12 March 2010

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

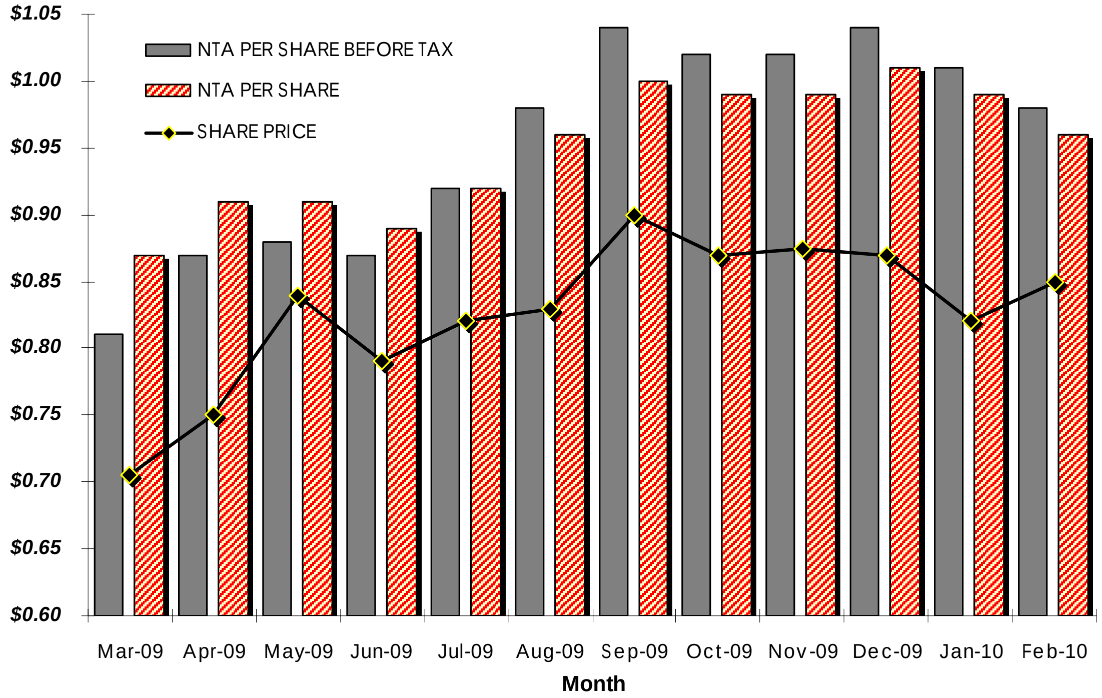
Dear Sir/Madam

## MONTHLY NET TANGIBLE ASSETS PER SHARE[1]

The unaudited Net Tangible Asset Backing for Century Australia Investments Limited ("Century Australia") is as follows:

| Month | NTA per share before estimated tax on unrealised income & gains[2] | NTA per share after estimated tax on unrealised income & gains[3] |
|---|---|---|
| **28 February 2010** | | |
| NTA Before Dividend | 1.01 | 0.99 |
| Less Dividend payable 26 March 2010 | (0.035) | (0.035) |
| **NTA After Dividend** | **0.98** | **0.96** |
| **31 January 2010** | **1.01** | **0.99** |

### NTA Performance



**Market Review**

The Australian equity market (as measured by the S&P/ASX 300 Accumulation Index) ended the month of February 2010 up 2.1%. The market is now down 4.3% calendar year to date, however still up 53% since its lows in March 2009.

The US market ended the month higher with the S&P 500 up 2.9%. The factors that continue to influence global markets include sovereign risk particularly in parts of Europe, continued tightening of lending in China and the surprise increase in the discount rate by the US Federal Reserve. US economic data again provided only a mixed lead to markets as retail sales and housing starts were ahead of expectations whilst employment, home sales and consumer confidence were below forecast. Despite raising the discount rate Fed Chairman Bernanke decided to keep the “funds rate” on hold whilst domestically the RBA surprised many economists in February by also keeping rates on hold at 3.75%.

The February company reporting season did not provide the significant positive catalyst to the market that many were expecting, with outlook comments typically vague and results achieved through cost management as opposed to top-line growth. Domestically, economic data was also mixed as consumer confidence moderated but this was outshone by a positive surprise in the unemployment rate which now sits at 5.3%. The recent volatility in the currency continued with the AUD eventually finishing up 1% for the month at USD 0.89 after trading as low as USD 0.86; whilst the oil price was stronger, up 9% to USD 79.70.

There was a large disparity of performance amongst different sectors in February with the major outperformers being Consumer Staples (up 7.3%), Healthcare (up 3.9%) and Utilities (up 2.9%). The weakest sectors were Telecommunications (down 6.3%), Industrials (down 0.2%) and Energy shares (up 0.4%).

**Portfolio Review – February 2010**

The portfolio returned 0.74% for the month of February versus the benchmark’s return of 2.05%. Positive contributors to performance during February included the portfolio’s overweight positions in Brambles, News Corporation and Ten Network as well as not holding QBE Insurance or Macquarie Bank. Detractors from performance for the month came from overweight positions in Primary Health Care, Telstra Corporation, Fairfax Media and Washington H. Soul Pattinson as well as not holding Wesfarmers.

**Investment Outlook**

The Australian equity market (as measured by the S&P/ASX300 Accumulation Index) rose by 2.1% over the month of February 2010, which saw the market up 20.4% financial year to date and up 53.3% from March 2009 lows.

The Investment Manager, 452 Capital, remains cautious on the outlook for equity markets and its reasons include the following:

- Company results during the February reporting season were generally in line with expectations however not sufficiently reassuring to overcome concerns about global growth and sovereign risk. Generally outlook statements were subdued or appeared conservative reflecting management’s cautious approach to mixed signals regarding the strength of the domestic economic recovery and potential for a global recovery. The cycling of stimulus in the second half of 2010 was further reason for companies who had benefitted to be guarded in their outlook;
- In the Investment Manager’s view, stocks had been priced with an expectation of upside earnings surprise to a greater degree than achieved as evidenced by the strong negative price action when a company missed forecasts relative to the modest upside when they exceeded expectations;

- By and large earnings improvements were led by cost control delivering increased margins as opposed to revenue growth which would signify a real improvement in demand. Revenue growth was further impacted by strong currency headwinds. However, despite revenue being down on the prior period, on aggregate revenue improved half on half albeit with significant variance between companies and sectors. Cost reduction and a focus on working capital also led to an improvement in cash flow in turn flowing through to repayment of debt and stronger balance sheets. Strong cash flows were somewhat artificially inflated through an unsustainable reduction in capital expenditure which we would expect to reverse in the medium term. In turn net interest costs were also lower due to a function of the large capital raisings undertaken in 2009 reducing the level of debt;
- It is important to recognise that the overall growth in NPAT has been substantially diluted due to the increased number of shares on issue from the record number of capital raisings in 2009. Furthermore the market is factoring in more than 20% EPS growth for FY11 which the Investment Manager thinks is too optimistic as the forecasts on the whole assume a significant sustained rebound in demand and improved economic conditions;
- Key factors that the Investment Manager believes continue to impede a recovery include the extent and speed of a potential slowdown in China, the RBA's aggressive rate hike strategy and the poor momentum to date in the global recovery in particular the US and Europe.

452 Capital continues to hold a conservative portfolio in that its companies are not highly geared, have strong cash flows and are relatively attractively valued on a through the cycle basis. The portfolio holds overweight positions in Media, Telecommunications and Gaming, whilst holding significant underweight positions in Banks and Resource companies, on valuation grounds.

Century Australia is a listed investment company and will always have a material exposure to the Australian sharemarket. If the Australian sharemarket falls markedly, it is likely that the value of the portfolio will fall as well. Additionally it should be noted that the ability of Century Australia to pay dividends in 2010 may be impacted by the level of unrealised capital losses currently in the portfolio and the possibility that some companies in the portfolio may reduce the dividends they pay, thereby reducing the dividends available to be distributed to shareholders.

**Top Equity Holdings – February 2010**

The top ten equity holdings of the Century Australia portfolio as at 28 February 2010 were as follows:

| Security Name | % of Portfolio |
|---|---|
| Telstra Corporation | 7.3 |
| Westpac Banking Corporation | 7.2 |
| National Australia Bank | 6.4 |
| Woolworths | 5.2 |
| Brambles | 4.8 |
| AMP | 4.3 |
| Insurance Australia Group | 3.9 |
| Fairfax Media | 3.9 |
| Amcor | 3.5 |
| Fosters Group | 3.4 |

As at 28 February 2010 the portfolio held 7.8% in cash.

**Footnotes**

1. The calculation is based on the Company's interpretation of law relating to ASX Listing Rule 4.12.
2. The Net Asset Backing is based on investments at market value and is after provision for tax on net realised gains and before providing for deferred tax on unrealised gains on its long term investments.
3. Century Australia is a medium to long term investor and does not intend disposing of its total portfolio. However, under AIFRS the Company is required to provide for estimated tax on gains that would arise on such a disposal.

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