

Century Australia Investments Limited

ABN 11 107 772 761

Appendix 4D Preliminary report for the half-year ended 31 December 2015

Half-year report

This half-year report is for the reporting period from 1 July 2015 to 31 December 2015. The previous corresponding half-year period was 1 July 2014 to 31 December 2014.

			31 December 2015	31 December 2014
			\$'000	\$'000
Revenue from ordinary activities	Up	12.1%	1,750	1,561
Profit before tax attributable to members	Up	27.6%	1,334	1,045
Net profit after tax benefit (from ordinary activities) attributable to members	Down	17.6%	1,367	1,658

Dividends

	Cents per share	Total Amount \$'000	Record Date	Date of Payment	Percentage Franked
2016 interim	1.90	1,555	22/02/2016	07/03/2016	100
2015 final	1.75	1,433	14/09/2015	30/09/2015	100

The dividend reinvestment plan did not apply to the above dividends.

Net tangible assets

	31 December 2015 Cents	31 December 2014 Cents
NTA (per share) after all estimated tax balances	93.1	94.1
NTA (per share) before all deferred taxes	89.7	92.9

Brief explanation of results

Financial Results

Operating profit before tax, and before realised and unrealised gains on investments, was \$1.33m compared to \$1.05m in the previous half-year. Century's operating profit consists largely of dividends, trust distributions and interest income less operating expenses.

The net result after realised gains and unrealised losses was a loss of \$1.03m, compared to a profit of \$2.15m in December 2014 half-year which included unrealised losses of \$2.96m whereas in December 2015 there were unrealised losses of \$3.48m. There was no deferred tax asset write back in the current period (31 December 2014: \$0.55m).

The net tangible assets before tax per share of the Company decreased from \$0.945 at 30 June 2015 to \$0.897 at 31 December 2015 after the payment of a total of 1.75 cents per share in dividends during the period. This decrease largely reflects the market conditions for the last six months (ASX 300 down by 0.35%) and the performance of the Investment Manager in the period.

Portfolio Performance

The performance of Perennial Value Management ("PVM") in the past financial period as detailed below.

Period	CYA	Benchmark	Excess
6 months to 31 December 2015	-1.98%	-0.35%	-1.63%
12 months to 31 December 2015	3.80%	2.80%	1.00%
3 Years to 31 December 2015	11.14%	9.01%	2.13%

In the following report by Perennial Value Management, a full overview of the share market performance in the half-year period ended 31 December 2015 is provided along with commentary on the Century investment performance.

Dividends

The Board is pleased to announce a 1.9 cents per share fully franked dividend payable on 7 March 2016.

Dividend dates

Dividend Ex-Date: 18 February 2016
Dividend Record Date: 22 February 2016
Dividend Payment Date: 7 March 2016

The Board has chosen to distribute the majority of current period profits as the Company has available franking credits that the Board would like to see distributed to shareholders. The dividend reinvestment plan will not be in operation for this dividend.

Tax Losses

As at 31 December 2015, the Company had on and off balance sheet a total of 11.58 cents per share of deferred tax asset. This equates to \$31.60m of available carried forward tax losses (\$9.48 million tax effected). After adjusting for unrealised profits of \$3.89m as at 31 December 2015 (\$1.17m tax effected), tax losses available for offset against future taxable gains is \$27.70m (\$8.31m tax effected).

This translates to no tax being payable on future gains of 33.84 cents per share (10.15 cents per share tax effected).

Capital Management

Pursuant to a non-renounceable 1 for 5 rights issue and shortfall offer to shareholders, under which shareholders could participate as to their entitlements and also participate in any shortfall, there was a shortfall which resulted in new shares of 1,544,972 being issued on 3 July 2015.

There have been no other capital management actions undertaken during the period.

Portfolio performance Commentary (prepared by Perennial Value Management - Investment Manager)

For the six months to December 2015, the S&P/ASX300 Accumulation Index (the Index) delivered a total return of negative 0.4%. The Century Australia Investment Portfolio (the Portfolio) also fell by 2.0%, underperforming the Index by 1.6%.

Stocks which contributed positively, included gaming machine manufacturer Aristocrat Leisure (up 35%), as both its Australian and US operations continued to strengthen, tourism operator Event Hospitality and Entertainment Limited, formerly known as Amalgamated Holdings, (up 34%) after reporting a strong start to FY16 across all divisions and Asciano (up 31%) after receiving a takeover offer.

The portfolio also benefited from not holding stocks such as Spotless Group (down 46%) which fell after issuing a surprise profit warning and Dick Smith (now in receivership). These stocks serve as a reminder of why the Investment Manager always treats initial public offerings with caution - particularly when buying from private equity.

As a result of the current low interest rates and high levels of macro uncertainty, the period was characterised by an ongoing flight to stocks with perceived earnings certainty such as healthcare, REITs and infrastructure. This has become a very crowded trade and valuations of these stocks have become stretched, meaning the risks in these sectors are rising. Our valuation disciplines have meant that the portfolio is underweight these sectors as they do not offer attractive long-term valuations and this has weighed on our relative performance over the period.

Stocks which detracted from performance were primarily our resource holdings, with BHP (down 31%), Rio Tinto (down 14%) and Woodside Petroleum (down 13%) due to lower commodity prices. The portfolio holds a modest exposure to the resources sector, where the Investment Manager sees value emerging in the large-cap, low-cost producers with strong balance sheets.

Looking ahead, the Investment Manager continues to hold a cautiously optimistic view on the domestic outlook, with the ongoing transition towards the non-mining sectors of the Australian economy. The portfolio is positioned to capture the recovering east coast economy through overweight positions in retail, building and infrastructure/construction-related stocks.

The top ten equity holdings of the Company as at 31 December 2015 were as follows:

Security Name	% of Portfolio
Commonwealth Bank	10.0
Westpac Banking Corp	9.3
National Aust. Bank	7.4
ANZ Banking Grp Ltd.	6.7
Telstra Corporation	6.1
BHP Billiton Limited	4.6
Wesfarmers Limited	4.1
Woolworths Limited	3.2
AGL Energy Limited	2.6
Macquarie Group Limited	2.5

Audit

This report is based on accounts which have been reviewed by the Company's Auditors - Grant Thornton.

Matters Subsequent to the End of the Financial Period

On 27 January 2016, the Board received a proposal from Wilson Asset Management (WAM) to restructure the Company. To assist shareholders in their consideration of the proposal, the Board has engaged an independent expert to prepare an opinion. In summary, the proposal has the following elements:

1. equal access buy-back of Century shares at NTA, less transaction costs (which WAM intends to accept in relation to shares held by its related entities);
2. entering into of the new management agreement with WAM;
3. offer of new Century shares to Century shareholders and members of the public; and
4. election of Chris Stott to the Board (as a nominee of WAM).

The Board will soon convene an Extraordinary General Meeting (EGM) to give shareholders opportunity to consider the proposal.

Other than the above and the dividend of 1.9 cents declared on the date of signing of this report, no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Robert Turner

Sydney
15 February 2016

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Company Secretary
Century Australia Investments Limited
Tel: (02) 8262 2800

Century Australia Investments Limited

ABN 11 107 772 761

Interim Report for the half-year ended 31 December 2015

Century Australia Investments Limited ABN 11 107 772 761
Interim Report - for the half-year ended 31 December 2015

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Century Australia Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your Directors present their report together with the financial report of Century Australia Investments Limited ("the Company") for the half-year ended 31 December 2015.

Directors

The following persons held office as Directors of Century Australia Investments Limited during the financial period:

Robert Turner (Chairman)
Stephen Menzies (Non-Executive Director)
Ross Finley (Non-Executive Director)
Geoffrey Wilson (Non-Executive Director)

Review of operations

Operating profit before tax, and before realised and unrealised gains on investments, was \$1.33m compared to \$1.05m in the previous half-year. Century's operating profit consists largely of dividends, trust distributions and interest income less operating expenses.

The net result after realised gains and unrealised losses was a loss of \$1.03m, compared to a profit of \$2.15m in December 2014 half-year which included unrealised losses of \$2.96m whereas in December 2015 there were unrealised losses of \$3.48m. There was no deferred tax asset write back in the current period (31 December 2014: \$0.55m).

The net tangible assets before tax per share of the Company decreased from \$0.945 at 30 June 2015 to \$0.897 at 31 December 2015 after the payment of a total of 1.75 cents per share in dividends during the period. This decrease largely reflects the market conditions for the last six months (ASX 300 down by 0.35%) and the performance of the Investment Manager in the period.

Matters subsequent to the end of the financial period

On 27 January 2016, the Board received a proposal from Wilson Asset Management (WAM) to restructure the Company. To assist shareholders in their consideration of the proposal, the Board has engaged an independent expert to prepare an opinion. In summary, the proposal has the following elements:

1. equal access buy-back of Century shares at NTA, less transaction costs (which WAM intends to accept in relation to shares held by its related entities);
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The Board will soon convene an Extraordinary General Meeting (EGM) to give shareholders opportunity to consider the proposal.

Other than the above and the dividend of 1.9 cents declared on the date of signing of this report, no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



Robert Turner
Chairman

Sydney
15 February 2016

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**Auditor's Independence Declaration
To The Directors of Century Australia Investments Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Century Australia Investments Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Grant Layland
Director - Audit & Assurance

Sydney, 15 February 2016

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Century Australia Investments Limited
Statement of Comprehensive Income
For the half-year ended 31 December 2015

		Half-year ended	
		31 December 2015	31 December 2014
	Notes	\$'000	\$'000
Investment income from ordinary activities	4	<u>1,750</u>	1,561
Expenses			
Management fees		(152)	(147)
Accounting fees		(44)	(55)
Share registry fees		(12)	(8)
Custody fees		(41)	(37)
Tax fees		(9)	(11)
Directors' fees		(60)	(60)
Legal fees		-	(10)
ASX fees		(23)	(24)
Audit fees		(27)	(49)
Other expenses		(30)	(39)
Unrealised gains/(losses) on futures and options		88	(6)
Realised gains/(losses) on futures and options		<u>(106)</u>	<u>(70)</u>
		<u>(416)</u>	<u>(516)</u>
Profit before income tax		1,334	1,045
Income tax benefit	5	<u>33</u>	613
Profit for the period		<u>1,367</u>	<u>1,658</u>
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss</i>			
Net unrealised losses on investments taken to equity		(3,480)	(2,956)
Income tax relating to unrealised losses on investments taken to equity		1,044	879
Net realised gains on investments taken to equity		61	3,673
Income tax relating to realised (gains) on investments taken to equity		(20)	(1,101)
Other comprehensive income/(loss) for the period, net of tax		<u>(2,395)</u>	<u>495</u>
Total comprehensive income/(loss) for the period		<u>(1,028)</u>	<u>2,153</u>
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	8	1.67	2.13
Diluted earnings per share	8	1.67	2.13

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Century Australia Investments Limited
Statement of Financial Position
As at 31 December 2015

	At	
	31 December	30 June
	2015	2015
	Notes	\$'000
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	2,512	12,009
Trade and other receivables	207	589
Financial assets at fair value through profit or loss	19	32
Other current assets	26	20
Total current assets	2,764	12,650
Non-current assets		
Financial assets at fair value through other comprehensive income	71,454	71,667
Deferred tax assets	3,954	4,097
Total non-current assets	75,408	75,764
Total assets	78,172	88,414
LIABILITIES		
Current liabilities		
Trade and other payables	564	8,409
Total current liabilities	564	8,409
Non-current liabilities		
Deferred tax liabilities	1,182	2,418
Total non-current liabilities	1,182	2,418
Total liabilities	1,746	10,827
Net assets	76,426	77,587
EQUITY		
Issued capital	6	74,420
Reserves	5,554	7,949
Accumulated losses	(3,548)	(3,482)
Total equity	76,426	77,587

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Century Australia Investments Limited
Statement of Changes in Equity
For the half-year ended 31 December 2015

	Notes	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 July 2014		73,457	5,916	(6,674)	72,699
Profit for the period		-	-	1,658	1,658
Other comprehensive income for the period					
Net unrealised losses on investments taken to equity		-	(2,956)	-	(2,956)
Income tax on net unrealised losses on investments taken to equity		-	879	-	879
Net realised gains on investments taken to equity		-	3,673	-	3,673
Income tax on net realised gains on investments taken to equity		-	(1,101)	-	(1,101)
Total other comprehensive income for the period, net of tax		-	495	-	495
Total comprehensive income for the period		-	495	1,658	2,153
Transactions with owners in their capacity as owners					
Share buy-back on market	6	(10,513)	-	-	(10,513)
Balance at 31 December 2014		62,944	6,411	(5,016)	64,339
Balance at 1 July 2015		73,120	7,949	(3,482)	77,587
Profit for the period		-	-	1,367	1,367
Other comprehensive income for the period					
Net unrealised losses on investments taken to equity		-	(3,480)	-	(3,480)
Income tax on net unrealised losses on investments taken to equity		-	1,044	-	1,044
Net realised gains on investments taken to equity		-	61	-	61
Income tax on net realised gains on investments taken to equity		-	(20)	-	(20)
Total other comprehensive income for the period		-	(2,395)	-	(2,395)
Total comprehensive income for the period		-	(2,395)	1,367	(1,028)
Transactions with owners in their capacity as owners					
Shares issued on rights offer shortfall	6	1,307	-	-	1,307
Cost of issued capital	6	(7)	-	-	(7)
Dividends provided for or paid	7	-	-	(1,433)	(1,433)
		1,300	-	(1,433)	(133)
Balance at 31 December 2015		74,420	5,554	(3,548)	76,426

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Century Australia Investments Limited
Statement of Cash Flows
For the half-year ended 31 December 2015

	Half-year ended	
	31 December 2015 \$'000	31 December 2014 \$'000
Notes		
Cash flows from operating activities		
Dividends and trust distributions received	2,229	2,151
Interest received	12	16
Other income	-	2
Investment expenses paid	(608)	(339)
Net cash inflow from operating activities	1,633	1,830
Cash flows from investing activities		
Proceeds from sale of financial assets at fair value through other comprehensive income	16,647	21,278
Payments for financial assets at fair value through other comprehensive income	(27,645)	(10,115)
Payments for financial instruments held at fair value through P&L	(6)	-
Net cash inflow/(outflow) from investing activities	(11,004)	11,163
Cash flows from financing activities		
Proceeds from rights offer shortfall	1,307	-
Payments for shares bought back	-	(10,513)
Dividends paid to the Company's shareholders	(1,433)	(1,594)
Net cash outflow from financing activities	(126)	(12,107)
Net increase/(decrease) in cash and cash equivalents	(9,497)	886
Cash and cash equivalents at the beginning of the period	12,009	1,114
Cash and cash equivalents at end of period	2,512	2,000

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The interim financial statements are for the entity Century Australia Investments Limited.

(a) Basis of preparation of half-year report

These interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Century Australia Investments Limited is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Century Australia Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared on an accruals basis, and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(i) New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(ii) Impact of standards issued but not yet applied by the entity

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption. The Directors do not expect this to have a significant impact on the recognition and measurement of the Company's financial instruments. There will also be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Company has not yet assessed how the impairment provisions would be affected by the new rules.

AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018) will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The Company's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the Directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements. The Company has not yet decided when to adopt AASB 15.

There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions

1 Summary of significant accounting policies (continued)

(b) Investments and other financial assets

Classification

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

As at 31 December 2015 the Company held derivative instruments in the form of futures. Derivatives are classified as at fair value through profit or loss - held-for-trading. Derivatives in a net receivable position (positive fair value) are reported as financial assets at fair value through profit or loss. All derivatives in a net payable position (negative fair value) are reported as financial liabilities at fair value through profit or loss.

(ii) Financial assets at fair value through other comprehensive income

The Company has designated long-term investments as "fair value through other comprehensive income". All gains and losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Transaction costs of financial assets carried at fair value through other comprehensive income are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

When an instrument held at fair value through profit or loss is disposed, the cumulative gain or loss, net of tax thereon, is recognised as realised gains and losses from the sale of financial instruments in the Statement of Comprehensive Income.

Subsequent changes in fair value of financial assets carried at fair value through other comprehensive income are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred tax as these investments are long-term holding of equity investments.

When an instrument held at fair value through other comprehensive income is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio revaluation reserve to the realised gains/losses reserve.

1 Summary of significant accounting policies (continued)

(b) Investments and other financial assets (continued)

Determination of Fair Value

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Under AASB 13, if an investment has a bid price and an ask price, the price within the bid-ask spread that is more representative of fair value in the circumstances shall be used to measure fair value. Accordingly, the Company uses the last bid price as a basis of measuring fair value.

2 Fair value measurements

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015 on a recurring basis.

At 31 December 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Derivatives	19	-	-	19
Australian listed equity securities	71,454	-	-	71,454
Total financial assets	71,473	-	-	71,473
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2015				
Financial assets				
Derivatives	32	-	-	32
Australian listed equity securities	71,667	-	-	71,667
Total financial assets	71,699	-	-	71,699

2 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

There were no transfers between levels for recurring fair value measurements during the period.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

3 Segment information

The Company has only one reportable segment. The Company operates predominantly in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its investment portfolio.

4 Revenue

	Half-year ended	
	31 December 2015 \$'000	31 December 2014 \$'000
Dividends	1,679	1,389
Interest	10	16
Trust distributions	61	154
Other income	-	2
	1,750	1,561

5 Income tax benefit

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2015 is 2%.

For the period ended 31 December 2014, a portion of the previously written off deferred tax asset (DTA) was written back in order to offset the deferred tax liability that would otherwise be recorded, which resulted in a comparable tax rate of 59% for the previous six-month period. There was no DTA write back in the current period, hence income tax benefit decreased.

6 Issued capital

(i) Share capital

	At 31 December 2015 Shares	30 June 2015 Shares	At 31 December 2015 \$'000	30 June 2015 \$'000
Ordinary shares	81,865,704	80,320,732	74,420	73,120

(b) Movements in ordinary share capital

Date	Details	Notes	Number of shares	\$'000
1/07/2014	Opening balance		79,689,496	73,457
	Share buyback - on market	6(e)	(11,468,076)	(10,573)
18/06/2015	Rights entitlement offer	6(d)	12,099,312	10,236
30/06/2015	Closing balance		<u>80,320,732</u>	<u>73,120</u>
1/07/2015	Opening balance		80,320,732	73,120
3/07/2015	Rights entitlement shortfall offer	6(d)	1,544,972	1,300
31/12/2015	Closing balance		<u>81,865,704</u>	<u>74,420</u>

(c) Dividend reinvestment plan

The Board has determined that the DRP will not apply to any dividends declared subsequent to period end.

(d) Non-renounceable Entitlement Offer

On 12 May 2015, the Company announced a non-renounceable 1 for 5 rights issue and shortfall offer to shareholders, under which shareholders could participate as to their entitlements and also participate in any shortfall (Entitlement Offer). After the Entitlement Offer closed on 11 June 2015, there was a shortfall of shares taken up which were offered pro rata to Eligible Shareholders under the Entitlement Offer who are sophisticated or professional investors. This shortfall offer resulted in new shares of 1,544,972 being issued on 3 July 2015.

(e) Share buyback

At the 2014 Annual General Meeting, an on market buyback of up to 20% of shares on issue was approved by shareholders. A total of 11,468,076 shares were purchased at an average price of 91.53 cents in the period up to 9 December 2014. The Company has not purchased any shares for the period ended 31 December 2015 but had the ability to buyback a further 4,469,823 shares prior to the expiry of the buyback on 9 November 2015.

7 Dividends

(a) Dividends paid or payable during the reporting period

	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
Ordinary shares - 2015 final	1.75 cps	1,433	30/09/2015	100

7 Dividends (continued)

(b) Dividends not recognised at the end of the reporting period

	Half-year ended	Half-year ended
	31 December	31 December
	2015	2014
	\$'000	\$'000

In addition to the above dividends, since period end the Directors have recommended the payment of an interim dividend of 1.9 cents per fully paid ordinary share (2014 - 1.5 cents), fully franked based on tax paid at 30%.

	1,555	1,023
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8 Earnings per share

(a) Basic and diluted earnings per share

	Half-year ended	Half-year ended
	31 December	31 December
	2015	2014
	Cents	Cents

From continuing operations attributable to the ordinary equity holders of the Company

	1.67	2.13
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Total basic and diluted earnings per share attributable to the ordinary equity holders of the Company

	1.67	2.13
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Diluted earnings per share is the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

(b) Profit used in calculating earnings per share

	Half-year ended	Half-year ended
	31 December	31 December
	2015	2014
	\$'000	\$'000

Profit for the period

	1,367	1,658
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(c) Weighted average number of shares used as denominator

	Half-year ended	Half-year ended
	2015	2014
	Number	Number

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share

	81,848,911	77,826,224
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9 Contingencies

The Investment Management Agreement was entered into by the Company with Perennial Value Management on 9 September 2010.

The Investment Management Agreement with Perennial Value Management may be terminated by either party giving to the other no less than 90 days written notice of its intention to do so.

The Company had no other contingent liabilities at 31 December 2015 (31 December 2014: nil).

10 Events occurring after the reporting period

On 27 January 2016, the Board received a proposal from Wilson Asset Management (WAM) to restructure the Company. To assist shareholders in their consideration of the proposal, the Board has engaged an independent expert to prepare an opinion. In summary, the proposal has the following elements:

1. equal access buy-back of Century shares at NTA, less transaction costs (which WAM intends to accept in relation to shares held by its related entities);
2. entering into of the new management agreement with WAM;
3. offer of new Century shares to Century shareholders and members of the public; and
4. election of Chris Stott to the Board (as a nominee of WAM).

The Board will soon convene an Extraordinary General Meeting (EGM) to give shareholders opportunity to consider the proposal.

Other than the above and the dividend of 1.9 cents declared on the date of signing of this report, no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Century Australia Investments Limited
Directors' Declaration
For the half-year ended 31 December 2015

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 4 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Robert Turner
Chairman

Sydney
15 February 2016

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Independent Auditor's Review Report To the Members of Century Australia Investments Limited

We have reviewed the accompanying half-year financial report of Century Australia Investments Limited ("Entity"), which comprises the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of Century Australia Investments Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Century Australia Investments Limited financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Century Australia Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Century Australia Investments Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Grant Layland
Director - Audit & Assurance

Sydney, 15 February 2016