday.

Definitions and Interpretation

Some words used in this Booklet have defined meanings. Section 5 defines the capitalised words used throughout this Booklet .

Further Advice

This document does not provide financial product advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider obtaining independent advice before making any financial decisions.

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1. Overview of the Buyback and Tender Process

1.1. What is a buyback?

Under a buyback, a company buys back its own shares from its shareholders. Any shares bought back are cancelled, with the result that the number of shares on issue is reduced by the number of shares bought back.

1.2. Why is Century implementing a buyback?

In its IPO prospectus of 2004, Century was presented as a means by which retail investors could receive the benefit of the investment strategy undertaken by Peter Morgan and other members of the management team of 452 Capital Pty Limited (**452**). Century had entered into a 25 year management contract with 452 which highlighted the key role expected to be played by Peter Morgan with 452. For example, Century reserved the right to terminate the management arrangements with 452 if, within the first 5 years, Peter Morgan ceased to be actively involved in an executive capacity with the business of 452.

Peter Morgan has ceased to be actively involved in the business of 452. More recently, members of the senior management team of 452 have indicated that they do not intend to participate in the management of 452 Capital's business after a period yet to be agreed with the 452 Board. The management agreement with 452 has been terminated and Century has entered into a new Management Agreement with Perennial Value Management Limited (**PVM**).

The board of Century recognises that Shareholders may have invested in Century on the basis of the continued involvement of 452 and Peter Morgan in the management of Century's investment portfolio. Given recent changes at 452 and in an effort to address the share price discount to net tangible assets that Shares have been trading at since the onset of the Global Financial Crisis, the board of Century considered it appropriate to provide Shareholders with the opportunity to exit from their investment by electing to have their Shares bought back by Century.

The Buyback was approved by Shareholders at the annual general meeting of Century held on 24 November 2010.

Your Directors make no recommendation regarding whether you should participate in the Buyback as this is an individual Shareholder decision. However, the Chairman and two other Directors are not participating in the buyback and one Director is yet to make a decision (refer Section 2.15).

1.3. Why you may participate in the Buyback

Reasons why Members may decide to participate in the Buyback include the following:

- Shares in Century, like shares of other small listed investment companies, have traded at a discount to NTA since the onset of the Global Financial Crisis.
- Shareholders have the opportunity to sell their Shares at a price equal to NTA after transaction expenses, deferred tax asset and the special dividend. This price could be higher or lower than the market price at the time of calculating the Buyback Price.
- The off-market buyback process will enable Shareholders to sell a large volume of Shares other than through the ASX.
- Eligible Shareholders will not have to pay brokerage or appoint a stockbroker to sell their Shares in the off-market Buyback.
- The Buyback will increase operating costs such as audit and custodian fees (other than management fees) as a proportion of total assets of Century but this will be dependent on the size of the Company after the Buyback. See Section 2.4 for details.

1.4. Why you may decide not to participate in the Buyback

Members may decide not to participate in the Buyback for a number of reasons. These may include the following:

- Following the Buyback, the market price for Shares may be higher than the Buyback Price.
- To the extent that Shareholders participate in the Buyback, they will forgo the benefit of the deferred tax asset retained by Century (to the extent that that deferred tax asset remains available to Century following completion of the Buyback).
- By participating in the Buyback, Shareholders will not have the opportunity to benefit from the management of the portfolio to be undertaken by PVM under the new Management Agreement.
- Shareholders may consider that the benefits of holding Shares exceed alternate investments available to them currently.
- Shareholders may be able to sell their Shares for a higher price on the stock market and, therefore, receive a higher after-tax return depending on the Shareholder's tax position.

1.5. Can I offer to sell Shares in the Buyback?

You may choose to sell Shares in the Buyback if you were an Eligible Shareholder and the registered holder of those Shares on the close of business on the Record Date (Friday, 10 December 2010) (in accordance with the ASTC Settlement Rules). You may tender all or any number of your Shares. However, if you are participating in the Buyback and hold less than 600 Shares on the Record Date, you will be deemed to have offered to tender all of your Shares into the Buyback.

Shares acquired on the ASX on or after the Buyback *Ex-Entitlement* Date (6 December 2010) will not be registered in your name by the Record Date and so will not carry an entitlement to participate in the Buyback.

Excluded Foreign Shareholders are not eligible to participate in the Buyback (other than in the limited circumstances as described in Section 4.6).

1.6. Do I have to participate in the Buyback?

No, participation in the Buyback is optional. If you do not want to sell any of your Shares, you do not need to take any action.

If you do nothing, the number of Shares you hold will not change as a result of the Buyback, although your proportional shareholding in Century will increase.

1.7. How many Shares will Century buy back?

Century intends to buy back as many Shares as are tendered to it by Shareholders under the Buyback. This may exceed 10% of the capital of the Company. If the net tangible assets of Century falls below \$40 million as a result of the Buyback, the Directors will present the remaining Shareholders with the opportunity to approve a special resolution to wind-up Century. See Section 2.11 for details.

1.8. How long will the Buyback be open?

The Buyback will be open from the Opening Date (Wednesday 15 December 2010) to the Closing Date (Friday, 14 January 2011). Shareholders may only lodge Tenders within this period. Century, in its absolute discretion, may withdraw the Buyback or extend this period but does not expect to do so. If the Tender Period is extended, the new Closing Date will be announced with the ASX.

1.9. How will the Buyback be conducted?

Century is conducting this Buyback through an off-market tender process. All Shareholders eligible to participate in the Buyback will be able to submit offers to sell their Shares (**Tenders**) at the Buyback Price. At the end of the Tender Period, Century will accept all valid Tenders. All successful Tenders will receive the Buyback Price for each Share bought back. There will be no scale back applied to the Buyback.

1.10. What Price will Century pay to buy back my Shares?

The Buyback Price will be the net tangible asset backing per Share of Century after deduction of transaction costs associated with the Buyback, the deferred tax asset of Century and cash to be paid on the special dividend (see Section 2.14 for details and the table below). This determination will be made on the date 10 Business Days after the Closing Date.

Example Buyback price calculation as at 31 October 2010	
	Cents per Share
Net Tangible Assets ⁽¹⁾	92.58
Less: Deferred Tax Asset	(5.72)
Less: Transaction costs	(0.24)
Estimated Buyback Price (before special dividend)	86.62
Less: Special dividend declared on 30 November 2010	(6.20)
Estimated Buyback Price (after special dividend)	80.42
Share Price as at 31 October 2010 ⁽²⁾	82.00

Notes:

(1) After tax NTA as lodged with the ASX on 12 November 2010 (after adding back selling costs of 0.25% of the market value of investments)

(2) The Share Price as at 31 October 2010 is on cum dividend basis

Transaction costs (inclusive of estimated investment realisation costs) as at 31 October 2010 are estimated to be in the order of 0.24 cents per Share. If the Directors determine to propose resolutions to approve the winding up of Century, an additional 0.06 cents per Share in estimated winding-up costs will be taken up as a transaction cost and so reduce the Buyback Price. See Section 2.11 for details.

The total net balance of deferred tax assets was \$9,767,000 as at 31 October 2010 representing approximately 5.72 cents per Share. If the Buyback Price had been determined at 31 October 2010 and applying these estimated transaction costs of 0.24 cents per Share and after deducting the special dividend of 6.2 cents per Share, the Buyback Price would have been 80.42 cents per Share. The closing price of Shares on the ASX on 31 October 2010 was 82 cents.

Shareholders that intend to participate in the Buyback are cautioned that this pricing exposes them to fluctuations in the market for investments held by Century between their acceptance of the Buyback and determination of the Buyback Price.

The actual price payable under the Buyback will not be known until after the Closing Date.

1.11. Will I still receive the special dividend if my Shares are bought back?

Yes. All Shareholders with a registered holding on the special dividend record date (10 December 2010) will be entitled to receive the special dividend of 6.20 cents per Share. It is expected to be paid on 9 February 2011.

Under the Buyback, Shares will not be bought back until after the Closing Date (14 January 2011) which is after the special dividend record date. As a result, you will still receive the special dividend on any Shares that are bought back from you under the Buyback, as long as you are the registered holder of those Shares on the special dividend record date (10 December 2010).

1.12. How does the Buyback compare to selling my Shares on the stock market?

Refer to Section 1.10 for the method of calculation of the Buyback Price including the amount that would have been the Buyback Price had it been determined at 31 October 2010. While this illustrates the method of calculation of the Buyback Price, it should not be taken as a representation of the Buyback Price that will in fact be determined following close of the Tender Period.

The last price at which Shares traded on ASX on 2 December 2010 (being the last trading day prior to commencement of printing of this Booklet) was \$0.85. See Section 4.2 for details regarding trading information regarding Shares in the 12 months and 3 months prior to 29 November 2010.

You may be able to sell your Shares for a higher price on the stock market. However, you may have to pay brokerage if you sell your Shares on the stock market. You should not have to pay brokerage if you sell your Shares in the Buyback directly through the tender process.

The market price of Shares on the ASX may be, or may move, higher than the Buyback Price during the Tender Period. It may also vary significantly in the future. The Buyback may have the effect of reducing selling pressure on the Share price. As a result, while liquidity may be reduced, the price at which Shares trade on the ASX may be higher than that prior to implementation of the Buyback. By implementing the Buyback process, Century is not making any recommendation or giving any advice on the value of its Shares, or whether (or how) you should sell your Shares.

Before you decide what to do with your Shares, we strongly recommend you seek your own professional advice (including taxation advice).

1.13. How do I participate in the Buyback?

Step 1 – Decide how many Shares you wish to sell

To participate in the Buyback, you first need to consider how many Shares you wish to sell.

The personalised Tender Form accompanying this Booklet sets out the maximum number of Shares you can tender into the Buyback. The total number of Shares you tender must not be greater than the number in Box A of your Tender Form. If you hold 600 Shares or less, and you wish to tender Shares into the Buyback, you must tender all your Shares.

You should not sell to others the Shares you have offered to sell to Century.

Step 2 – Submission of Tenders

The way you complete Step 2 will depend on the type of holding you have. This will be specified on your Tender Form.

Tenders must be received no later than 7.00 pm (AEDT) on the Closing Date.

(a) Issuer Sponsored Holdings

If you have an Issuer Sponsored Holding and wish to submit a Tender for your Shares to be bought back, you need to complete and sign your personalised Tender Form and return it to the Share Registry at either of the following addresses:

If sending by mail

Registries Limited, GPO Box 3993, Sydney NSW 2001

You can use the enclosed reply-paid envelope if you are posting in Australia. You should allow sufficient time for your Tender Form to be received by the Share Registry.

If delivering in person (during business hours only)

Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000

For an Issuer Sponsored Holding you should submit the Tender entitled Off-Market Buyback Tender Form – Issuer Sponsored Holders.

(b) CHESSE Holdings

If you have a CHESSE Holding, you may contact your controlling participant (usually your broker) in sufficient time for your controlling participant to process your Tender no later than 7.00 pm (AEDT) on the Closing Date. The name of the controlling participant who manages your CHESSE Holding as at the Record Date is printed on your Tender Form.

Alternatively, you may complete and sign your personalised Tender Form and return it to the Share Registry at either of the following addresses:

If sending by mail

Registries Limited, GPO Box 3993, Sydney NSW 2001

You can use the enclosed reply-paid envelope if you are posting in Australia. You should allow sufficient time for your Tender Form to be received by the Share Registry.

If delivering in person (during business hours only)

Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000

For a CHESSE Holders you should submit the Tender entitled Off-Market Buyback Tender Form – CHESSE Holders.

1.14. Can I withdraw or amend my Tender?

Once you have submitted a Tender, you may only withdraw or amend your Tender by following the procedures set out below:

(a) Issuer Sponsored Holdings

If you have an Issuer Sponsored Holding, you can withdraw or amend a Tender you have submitted by completing and submitting a Withdrawal/Amendment Form to the address provided so that it is received by no later than 7.00 pm (AEDT) on the Closing Date. A copy of the Withdrawal/Amendment Form is included at the back of this Booklet.

Any amendment or withdrawal will NOT be effective unless it is received by 7.00 pm (AEDT) on the Closing Date.

(b) CHESSE Holdings

If you have a CHESSE Holding, you will need to contact your controlling participant (usually your broker) in sufficient time for your controlling participant to process your withdrawal or amendment no later than 7.00 pm (AEDT) on the Closing Date.

Alternatively, you can withdraw or amend a Tender you have submitted by completing and submitting a Withdrawal/Amendment Form to the address provided so that it is received by no later than 7.00 pm (AEDT) on the Closing Date. A copy of the Withdrawal/Amendment Form is included at the back of this Booklet or on the Century website at www.centuryaustralia.com.au.

Any amendment or withdrawal will NOT be effective unless it is received by 7.00 pm (AEDT) on the Closing Date.

If you are a CHESS Holder, you will receive written confirmation from CHESS of the withdrawals/amendments made in relation to your holding. Irrespective of its wording, this confirmation is not an acceptance by Century of your withdrawal or amendment of any Tender.

Using a Withdrawal/Amendment Form

Withdrawal of Tenders

You may withdraw your Tender by ticking the "Withdrawal Box" on the Withdrawal/Amendment Form at the back of this Booklet, completing your shareholder details, signing the form and sending it to the Share Registry at the address provided or to your controlling participant so that it is received or processed (as applicable) by no later than 7.00 pm (AEDT) on the Closing Date. You may not withdraw your Tender after this time.

Amendment of Tenders

If you wish to change the terms of your Tender, you must tick the "Amendment Box" on the Withdrawal/Amendment Form at the back of this Booklet, complete your shareholder details, complete the details of your revised Tender on that form in accordance with the instructions shown on it and send it to the Share Registry or to your controlling participant as specified above.

The effect of submitting a Withdrawal/Amendment Form will be to withdraw your previous Tender in favour of your replacement Tender (if any). On the Withdrawal/Amendment Form you will need to complete the details of your revised Tender as if you had not previously submitted a Tender and ensure the form is received by the Share Registry or processed by your controlling participant no later than 7.00 pm (AEDT) on the Closing Date.

1.15. How can I obtain additional tender Withdrawal/ Amendment Forms?

If you require replacement Tender Forms or additional Withdrawal/Amendment Forms, please call Registries Limited on 1300 737 760 within Australia or +61 2 9290 9600 from outside Australia.

1.16. How will I receive payment for Shares bought back?

Century will send you a cheque for your Buyback proceeds, unless you have a valid direct credit authority in place before 7.00 pm (AEDT) on the Closing Date. In either case, you are taken to have accepted the risks associated with the payment.

If you have an existing direct credit authority for the payment of dividends, by submitting your Tender Form you authorise Century to pay your Buyback proceeds into your nominated account.

If you do not currently have a direct credit authority in place for the receipt of dividends, or if you wish to receive your Buyback proceeds by direct credit to a new or different bank account, you must complete and submit a new direct credit authority form which you can obtain by calling Registries Limited on 1300 737 760 within Australia or +61 2 9290 9600 from outside Australia – the Share Registry must receive your direct credit authority form before 7.00 pm (AEDT) on the Closing Date.

Please note that if you choose to complete a new direct credit authority form, your nominated bank account details in that form will be used for the payment of the Buyback proceeds and will be taken to be your nominated bank account for future payments (including dividends) by Century to you.

Cheques and direct credit advices will be mailed to your address as shown on the Century Share Register at 7.00 pm (AEDT) on the Closing Date at your own risk. It is your responsibility to inform the Share Registry of any changes to your contact details. Payments to bank accounts and dispatch of cheques are expected to be completed by 9 February 2011. Payments to the accounts and the dispatch of cheques to the addresses on the Century Share Register will satisfy Century's obligation to pay you for any Shares bought back.

1.17. What if I have more than one holding of Shares?

You will receive a personalised Tender Form for each separate holding of Shares (for example, if you hold some Shares in your name and some Shares jointly with your spouse you will receive two

Tender Forms). You may tender Shares in the Buyback from any or all of your separate holdings provided that you complete the Tender Form and follow the instructions on each Tender Form for each holding you wish to tender.

1.18. What if I hold my Shares jointly with another person?

If you hold your Shares jointly with another person (for example, your spouse) you must complete and return the Tender Form in accordance with instructions for joint holdings on the Tender Form.

1.19. Can I still vote if a general meeting is held during the Tender Period?

Yes. Shareholders who tender their Shares to Century will still be entitled to vote (in accordance with the voting rights attached to their Shares) at any general meeting of Century held during the Tender Period. In any event, it is not intended that any general meeting be held during that period.

1.20. Can I trade my Shares after submitting a Tender?

Once you have tendered Shares in the Buyback, you must not sell or offer to sell those Shares before the Buyback Date unless you withdraw or amend your Tender. In addition, you must not convert the Shares you tender from an Issuer Sponsored Holding to a CHES Holding or vice versa or move them between CHES Holdings - for example, if you change your HIN or your controlling participant (normally your broker).

If you sell Shares after you submit a Tender Form, you must ensure that you hold at least the number of Shares you have tendered at the close of the Tender Period.

If you have submitted a Tender, the number of Shares you have tendered will be removed from your holding and placed in a "sub-position" in the Century Share Register. You will not be able to deal with those Shares until they have been released from the sub-position. For the Shares to be released from that sub-position you must withdraw or amend your Tender in accordance with the procedures set out in Section 1.14. Accordingly, if you wish to sell any of the Shares in respect of which you have submitted a Tender, you must withdraw or amend your Tender in accordance with this Booklet .

Withdrawals or amendments made in accordance with these procedures may not take immediate effect. You should take this into consideration if you wish to sell any of your Shares in respect of which you have submitted a Tender. If you sell any Shares after you submit a Tender such that at the Buyback Date you do not hold at least the number of Shares you successfully tendered, Century may, in its absolute discretion, reject your Tender in its entirety or treat the Tender as if you had tendered the number of Shares held by you at the Closing Date (see Section 4.16 for further detail).

1.21. Can I transfer my rights to participate in the Buyback?

No. Your rights to participate in the Buyback are personal and not transferable.

1.22. Can I participate if I am resident outside Australia?

Yes, you may if you are a Shareholder who is resident in Australia, New Zealand, or any other jurisdiction in which Century determines it is lawful for it to issue the Invitation to Shareholders or are holding for the account of persons in these jurisdictions, but it is anticipated that this Buyback may be less favourable for non-Australian residents. You will need to seek professional advice on the taxation implications of the Buyback in your country of residence. Shares held by Excluded Foreign Shareholders may not be tendered into the Buyback.

2. Effect of the Buyback on Century

2.1. Introduction

The purpose of this Section 2 is to identify significant issues for Eligible Shareholders to consider in relation to the Buyback.

Before deciding whether to participate in the Buyback, Eligible Shareholders should carefully consider the factors discussed below, as well as the other information contained in this Booklet.

2.2. Financial and operating performance

A summary of the financial results for Century for the financial year ended 30 June 2010 was included in the shareholder booklet provided with the notice of annual general meeting for Century dated 22 October 2010.

A complete copy of the audited financial statements for Century for the financial year ended 30 June 2010 was included in the annual report mailed to Shareholders with the notice of annual general meeting.

A copy of the notice of annual general meeting and associated shareholder booklet as well as the annual report is available from Century's website at www.centuryaustralia.com.au.

2.3. Independent Expert's Report

Century retained BDO Securities (NSW-VIC) Pty Limited as an independent expert to report on whether the Buyback was fair and reasonable to Shareholders. The expert concluded that the Buyback is fair and reasonable.

A complete copy of the independent expert's report was set out in full in Appendix 2 to the shareholder booklet distributed with the notice of annual general meeting dated 22 October 2010. A copy of this booklet is available from Century's website at www.centuryaustralia.com.au.

2.4. Impact on Century's financial position

If the deferred tax asset on realised capital losses ceases to be available to Century following implementation of the Buyback, the impact of the Buyback on the financial position of Century, and the net tangible asset backing per Share following the Buyback is illustrated in the pro forma balance sheet set out below:

Statement of Financial Position As At 31 October 2010

	Before Buyback (\$'000) ¹	After provision for special dividend (\$'000) ²	25% take up (\$'000) ³	50% take up (\$'000) ⁴	75% take up (\$'000) ⁵
CURRENT ASSETS					
Cash and cash equivalents	22,889	22,889	22,889	22,889	22,889
Trade and other receivables	543	543	543	543	543
Current tax assets	1,555	1,555	1,555	1,555	1,555
Other current assets	65	65	65	65	65
TOTAL CURRENT ASSETS	25,052	25,052	25,052	25,052	25,052
NON-CURRENT ASSETS					
Available-for-sale financial assets ⁶	123,796	123,796	89,439	55,081	20,724
Deferred tax assets ⁷	10,899	10,899	5	5	5
TOTAL NON-CURRENT ASSETS	134,695	134,695	89,444	55,086	20,729
TOTAL ASSETS	159,747	159,747	114,496	80,138	45,781

	Before Buyback (\$'000) ¹	After provision for special dividend (\$'000) ²	25% take up (\$'000) ³	50% take up (\$'000) ⁴	75% take up (\$'000) ⁵
CURRENT LIABILITIES					
Trade and other payables	416	11,010	11,010	11,010	11,010
TOTAL CURRENT LIABILITIES	416	11,010	11,010	11,010	11,010
NON-CURRENT LIABILITIES					
Deferred tax liabilities	1,132	1,132	1,132	1,132	1,132
TOTAL NON-CURRENT LIABILITIES	1,132	1,132	1,132	1,132	1,132
TOTAL LIABILITIES	1,548	12,142	12,142	12,142	12,142
NET ASSETS	158,199	147,605	102,354	67,996	33,639
EQUITY					
Issued capital	171,647	171,647	137,289	102,931	68,575
Reserves	6,036	6,036	6,036	6,036	6,036
Retained earnings	-19,484	-30,078	-40,971	-40,971	-40,971
TOTAL EQUITY	158,199	147,605	102,354	67,996	33,639
NTA after all taxes	\$0.92	\$0.86	\$0.80	\$0.79	\$0.79
NTA before deferred tax on unrealised income	\$0.93	\$0.87	\$0.81	\$0.81	\$0.81
NTA before all deferred taxes	\$0.87	\$0.81	\$0.81	\$0.81	\$0.81

Notes:

1. The column headed "Before Buyback" represents the unaudited statement of financial position of Century as at 31 October 2010.
2. The column headed "After provision for special dividend" is taken from the unaudited statement of financial position of Century as at 31 October 2010 after declaration but before payment of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details).
3. The column headed "25% take-up" is taken from the unaudited statement of financial position of Century as at 31 October 2010 adjusted to take account of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details) and acceptance of the Buyback in respect of 42,717,943 Shares representing 25% of the issued Shares and assuming transactions costs of 0.24 cents per Share and exclusion of the portion of the deferred tax asset relating to realised capital losses and imputation credits to be utilised in future years (refer note 7).
4. The column headed "50% take-up" is taken from the unaudited statement of financial position of Century as at 31 October 2010 adjusted to take account of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details) and acceptance of the Buyback in respect of 85,435,886 Shares representing 50% of the issued Shares and assuming transactions costs of 0.24 cents per Share and exclusion of the portion of the deferred tax asset relating to realised capital losses and imputation credits to be utilised in future years (refer note 7).
5. The column headed "75% take-up" is taken from the unaudited statement of financial position of Century as at 31 October 2010 adjusted to take account of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details) and acceptance of the Buyback in respect of 128,153,829 Shares representing 75% of the issued Shares and assuming transactions costs of 0.24 cents per Share and exclusion of the portion of the deferred tax asset relating to realised capital losses and imputation credits to be utilised in future years (refer note 7).
6. Assumed that the Buyback was funded by sale of investments and there is no change in the cash levels in the above balance sheets. If part of the portfolio was liquidated, Century would realise gains and losses and this would change the retained earnings. For simplicity, in the above scenarios, it was assumed that no gains or losses were realised on the sale of investments.

7. The balance of deferred tax assets, net of deferred tax liabilities, of \$9,767,000 includes deferred tax asset on realised capital losses of \$10,873,000 and deferred tax asset arising from imputation credits to be utilised in future years of \$21,000. The deferred tax asset on realised capital losses and deferred tax asset arising from imputation credits to be utilised in future years were written off in these scenarios assuming that after the Buyback Century will not recover these.

If Century is able to maintain the deferred tax asset presently recorded on its balance sheet, the impact of the Buyback on the financial position of Century, and the net tangible asset backing per Share following the Buyback is illustrated in the pro forma balance sheet set out below:

Statement of Financial Position As At 31 October 2010

	Before Buyback (\$'000) ¹	After provision for special dividend (\$'000) ²	25% take up (\$'000) ³	50% take up (\$'000) ⁴	75% take up (\$'000) ⁵
CURRENT ASSETS					
Cash and cash equivalents	22,889	22,889	22,889	22,889	22,889
Trade and other receivables	543	543	543	543	543
Current tax assets	1,555	1,555	1,555	1,555	1,555
Other current assets	65	65	65	65	65
TOTAL CURRENT ASSETS	25,052	25,052	25,052	25,052	25,052
NON-CURRENT ASSETS					
Available-for-sale financial assets ⁶	123,796	123,796	89,439	55,081	20,724
Deferred tax assets ⁷	10,899	10,899	10,899	10,899	10,899
TOTAL NON-CURRENT ASSETS	134,695	134,695	100,338	65,980	31,623
TOTAL ASSETS	159,747	159,747	125,390	91,032	56,675
CURRENT LIABILITIES					
Trade and other payables	416	11,010	11,010	11,010	11,010
TOTAL CURRENT LIABILITIES	416	11,010	11,010	11,010	11,010
NON-CURRENT LIABILITIES					
Deferred tax liabilities	1,132	1,132	1,132	1,132	1,132
TOTAL NON-CURRENT LIABILITIES	1,132	1,132	1,132	1,132	1,132
TOTAL LIABILITIES	1,548	12,142	12,142	12,142	12,142
NET ASSETS	158,199	147,605	113,248	78,890	44,533
EQUITY					
Issued capital	171,647	171,647	137,290	102,932	68,575
Reserves	6,036	6,036	6,036	6,036	6,036
Retained earnings	-19,484	-30,078	-30,078	-30,078	-30,078
TOTAL EQUITY	158,199	147,605	113,248	78,890	44,533
NTA after all taxes	\$0.92	\$0.86	\$0.88	\$0.92	\$1.04
NTA before deferred tax on unrealised income	\$0.93	\$0.87	\$0.89	\$0.94	\$1.07
NTA before all deferred taxes	\$0.87	\$0.81	\$0.81	\$0.81	\$0.81

Notes:

1. The column headed "Before Buyback" represents the unaudited statement of financial position of Century as at 31 October 2010.
2. The column headed "After provision for special dividend" is taken from the unaudited statement of financial position of Century as at 31 October 2010 after declaration but before payment of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details).
3. The column headed "25% take-up" is taken from the unaudited statement of financial position of Century as at 31 October 2010 adjusted to take account of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details) and acceptance of the Buyback in respect of 42,717,943 Shares representing 25% of the issued Shares and assuming transactions costs of 0.24 cents per Share .
4. The column headed "50% take-up" is taken from the unaudited statement of financial position of Century as at 31 October 2010 adjusted to take account of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details) and acceptance of the Buyback in respect of 85,435,886 Shares representing 50% of the issued Shares and assuming transactions costs of 0.24 cents per Share.
5. The column headed "75% take-up" is taken from the unaudited statement of financial position of Century as at 31 October 2010 adjusted to take account of a fully franked special dividend of an estimated \$10,594,000 (see Section 2.14 for details) and acceptance of the Buyback in respect of 128,153,829 Shares representing 75% of the issued Shares and assuming transactions costs of 0.24 cents per Share .
6. Assumed that the Buyback was funded by sale of investments and there is no change in the cash levels in the above balance sheets. If part of the portfolio was liquidated, Century would realise gains and losses and this would change the retained earnings. For simplicity, in the above scenarios, it was assumed that no gains or losses were realised on the sale of investments.
7. The balance of deferred tax assets, net of deferred tax liabilities, of \$9,767,000 includes deferred tax asset on realised capital losses of \$10,873,000 and deferred tax asset arising from imputation credits to be utilised in future years of \$21,000. The full balance of deferred tax assets is maintained assuming Century can utilise these after the Buyback.

2.5. Impact on Operating Costs

Under the Management Agreement, PVM is entitled to a management fee equal to 0.55% per annum of the value of the portfolio less cash holdings, calculated on the last Business Day of each quarter. The amount of management fees paid to PVM will therefore reduce in proportion to the reduction of assets of Century following the Buyback.

However, other on-going costs associated with the operation of Century including accounting and audit fees, advisors' fees, costs of preparation of the annual report, holding annual general meetings, other compliance costs and legal costs are largely fixed costs and will not reduce proportionately with the reduction in assets of Century. As a result, the management expense ratio for Century may increase.

If there is a significant take-up of the Buyback by Eligible Shareholders, the Directors will reassess the operating costs (including Board expenses) associated with continued operation of the business of Century and may take steps available to them to limit any increase in the management expense ratio of Century.

If the net tangible assets of Century falls below \$40 million as a result of the Buyback, Directors will provide Shareholders with an opportunity to consider a special resolution to wind up the company. See Section 2.11 for details.

2.6. Funding of the Buyback

As at 31 October 2010, Century held investments in 31 securities quoted on the ASX. Each of these securities are available for sale to the extent required to fund payments under the Buyback. Century also held cash of \$22,271,000 representing approximately 15.2% of the value of the portfolio on that date.

As investment manager, PVM will fund the payment obligations under the Buyback by liquidating investments and drawing on existing cash resources. Under the Management Agreement, PVM must take any action required to ensure that Century has sufficient cash available to meet its payment obligations under the Buyback.

In preparing the pro forma statements of financial position included in Section 2.4, it has been assumed that the Buyback was funded by the sale of investments and that no gains or losses were realised on the sale of those investments. This may not reflect the source of funding for the Buyback. See note 6 to the pro forma statements of financial position in Section 2.4 for details.

2.7. No impact on solvency

Century anticipates that it will remain solvent and will continue to be able to pay its debts as and when they fall due following the Buyback, irrespective of the level of acceptance of the Buyback. The Directors will not proceed with the Buyback unless they are satisfied that the relevant buyback would not materially adversely affect the financial position of Century.

2.8. Impact on Century's capital structure

Century presently has 170,871,772 Shares on issue held by 4,854 Shareholders (based on the register of Members of Century on 29 November 2010). Century has no other securities on issue.

Under the Corporations Act, each Share that is bought back will be cancelled. As a result, the number of Shares on issue, and therefore the capital of Century, will be reduced by the number of Shares that Shareholders offer into the Buyback.

2.9. Impact on control of Century

The impact of the Buyback on Century is dependent on the level of participation in the Buyback and the identity of the parties electing to participate in the Buyback.

Based on the substantial shareholder notices lodged with Century up to 29 November 2010, Questor Financial Services Limited (**Questor**) was the sole substantial shareholder in Century holding voting power of 17.75%.

If Questor does not participate in the Buyback and its voting power in Century does not change other than as a direct result of the Buyback, the voting power of Questor following the Buyback assuming acceptance of the Buyback in respect of 25%, 50% and 75% of Shares would be approximately 23.7%, 35.5% and 71% respectively.

As at 29 November 2010, the next largest registered holder holds Shares representing 6.89% of the issued capital of Century. This holding of Shares, as a proportion of the total issued capital, will only exceed 20% if Shares representing in excess of 65% of the issued Shares are acquired by Century under the Buyback and that Shareholder does not participate in the Buyback.

2.10. Impact on liquidity and trading

Generally, liquidity in trading of Shares is affected by the number of Shares available for trading. As the Buyback will reduce the number of Shares on issue, the Buyback may result in a reduction in liquidity of Shares on the ASX. The extent of that reduction will depend on the number of Shares bought back by Century.

However, as the Buyback provides an exit mechanism for Shareholders independent of the ASX, **the Buyback may have the effect of reducing selling pressure on the Century Share price. As a result, while liquidity may be reduced, the price at which Shares trade on the ASX may be higher than that prior to implementation of the Buyback.**

Moreover, if the Buyback Price is higher than the pre-Buyback Price at which Shares trade on the ASX, there may be an increase in the market price for Shares. The last price at which Shares traded on the ASX on 2 December 2010 (the last day on which Shares traded prior to commencement to printing of this Booklet) was \$0.85 per Share. The price at which the Buyback would have been offered based on the financial position of Century as at 31 October 2010, assuming transaction costs of 0.24 cents per Share (inclusive of estimated investment realisation costs), less the deferred tax asset of 5.72 cents per Share was approximately \$0.8662 per Share (before allowance for special dividend referred to in Section 2.14), a 1.9% premium to the last traded price.

See Section 4.2 for further information regarding trading in Shares on the ASX.

2.11. Members' voluntary winding-up

In the event that participation in the Buyback is sufficiently high as to result in the net tangible assets of Century falling below \$40 million as a result of the Buyback, the Directors will provide Shareholders with an opportunity to approve a resolution to wind up Century. This would require Shareholder approval by special resolution. Any such resolution would be proposed as soon as possible after the outcome of the Buyback is determined and its impact on the continued listing of Century on the ASX. If a winding-up resolution is proposed, anticipated winding-up costs of an additional \$100,000 will be deducted from the amounts used to calculate the Buyback Price.

2.12. Impact on tax position

The Buyback will have no direct impact on Century's tax position as it will only affect equity accounts. However, the expenses incurred by Century in relation to the Buyback (such as legal fees) will not be immediately deductible for income tax purposes, but will be amortised over 5 years in accordance with Section 40-880 of the Tax Act.

A Reduced Input Tax Credit (**MITC**) of 75% can be claimed for the GST-incurred on certain expenses incurred by Century in relation to the Buyback. This will include brokerage, certain unit registry costs and management costs.

There are no stamp duty impacts in relation to the Buyback.

2.13. Impact on franking credits

As the Buyback is to be effected as an off-market buyback, the excess of the purchase price paid for the buyback of Shares over the amount debited to the share capital account is taken to be a dividend paid by Century to participating Shareholders. Such a dividend is paid out of profits derived by Century on the day the Buyback occurs. In this case, Century can decide how much of the deemed dividends are franked - creating a franking debit to the company's franking account.

However, there will be no deemed dividends from the Buyback if the Buyback Price is below the issue price for each Share. If this is the case, no franking debits will arise from the Buyback.

2.14. Special dividend

On 30 November 2010, the Directors announced the intention to pay a special dividend of \$10,594,000 representing 6.20 cents per Share. The record date for this dividend is the Record Date. This ensures that all Shareholders, irrespective of whether they participate in the Buyback, will receive this dividend. This dividend will be fully franked. Following payment of this special dividend the Company will have left franking credits sufficient to pay a dividend of less than 0.5 cents per Share.

Payment of the special dividend will be made at the same time as payment of the Buyback Price to Shareholders participating in the Buyback.

2.15. Intentions of the Directors

As at 29 November 2010, the Directors held the following numbers of Shares:

Directors	Number of Shares
R Turner	153,739
S Menzies	23,515
R Hooper	15,000
R Finley	250,000
Total	442,254

Messrs Turner, Menzies and Hooper have confirmed that they do not propose to participate in the Buyback in respect of any Shares in which they hold a relevant interest. Mr Finley has yet to determine whether to participate in the Buyback.

3. Australian Tax Implications for Shareholders

3.1. Australian tax implications for Shareholders

The following information is intended only as a general summary of the Australian income tax implications for Australian resident and non-resident Shareholders who participate in the Buyback. These comments do not apply to Shareholders who hold Shares on revenue account, who are professional share traders or who have made an election under the taxation of financial arrangements (TOFA) regime that affects the recognition of gains and losses in respect of their Shares. The taxation consequences of the Buyback for these Shareholders may differ considerably from those set out in this summary.

This summary is provided only as a guide and is not intended to be advice and should not be relied upon by Shareholders as such. Accordingly, it is important that Shareholders seek independent taxation advice based on their own specific circumstances on the relevant income tax implications of participating in the Buyback.

This discussion is based on Australian income tax laws as at 24 November 2010. These laws, and their interpretation by the Courts and the ATO, are subject to change at any time, including potentially with retrospective effect.

3.2. Classification of buyback for income tax purposes

The Buyback will constitute an "off-market" buyback for the purposes of the Tax Act. Generally, the amount received by Shareholders under an off-market buyback will be treated as a dividend to the extent that there is a difference between the Buyback Price and the amount debited against the Company's share capital account in respect of the Shares acquired.

The Company will debit the entire Buyback Price against its untainted share capital account and, accordingly, the Company considers there should not be a dividend component to the Buyback Price.

Based on pro forma financial statements at Section 2.4, it is expected the Company will not have any profits which it is able to distribute at the time of the Buyback Announcement. In these circumstances, it appears unlikely that the Commissioner would exercise his discretion under sections 45A or 45B of the Tax Act to treat any component of the capital return as a deemed dividend.

3.3. CGT consequences – Disposal of Shares

A Shareholder who elects to participate in the Buyback will be taken to have disposed of their Shares on the Buyback Date. This is expected to be on 9 February 2011.

(a) Australian Resident Shareholders – Individual, Companies and Complying Superannuation Funds

A Shareholder will make a capital gain to the extent that the sale consideration exceeds the cost base of the Shares disposed of under the Buyback. Conversely, a Shareholder will make a capital loss where the sale consideration is less than the cost base of the Shares disposed of under the Buyback.

Generally, the Shareholders' CGT cost base for the Shares will include the amount the Shareholder paid to acquire a Share, plus any incidental costs of acquisition, for example, stamp duty and brokerage and adjusted for any capital reductions, issues of bonus shares or any incidental costs of disposal.

A Shareholder will be taken to have disposed of each Share for capital proceeds consisting of the Buyback Price. This is on the basis that a higher amount of deemed consideration is not required to be calculated under section 159GZZZQ of the Tax Act and substituted as the consideration proceeds on sale. That is, because the Buyback Price is expected to exceed the amount that would otherwise have been the market value of the Shares at the time of the Buyback Offer (i.e. calculating the estimated market value of the Shares as if the Offer did not occur and was never proposed to occur).

A capital gain may be reduced where a Shareholder has held a Share for more than 12 months:

- in the case of an individual or trust – the capital gain will be reduced by a discount of 50%; and
- in the case of complying superannuation fund - the capital gain will be reduced by a discount of 33.33%.

The CGT discount will not apply if the Shareholder is a company or has held a Share for 12 months or less.

(b) Non-Resident Shareholders

A non-resident Shareholder who holds their Shares on capital account may disregard any capital gain or capital loss arising in respect of the disposal of the Shares where the Shares do not qualify as taxable Australian property. The Shares should not qualify as taxable Australian property and, accordingly, should not be subject to CGT because of one of the following:

- a non-resident Shareholder has not, together with their associates, held 10% or more of the issued Shares (including options to acquire Shares) for a period of 12 months at any time during the previous 24 months; or
- a majority of the assets of the Company (measured by market value and including "indirect Australian real property interest" of the Company) are not interests in Australian real property and therefore any Shares are not indirect interests in Australian real property.

However, a non-resident Shareholder should obtain independent Australian tax advice in respect of the CGT treatment where any Shares have been used at any time in carrying on a business through a permanent establishment in Australia or the Shareholder chose to disregard a capital gain or loss on ceasing to be an Australian resident as a result of an election under section 104-165 of the Tax Act.

4. Additional information regarding Buyback

4.1. Introduction

This Section includes additional information that Century considers is material to the decision on whether to participate in the Buyback.

4.2. Trading in Shares

In the 12 months to 29 November 2010, Shares have traded at a high of \$0.89 (on 8 March 2010) and a low of \$0.74 (on 6 July 2010). The volume weighted average price at which Shares have traded in this period was \$0.79.

In the 3 months to 29 November 2010, Shares have traded at a high of \$0.875 (on 6 September 2010) and a low of \$0.80 (on 22 October 2010). The volume weighted average price at which Shares have traded in this period was \$0.82.

4.3. Century is a disclosing entity

As a company listed on the ASX and a "disclosing entity" under the Corporations Act, Century is subject to regular reporting and disclosure obligations which require it to announce price sensitive information as soon as it becomes aware of that information. Century's most recent announcements are available from its website.

Further announcements concerning Century will continue to be made available on the website after the date of this Booklet.

The ASX maintains files containing publicly available information about entities listed on their exchange. Century's files are available for inspection from the ASX during normal business hours and are available on ASX website.

Century is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Century may be obtained, or inspected at, ASIC offices.

4.4. ASX waivers

As at the date of printing of this Booklet, no waiver from the Listing Rules has been granted by the ASX to Century in relation to the Buyback.

4.5. ASIC Relief

The Buyback does not technically comply with the requirements under the Corporations Act for an equal access buyback. Accordingly, absent of relief from ASIC, it will be treated as a selective buyback for the purposes of the Corporations Act.

Century has received an exemption under Section 257D(4) of the Corporations Act. This exemption permits Century to conduct the Buyback in substantially the same manner as an equal access buyback in accordance with Division 2 of Part 2J of the Corporations Act, except that:

- Century does not comply with paragraph 257B(2)(b) of the Corporations Act but rather invites all Shareholders (other than excluded foreign persons) to offer for sale any number of their Shares in accordance with the terms and conditions of the Buyback invitation;
- Century does not comply with paragraph 257B(2)(c) of the Corporations Act but rather all Shareholders (other than excluded foreign persons) have a reasonable opportunity to offer for sale any number of their Shares in accordance with the terms and conditions of the Buyback invitation; and
- Century does not comply with paragraph 257B(2)(d) of the Corporations Act but rather the buy-back agreements are not entered into until after the Tender Period has closed; and

- Century does not comply with paragraph 257B(2)(e) of the Corporations Act but rather the Buyback invitation is to be made to all Shareholders (other than excluded foreign persons) for those Shareholders to offer any number of their Shares for sale to Century and for Century to buy back that number of their Shares subject to:
 - each Shareholder having the ability to nominate a maximum number of Shares which they wish to offer for sale to Century; and
 - a Buyback invitation need not be made to excluded foreign persons and any offer received from an excluded foreign person need not be accepted by Century; and

provided that Century complies with section 257C of the Corporations Act if the Buyback will or may exceed the 10/12 limit as set out in subsections 257B(4) and 257B(5) of the Corporations Act.

4.6. Excluded Foreign Shareholders

This Invitation is not made to any Excluded Foreign Shareholder and, without limiting the rights that Century otherwise has in relation to Tenders, a Tender submitted by an Excluded Foreign Shareholder will not be accepted by Century unless that Shareholder can demonstrate to the satisfaction of Century that its participation in the Buyback will not breach the laws of any jurisdiction. If the Excluded Foreign Shareholder is able to prove this to the satisfaction of Century, it may make a Tender.

Any person receiving any of the Buyback Documents must not, directly or indirectly, distribute or send them into any jurisdiction, or otherwise make them available to any person in any jurisdictions where to do so would breach the laws of that jurisdiction.

4.7. Shares held by trustees and nominees

Trustees and nominees who hold Shares should inform the beneficial owners of the Shares about the Buyback, subject to any legal restrictions in the countries where such beneficial owners are resident and then aggregate all Tenders received from beneficial owners. It is the responsibility of the trustee or nominee to complete one aggregated Tender Form on behalf of all beneficial owners other than Excluded Foreign Shareholders (if any).

For Issuer Sponsored Holdings, the trustee or nominee must ensure that an aggregated Tender Form is received by the Share Registry by 7.00 pm (AEDT) on the Closing Date. For CHES Holdings, the trustee or nominee will need to aggregate all Tenders received from beneficial owners and provide instructions to its controlling participant in time for the aggregated Tender to be processed by 7.00 pm (AEDT) on the Closing Date.

Any scale back that applies to Shares tendered by trustees and nominees will be performed on a registered shareholder basis.

4.8. Margin lending arrangements

If you hold Shares under margin lending arrangements or if they are held as security for a loan or as Australian Clearing House collateral, you should ensure that your participation in the Buyback is permitted by those margin lending arrangements or that loan and security documentation or by Australian Clearing House.

Note that by submitting a Tender you warrant to Century that when you tender your Shares for sale in the Buyback, and on the Buyback Date, the Shares are free from any mortgage, charge, lien or other encumbrance (whether legal or equitable) and from any third party rights.

4.9. Shareholders with more than one holding of Shares

You will receive a personalised Tender Form for each separate registered holding of Shares. For example, if you hold some Shares in your name and some Shares jointly with your spouse, you will receive two Tender Forms. You may tender Shares into the Buyback from any or all of your separate

registered holdings provided that you complete the Tender Form and follow the instructions for each holding you wish to tender.

4.10. Joint Shareholders

If you hold your Shares jointly with another person (for example, your spouse) and you have an Issuer Sponsored Holding, you must complete and return the Tender Form in accordance with the instructions for joint holdings on the Tender Form.

4.11. Restrictions on the payment of Buyback proceeds

Century will pay Shareholders the Buyback Price for each of their Shares that are bought back, unless it is prohibited from doing so.

4.12. Rights under the Buyback cannot be transferred

This Invitation is personal to you. You cannot transfer your rights under this Invitation.

4.13. The effect of submitting a Tender

A Tender constitutes an offer to sell the tendered Shares to Century on the terms and conditions set out in the Buyback Documents. A Tender does not, of itself, constitute a binding contract for the sale of the tendered Shares and cannot be enforced against Century. Century retains the discretion to accept or reject any Tender, and may choose to reject all Tenders.

If Century accepts your Tender, a binding Buyback Contract is formed between you and Century, and you must sell the tendered Shares to Century on the terms and conditions set out in the Buyback Documents, including the terms and conditions set out below.

By submitting a Tender Form (whether by returning a Tender Form to the Share Registry if you have an Issuer Sponsored Holding, or, if you have a CHESS holding, by instructing your controlling participant), you:

- Agree to the terms and conditions set out in the Buyback Documents;
- Offer to sell to Century on the Buyback Date the number of Shares nominated for sale on your Tender Form;
- Agree that Century posting an announcement on ASX on the Buyback Date in relation to the Buyback Price and other details is effective notice or communication of Century's acceptance of your Tenders that are submitted and which are submitted in accordance with the Buyback Documents at the Buyback Price and which are not rejected by Century;
- Agree that a Buyback Contract is formed for the purchase of the relevant Shares upon the Board accepting your Tender in accordance with the terms and conditions of this Buyback and posting an announcement on its website, and that the purchase of the relevant Shares is taken to occur at that time;
- Waive any requirement to receive further notice or communication from Century of its acceptance or rejection of any Tender submitted by you;
- Warrant to Century that at all times after you tender your Shares for sale into the Buyback, and on the Buyback Date, you are the registered holder of the Shares that you have tendered and that they are free from any mortgage, charge, lien or other encumbrance (whether legal or equitable) and from any third-party rights and otherwise able to be sold freely by you;
- Warrant that you are a person to whom the Invitation may lawfully be made, can receive the proceeds of the sale of your Shares and whose participation in the Buyback is permitted under the laws of the jurisdiction in which you are resident, and that you are not an Excluded Foreign Shareholder;

- Authorise Century (and its officers, agents, contractors or advisers) to correct any error in or omission from your Tender Form and/or Withdrawal/Amendment Form, and to insert any missing details;
- Undertake not to sell or offer to sell Shares to any other person if, as a result, you will at any time after you submit your Tender until the Buyback Date hold fewer Shares than the number of Shares you have tendered;
- Acknowledge that neither Century nor any other party involved in the Buyback has provided you with financial product advice, or any securities recommendation, or has any obligation to provide this advice or recommendation, concerning your decision to participate in the Buyback;
- Authorise Century to make payment:
 - By cheque mailed to your address shown on the Century Share Register at 7.00 pm (AEDT) on the Closing Date, if you do not have a valid direct credit authority in place before that date; or
 - By direct credit to your nominated account if you:
 - Have an existing direct credit authority for the payment of dividends – by submitting your Tender Form, you authorise Century to pay your Buyback proceeds to that nominated account; or
 - Submit to the Share Registry by 7.00 pm (AEDT) on the Closing Date a completed direct credit authority form notifying Century of your new account details. You can obtain a direct credit authority form by calling Registries Limited on 1300 737 760 within Australia or +61 2 9290 9600 from outside Australia. If you complete and submit a direct credit authority form, you acknowledge that your nominated bank account details in that form will be taken to be your nominated bank account for future payments (including dividends) by Century to you,

and, in each case, you will be taken to have accepted the risk associated with the payment;
- Agree that damages is not an adequate remedy for breach of these covenants, undertakings, agreements, representations and warranties;
- Undertake that if you breach any of these covenants, undertakings, agreements, representations or warranties you will indemnify Century for all its costs or losses arising from the breach; and
- Agree that any obligation of Century to buy back Shares tendered to you is conditional on your compliance with the covenants, undertakings, agreements, representations and warranties listed above.

You will be taken to have submitted a Tender when the Share Registry receives your validly signed and completed Tender Form if you have an Issuer Sponsored Holding or, if you have a CHES Holding, your Tender is processed by your controlling participant through CHES.

4.14. Century's right to accept or reject Tenders and Tender Forms

At any time, Century may (at its sole discretion):

- Accept or reject any Tender or Tender Form; and/or
- Accept or reject a Tender not made on the terms and conditions set out in the Buyback Documents, or a Tender Form not submitted in accordance with the procedures set out in the Buyback Documents.

Century may do each of these things in relation to all or some of the Tenders or the Tender Forms it receives, in its absolute discretion.

4.15. Century's right to vary dates and times or to terminate the Buyback

While Century does not anticipate changing any of the dates and times set out in the Buyback Documents (including the Closing Date and the Buyback Date), it reserves the right to vary them. Any change in date or time will take effect from the time it is authorised by the Board and will be publicly announced on the ASX as soon as practicable following the Board's authorisation. Any such change will be taken to amend this Booklet (and the other Buyback Documents) accordingly.

Century may also decide not to proceed with the Buyback. Without limitation, Century reserves the right to terminate the Buyback at any time prior to the date on which Century enters into Buyback Contracts by making an announcement to the ASX to that effect.

4.16. Century's right to adjust Tenders

Century may, in its absolute discretion and at any time, deem any Tender it receives to be a valid Tender, disregard any Tender it believes should be disregarded and may waive any or all of the requirements for making, amending or withdrawing a Tender. It may do each of these things in relation to some, all or any number of Tenders it receives.

If you are an Eligible Shareholder, you are entitled to sell into the Buyback the lesser of:

- The number of Shares registered in your name on the Record Date (Wednesday, 10 December 2010) (and which, in accordance with the applicable Settlement Rules, confer an entitlement to participate in the Buyback); and
- The number of Shares you hold on the Closing Date, (your **Entitled Shares**).

If you submit one Tender of more than your Entitled Shares and Century accepts your Tender, Century will buy back only the number of your Entitled Shares.

If you submit more than one Tender and, in aggregate, you have tendered more than your Entitled Shares, Century will buy back only the number of your Entitled Shares.

4.17. Stamp duty

Stamp duty will not be payable on the cancellation of your Shares following acceptance of your Tender.

4.18. Brokerage

You should not have to pay brokerage if you sell your Shares in the Buyback.

4.19. Unsuccessful Tenders

Shares that have been tendered into the Buyback but are not bought back will be released to Shareholders' holdings as soon as processing of the Buyback has been completed after the Closing Date.

4.20. Privacy

Century is carrying out the Buyback in accordance with the Corporations Act. This involves the personal information contained in Tender Forms being collected to enable Century to determine the quantum of Shares, if any, and the price at which it will buy back Shares under the Buyback. If you do not provide this information, Century and its agents may be hindered in, or prevented from, processing your Tender.

The personal information collected by Century will only be disclosed to Registries Limited in its capacity as share registrar of Century and a print and service provider, to Century' advisers in relation

to the Buyback and to financial institutions in respect of payments to you in connection with the Buyback or as required or authorised by law.

You may access the individual information collected by Century in relation to your shareholding by writing to:

Registries Limited
GPO Box 3993
Sydney NSW 2001

4.21. Applicable law

This Invitation, your Tender, and the Buyback generally, are governed by the laws of the State of New South Wales.

4.22. Independent advice

Members should consult their legal, financial, taxation or other professional adviser if they have any queries regarding:

- the Buyback;
- the taxation implication for them if the Buyback is implemented; or
- any other aspects of this Booklet.

4.23. Other Material Information

Century will issue a supplementary document to this Booklet if it becomes aware of any of the following between the date of despatch of this Booklet and the close of the Offer:

- a material statement in this Booklet is false or misleading in a material respect;
- a material omission from this Booklet;
- a significant change affecting a matter included in this Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Booklet if it had arisen before the date of lodgement of this Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Century may circulate and publish any supplementary document by:

- making an announcement to the ASX; and/or
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia; and/or
- posting the supplementary document to Members at their registered address as shown in the Century Register; and/or
- posting a statement on Century's corporate website, as Century in its absolute discretion considers appropriate.

5. Glossary

5.1. Terms

The following terms used in this Booklet (including the Notice of Meeting included in this Booklet) have the meanings given to them below, unless the context otherwise requires.

452	452 Capital Pty Limited (ACN 101 924 430)
AEDT	Australian Eastern Daylight Time
ASIC	Australian Securities & Investment Commission
Associate	has the meaning given in section 9 of the Corporations Act.
ASTC	ASX Settlement Pty Limited (ABN 49 008 504 532), the securities clearing house of the ASX
ASX	ASX Limited (ACN 008 624 691) or, as the context requires, the financial market conducted by it
ATO	Australian Taxation Office
Australian Clearing House	ASX Clear Pty Limited (ABN 48 001 314 503), which provides clearing and settlement services in relation to products traded on the ASX
Board or Century Board	the board of Directors of Century or any duly constituted committee of the board
Business Day	a day other than a Saturday, Sunday or public holiday on which banks are open for normal banking business in New South Wales
Buyback	the buy-back of Shares by way of a tender process as set out in the Buyback Documents
Buyback Contract	the contract formed on the Buyback Date between you and Century at the time that Century accepts your Tender (if and to the extent that Century accepts your Tender)
Buyback Date	the date and time the Century Board determines the Buyback Price, the total number of Shares to be bought back (and accepts your Tender in accordance with the terms and conditions of this Buyback)
Buyback Documents	this Booklet, the Tender Form and the Withdrawal/Amendment Form
Buyback Ex-Entitlement Date	the date that Shares commence trading on the ASX on an ex-Buyback basis
Buyback Price	the price at which Century will buy back Shares from Tenders it accepts in the Buyback, rounded to the nearest cent
Century	Century Australia Investments Limited (ACN 107 772 761)
CGT	means Capital Gains Tax
CHESS	the Clearing House Electronic Sub-register System
CHESS Holder	a holder of Shares on the CHESS sub-register of Century
CHESS Holding	a holding of Shares on the CHESS sub-register of Century
Closing Date	the scheduled date of Friday, 14 January 2011 unless Century announces a later date

Corporations Act	the Corporations Act 2001 (Cth), as modified by the relief described in Section 4.5
DRP	Dividend Reinvestment Plan
Eligible Shareholder	a Shareholder (other than an Excluded Foreign Shareholder) on the Record Date
Excluded Foreign Shareholder	any person holding Shares: (a) to whom Century would be prohibited from paying money pursuant to relevant laws prohibiting Century from making payments to certain foreign persons; (b) to whom the Invitation may not be lawfully made under the laws of the jurisdiction in which they are resident; or (c) whose participation in the Buyback is not permitted under the laws of the jurisdiction in which they are resident.
HIN	a holder identification number
Invitation	the invitation by Century to Eligible Shareholders to offer to sell Shares to Century as set out in the Buyback Documents
Issuer Sponsored Holding	a holding of Shares on the issuer sponsored sub-register of Century
Listing Rules	the listing rules of the ASX
Management Agreement	the management agreement between Century and PVM effective from 9 September 2010
Member	a registered holder of Shares
NTA	net tangible asset backing of Shares
Opening Date	the scheduled opening date of Wednesday, 15 December 2010 unless Century announces a later date
PVM	Perennial Value Management Limited (ACN 090 879 904)
Registry	Registries Limited (ACN 003 209 836)
Settlement Rules	the settlement rules of the ASTC as amended from time to time
Shareholder	a registered holder of Shares
Shares	ordinary shares in the capital of Century
Tax Act	the Income Tax Assessment Act 1936 or Income Tax Assessment Act 1997
Tender	a Shareholder's offer to sell Shares to Century on the terms and conditions set out in the Buyback Documents as amended in accordance with the procedures set out in the Buyback Documents
Tender Form	the form of offer by a Shareholder to sell Shares to Century under the Buyback, which is enclosed with this Booklet, or represented by instructions from a CHES Holder's controlling participant (and includes a Tender Form amended in accordance with the procedures set out in the Buyback Documents)
Tender Period	the period within which Shareholders may lodge, withdraw or amend a Tender in accordance with the Buyback Documents
Withdrawal/Amendment	the form entitled "Withdrawal/Amendment Form", a copy of which is included at the back of this Booklet, that is required to withdraw

Form	or amend a previously submitted Tender
You or Shareholder	means a holder of Shares

5.2. Interpretation

In the Buyback Documents, unless the context otherwise requires:

- (a) singular includes the plural, and vice versa;
- (b) words importing one gender include other genders;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- (d) terms used in the Buyback Documents and defined in the Corporations Act have the meanings ascribed to them in the Corporations Act;
- (e) a reference to currency is to Australian dollars; and
- (f) a reference to time is to Sydney time.

The postal acceptance rule does not apply to Tenders.