

14 March 2011



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>
	<b>A</b>	<b>B</b>	<b>C</b>
<b>28 February 2011</b>	<b>82.8 cents</b>	<b>96.3 cents</b>	<b>96.0 cents</b>
<b>31 January 2011</b>	<b>81.3 cents</b>	<b>88.0 cents</b>	<b>87.7 cents</b>

As at 28 February 2011 the Deferred Tax Balances of the company was comprised of the following components:

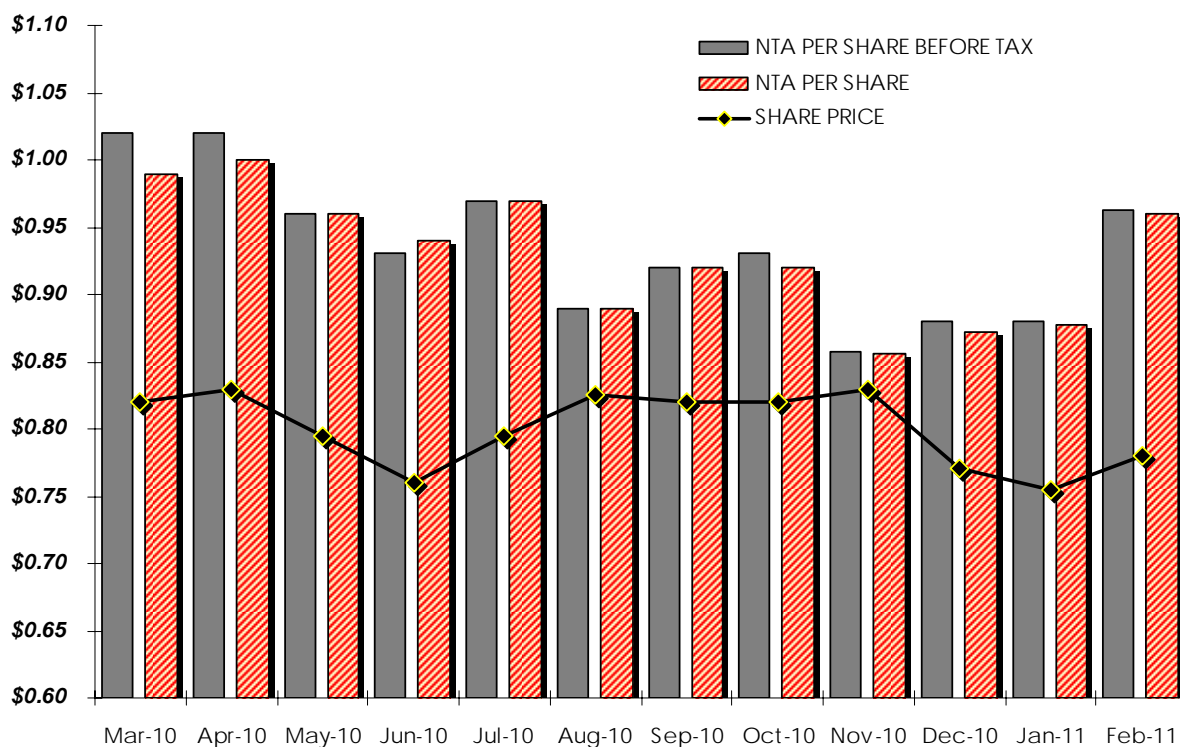
	<b>Total amount</b>	<b>Amount per share</b>	<b>Comment</b>
Tax liability on unrealised income & losses	\$(219,788)	(0.28) cents	Excluded from A and B, included at C
Tax asset on realised capital losses	\$10,571,839	13.36 cents	Excluded from A, included at B and C
Tax assets on accrued expenses	\$55,153	0.07 cents	Excluded from A, included at B and C
Tax asset on unused franking credits	\$33,551	0.04 cents	Excluded from A, included at B and C
<b>Total net Deferred Tax Asset</b>	<b>\$10,440,755</b>	<b>13.19 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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## NTA PERFORMANCE



## PORTFOLIO COMMENTARY FOR FEBRUARY 2011

### Market Review:

The market posted its third consecutive positive month in February with the S&P/ASX300 Accumulation Index (the Index) rising 2.3%.

Global markets continued their positive momentum in February. The developed economies, particularly the US, showed signs of recovery. However, this was tempered somewhat by the political uncertainty in North Africa and the Middle East. The S&P 500 rose 2.8%. The FTSE 100 and Shanghai Composite were also strong, rising 2.2% and 4.1% respectively.

Domestic economic indicators were mixed. Consumer related indicators, such as retail sales and housing, were weaker; whilst employment continued to strengthen. Inflation came in below expectations and the Reserve Bank of Australia left interest rates unchanged. The Australian Dollar remained strong. It finished the month above parity with the US dollar at US\$1.017, up 2.0 cents.

Earnings reporting season was the key focus for the market during the month. Overall, results were mixed by sector and (on average) broadly in line with market expectations. Resources were strong,

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reflecting strength in commodity prices; whilst Industrials were, on the whole, below expectations, as soft consumer demand and weather related events impacted results. Outlook statements were generally cautious; particularly from those companies exposed to domestic spending, with consumers still opting to save rather than spend their discretionary dollars.

The best performing sectors were Materials (up 3.7%), Energy (up 3.5%) and Property Trusts (up 3.3%). Healthcare (down 3.2%) and Utilities (down 2.4%) were the laggards, as the relatively defensive sectors underperformed.

### **Portfolio Review:**

The Century Australia Investment Portfolio (the Portfolio) finished the month up 0.6%, underperforming the Index return by 1.7%. This underperformance was largely due to the Portfolio's overweight to defensive sectors and large cash holding through to mid-February, at which point the Portfolio was transitioned to align with the Perennial Value standard portfolio. The impact of this was magnified, given the majority of the gains in the Index occurred in the first half of the month.

Better performing stocks in the Portfolio included Boral (up 15.7%) and Aristocrat (up 6.7%). Both share prices of these stocks rebounded, following earnings which were broadly in line with expectations. Also stronger, following a relatively good result, was News Corp (up 5.8%).

The Portfolio's underweight positioning in the banks (prior to the transition to the Perennial Value standard portfolio) detracted from performance, with Financials performing strongly during the month. NAB (up 4.6%) and Commonwealth Bank (up 3.8%) were both stronger, following relatively good results. The Portfolio's underweight position in BHP (up 4.2%) also detracted from performance for the month.

The transition to the Perennial Value standard portfolio was completed on the 22 February 2011, two weeks after the cash went out for the buy-back. The transition went smoothly and was in line with the Team's expectations. As part of this process, Perennial Value sold out of Prime Media Group, Soul Pattinson and Tatts Group. The team added Aquarius Platinum, Bank of Queensland, Henderson Group, Incitec Pivot, Macquarie Group, Orica and Whitehaven Coal.

### **Investment Outlook:**

Economic conditions remain challenging in many developed markets. However, growth in emerging markets is strong and overall global growth is recovering. The Australian economy, in particular, is performing well; benefitting from its resource exposure to these emerging economies, with falling unemployment, a strong financial system and stable asset prices. As a result of the current uncertainty, the market is currently trading at an attractive level relative to long term valuations. This offers investors very good opportunities over the longer term.



**Top Equity Holdings – 28 February 2011:**

The top ten equity holdings of the Portfolio as at 28 February 2011 were as follows:

<b>Security Name</b>	<b>% of Portfolio</b>
BHP	11.9
CBA	7.0
ANZ	6.8
NAB	6.6
RIO	4.4
WBC	4.2
TLS	4.2
AMC	3.4
WPL	2.8
AMP	2.4

As month end, stock numbers stood at 45 with cash at 1.3%.

**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 liability 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.

