

13 August 2010

**CENTURY  
AUSTRALIA**  
INVESTMENTS LIMITED

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

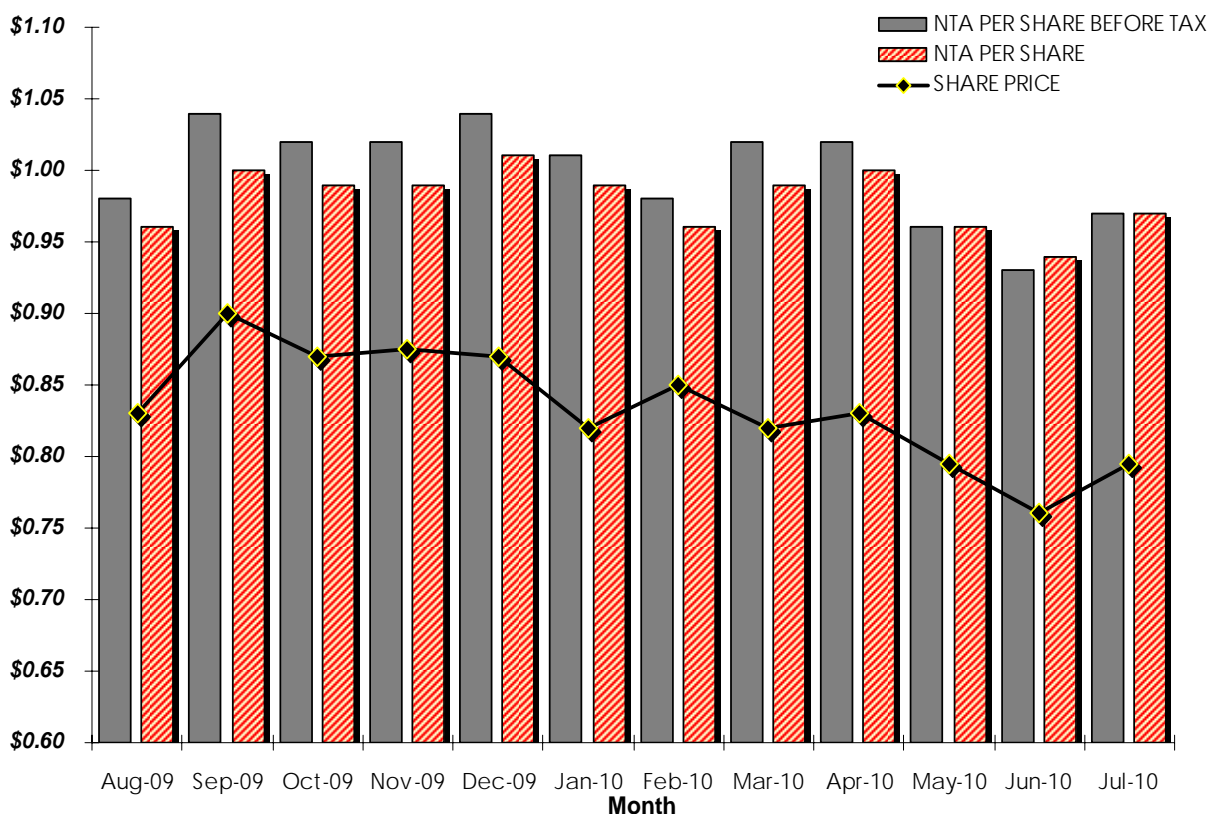
Dear Sir/Madam

**MONTHLY NET TANGIBLE ASSETS PER SHARE<sup>1</sup>**

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 <sup>2</sup>	NTA per share after estimated tax on unrealised income & gains <sup>3</sup>
31 July 2010	0.97	0.97
30 June 2010	0.93	0.94

**NTA Performance**



## Market Review

The Australian market rose strongly in July 2010, finishing up 4.5% (as measured by the S&P/ASX 300 Accumulation Index), although trading volumes were subdued ahead of the August reporting period.

Most major global indices performed strongly over the month with the US S&P500 rising 6.9% as the Q2 reporting season was generally better than consensus expectations. Another key development was the benign outcome from the European banks stress test, as only 7 out of 91 banks failed and capital shortfall estimates were relatively modest at ~€3.5bn. While the market questioned the stringency of the stress tests, the process provided increased transparency, easing the markets concerns. In addition, revised Basel III regulatory proposals appear to be more workable relative to initial expectations.

On the domestic economic front, the Reserve Bank left official interest rates unchanged at 4.5%. While inflation figures were below expectations, retail sales figures disappointed and the unemployment rate remained steady. The Australian dollar rallied strongly (up 7.7%) against the US dollar during July, as expectations of an interest rate rise in the US abated.

The best performing sectors in July were Industrials (up 7.2%), Financials ex- Property Trusts (up 6.5%) and Materials (up 4.9%). The worst performing sectors were Information Technology (down 2.8%), Telecommunications (down 0.5%) and Healthcare (up 1%).

## Portfolio Review

The portfolio returned 4.49% for the month of July versus the benchmark S&P/ASX 300 Accumulation Index return of 4.48%. For the 12 months to 31 July 2010, the portfolio outperformed the benchmark with a return of 11.03% versus the benchmark's return of 10.04%. Positive contributors to performance during the month of July included the portfolio's overweight positions in Fairfax Media and Westpac Banking Corporation, an underweight position in Woolworths as well as not holding QBE Insurance and Newcrest Mining. Detractors from performance for the month came from overweight positions in Telstra Corporation, Lend Lease Corporation and Brambles as well as underweight positions in Commonwealth Bank of Australia and BHP Billiton.

## Investment Outlook

The Australian equity market (as measured by the S&P/ASX300 Accumulation Index) rose by 4.5% over the month to 31 July 2010. Although the market is down -6.06% calendar year to date, it is up 10.04% on a 12 month basis.

Over the past year 452 Capital has been concerned that markets were pricing in an aggressive and unsustainable earnings recovery and ignoring some of the lingering risks. The health of the global economy remains uncertain:

- Heavily reliant on China for growth but policy tightening, rising labour costs/social issues increasing
- GFC not over with after shocks and problems still emerging
- Sovereign debt concerns have broadened to many members of Eurozone. Major economies still suffering from a weak consumer (confidence low/unemployment high)
- How will Government stimulus be turned off?
- Is the recovery sustainable?
- Domestically, Australia faces its own issues:
  - Earnings expectations remain high
  - Rising interest rates
  - Windback of Government stimulus payments
  - Demand remains subdued



– MRRT/Telstra NBN issues

However, the recent pullback in markets, particularly in May and June has provided opportunities and the Investment Manager is selectively taking advantage of the pullback.

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 Investment Manager holds overweight positions in Media, Telecommunications and Gaming and underweight position in Resources, Property Trusts and Healthcare companies.

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.

### Top Equity Holdings – July 2010

The top ten equity holdings of the Century Australia portfolio as at 31 July 2010 were as follows:

Security Name	% of Portfolio
Westpac Banking Corporation	10.2
Telstra Corporation	8.5
National Australia Bank	8.4
AMP Limited	5.2
Fairfax Media Limited	4.5
Insurance Australia Group	4.0
Lend Lease Corporation	3.9
Brambles	3.7
BHP Billiton	3.4
Washington H. Soul Pattinson and Company	3.0

As at 31 July 2010 the portfolio held 4.02% 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. Deferred tax on unrealised gains was a deferred tax asset at the current reporting date.
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.

