

14 October 2011

**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 and before Deferred Tax Asset on realised capital losses and unused franking credits from prior period(s) <sup>2</sup>	NTA per share before estimated tax on unrealised income & gains <sup>3</sup>	NTA per share after estimated tax on unrealised income & gains <sup>4</sup>
	A	B	C
<b>30 September 2011</b>	<b>68.7 cents</b>	<b>78.8 cents</b>	<b>83.0 cents</b>
<b>31 August 2011</b>	<b>72.5 cents</b>	<b>82.6 cents</b>	<b>85.6 cents</b>

As at 31 August 2011 the Deferred Tax Balances of the company was comprised of the following components:

	Total amount	Amount per share	Comment
Tax asset on unrealised income & losses	\$3,344,888	4.23 cents	Excluded from A and B, included at C
Tax asset on realised capital losses <sup>5</sup>	\$7,881,603	9.96 cents	Excluded from A, included at B and C
Tax assets on accrued expenses	\$38,306	0.05 cents	Excluded from A, included at B and C
Tax asset on unused franking credits	\$76,516	0.10 cents	Excluded from A, included at B and C
<b>Total net Deferred Tax Asset</b>	<b>\$11,341,313</b>	<b>14.34 cents</b>	

We note that the Deferred Tax Asset may or may not be an asset of the company if Century Australia does not continue at its current scale and in its current form.

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## PORTFOLIO COMMENTARY FOR SEPTEMBER 2011

### Market Review:

The volatility of recent months continued unabated in September. A range of factors, including ongoing concerns around European sovereign debt issues and general concerns about global economic growth, combined to drive the benchmark ASX300 Accumulation Index 6.3% lower during the month.

Domestic economic data releases in September continued to highlight emerging softness in the non-mining segments of the economy. House prices, credit growth and retail sales remained soft while building approvals, employment and consumer sentiment fell further. The Reserve Bank of Australia left rates on hold at 4.75% for the ninth successive month, its commentary emphasising global economic uncertainty. Global growth concerns included a slowdown in Chinese growth which impacted commodity prices such as copper and the Australian dollar (AUD), which fell 9.8% against the USD, ending below parity at 96.64 US cents.

Towards the end of the month, markets were temporarily buoyed by some signs of progress being made towards addressing the worsening European sovereign debt situation and related banking sector issues. This news, along with the weakening AUD, resulted in relative outperformance of financials and some cyclical stocks while the deteriorating outlook for global growth led to a general sell-off in the resources sector, which finished down 12.9% for the month. These movements assisted the The Century Australia Investment Portfolio (the Portfolio), which maintains an overweight position in financials and industrial cyclicals, and it is our view that attractive value remains here.

### Portfolio Review:

The Portfolio finished the month down 5.1%, outperforming the S&P/ASX 300 Accumulation Index (the index) by 1.2%.

We took advantage of the relative outperformance in Foster's Group (Foster's) to trim our significant overweight position, following an increased take-over offer from SAB Miller. The position in grocery wholesaler, Metcash, was also reduced. Additional investment was made into a number of existing holdings, including Brambles and Tatts Group, the funding also helped by some reduction in our holdings in diversified miners, BHP and RIO.

The best performing stocks in the Portfolio were Treasury Wine Estate (up 10.4%) and Foster's (up 8.7%), as SAB Miller increased its takeover offer for Foster's and speculation increased that Treasury Wines, a key overweight, might also be a potential takeover candidate. Other stocks which added to performance included AngloGold Ashanti (up 7.3%), despite the gold price falling from its record high levels during the month, and Harvey Norman (up 4.3%), as some positive sentiment returned to cyclical stocks that had been sold off aggressively in recent months.

Stocks which detracted from performance included Aquarius Platinum (down 21.3%), as metal prices fell heavily during the month; Seven West Media (down 20.8%); FKP Property Group (down 19.6%); and, Sims Metal Management (down 16.7%). These falls were large and we do not believe that such movements reflect the underlying value in such companies. For example, Sims Metal Management has a strong balance sheet with minimal debt, scrap metal intake has improved in North America and the company has been making prudently priced acquisitions in electronic recycling.



### Investment Outlook:

There has been a recent slowing in economic activity both domestically and offshore and this has caused us to temper our view on the short-term economic outlook. However, we continue to be of the view that market valuations remain attractive relative to their historical averages and this presents good opportunities for investors over the medium-term.

### Top Equity Holdings:

The top ten equity holdings of the Century Australia Portfolio as at 30 September 2011 were as follows:

Security Name	% of Portfolio
BHP Billiton	10.0
Commonwealth Bank of Australia	7.7
National Australia Bank	7.1
ANZ Banking Group	6.9
Telstra	6.0
Rio Tinto	4.3
Westpac	4.2
Amcor	3.0
Treasury Wine Estates	2.4
AMP	2.3

As at 30 September 2011, stock numbers were 50 and cash stood at 1.9%.

### Footnotes

- <sup>1</sup> The calculation is based on the Company's interpretation of law relating to ASX Listing Rule 4.12.
- <sup>2</sup> 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 all deferred taxes.
- <sup>3</sup> 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.
- <sup>4</sup> 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.
- <sup>5</sup> Upon review of the annual long term average return of Perennial Value Management and the market outlook, the Directors reviewed the deferred tax asset (DTA) and made the decision to write off \$2.85m as at the 30 June 2011. The decision to write off this amount does not impact the ability of the company to carry the full quantum of the tax losses forward for tax purposes. The write down is the result of conservatively reviewing the period over which the losses are expected to be recovered.

