12 September 2014

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

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

	31 August 2014	31 July 2014
NTA per share (ex-dividend)	**95.0 cents**	**93.7 cents**
Deferred tax asset on carry forward realised losses	5.4 cents	5.5 cents
Deferred tax liability on unrealised income and gains	(5.4 cents)	(5.5 cents)
NTA per share after all tax balances (ex-dividend)	**95.0 cents**	**93.7 cents**

In addition to the deferred tax asset (DTA) of 5.4 cents per share recorded in the accounts **there is a further $7.41m or 9.30 cents per share of tax benefit on realised losses which is not carried on the Company's balance sheet** and is available to be offset against future taxation liabilities.

In total there are approximately $24.7m of losses after deducting unrealised gains as at 31 August 2014 of $14.4m from total available carried forward tax losses of $39.1m. Until all carried forward tax losses are recouped, Century Australia will not be paying tax.

The fact that Century Australia is currently not liable to pay tax, means that the level of franked dividends paid is restricted by the level of franking credits received by way of fully franked dividend income. Once the total carry forward tax losses are utilised, Century Australia will return to paying tax on any realised gains. Tax payments will generate additional franking credits from which franked dividends can be paid.

Notes:

1. The Net Tangible Asset Backing calculation is based on the Company's interpretation of law relating to ASX Listing Rule 4.12.
2. 'NTA per share after all tax balances' represents investments at market value, less associated selling costs and less all other accrued expenses.
3. 'NTA per share' this is the value per share should the Company be liquidated at the relevant month end.

PORTFOLIO PERFORMANCE

August 2014	Return	Benchmark	Excess
1 Month	0.90%	0.64%	0.26%
1 Year	17.80%	14.15%	3.65%

Century Australia Investments Limited ABN 11 107 772 761
Level 3, 99 Bathurst Street, Sydney NSW 2000 Australia
Telephone 61 2 8262 2800 Fax 61 2 9221 1194 www.centuryaustralia.com.au

PERENNIAL VALUE MANAGEMENT COMMENTARY

Market Review:
The Australian equities market built on July's strong return to finish the month up 0.6%.

Globally, markets ended the month higher, with the S&P500 (up 3.8%) recording a strong month as the US economy reported 2QGDP of 4.2%, the ISM manufacturing PMI rose to 57.1 and the ISM non-manufacturing PMI rose to 58.7, the highest level since 2005. The FTSE and Shanghai Composite both rose 1.3% and 0.7% respectively. The exception was the Nikkei 225 which fell 1.3%. Domestically, data was mixed. The unemployment rate hit a twelve year high of 6.4%, while retail sales increased 0.6% month on month in June, underpinned by strong sales in household goods and clothing. In August, the NAB business confidence survey increased 3 points and the Westpac consumer confidence index rose 3.8% month on month. The RBA left the cash rate unchanged at 2.5% and the AUD/USD ended the month steady at 93c.

The better performing sectors during the month were Healthcare (up 6.4%), Telcos (up 4.3%), Energy (up 4.0%), Industrials (up 2.0%), Utilities (up 1.8%) and REITs (up 1.7%). Metals and Mining (down 5.0%) was the worst performing sector, followed by Materials (down 3.7%), IT (down 0.8%) and Consumer Staples (down 0.4%).

Portfolio Review:
The Century Australia Investment Portfolio finished the month up 0.9%, outperforming the benchmark by 0.3%.

Domestically, reporting season was the focus in August, with companies reporting results for the period to 30 June 2014. By and large, the results were well received, with many companies' share prices reacting positively. Several themes emerged from reporting season. Firstly, there was a continuation of the relatively subdued revenue growth environment of the past few years. However, there were some areas showing recovery, in particular the housing related sectors, which are experiencing strong demand conditions. While consumer spending has been generally subdued following the May budget, many companies indicated that there has been a pick-up in recent months and there is some evidence that the Australian economy is in better shape than some of the negative commentary might suggest. Secondly, companies remain squarely focussed on self-help initiatives, in the form of cost reductions and efficiency gains, to maintain margins and help offset inflationary pressures. Finally, cash flows were generally strong, leading to healthy balance sheets and allowing for increased dividend payments. In terms of the outlook, management teams continued to be guarded in their statements, however, the majority of companies held in the portfolio indicated that they expect earnings to grow in the coming year.

Stocks which performed well during the month included housing and construction related names such as Harvey Norman (up 14.9%), Aveo Group (up 6.5%), Stockland (up 4.7%) and Boral (up 2.8%) which all delivered strong results on the back of the improving residential market.

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Other strong performers included Orora (up 12.2%), whose solid result demonstrated the company was delivering what it had promised at the time of the demerger, with efficiency gains driving margin expansion. Amcor (up 9.5%) delivered a strong result, pleasing the market with improved cash flows in the wake of restructuring and acquisition costs. Origin Energy (up 10.1%) rallied after announcing that its Australia Pacific LNG project was now 75% complete and on budget. Sentiment turned positive on AMP (up 7.1%), a very much unloved Top 20 stock held by the portfolio, after the result showed that the problematic life insurance business had stabilised.

QBE (up 6.1%) announced a capital raising of $810m which was effectively a net raising of only $310m given the portion being used to retire convertible debt. The company also announced the intended future sales of its agency businesses, a partial sale of Lenders Mortgage Insurance and the reinsurance of its medical malpractice reserves at book value with quality reinsurers. These actions will be of clear benefit to the balance sheet. QBE will also take the opportunity to gradually increase its exposure to risk assets (and therefore, return) in its shareholders' funds which are currently invested predominantly in short term fixed interest securities. The portfolio participated in the capital raising via a share placement of $10.10 a share. The market's response has been positive, with the share price closing the month at $11.52. The above announcements could well represent a positive turning point in sentiment towards this institutionally under-owned Top 20 company.

The most significant portfolio detractors comprised BlueScope Steel (down 12.3%) and Henderson Group (down 8.2%), both of which were weaker on the back of reported profits which were below market expectations. We had previously taken profits and reduced our holdings in BlueScope at higher levels in May. Henderson Group has been a very strong performer over the past 12 months (up 48.2%) and we have been trimming our holding in this stock as it has risen. Upon reviewing the profit numbers in detail, we retain our holdings in both stocks. Not holding CSL (up 9.0%), also detracted from performance.

In terms of portfolio activity, whilst there were no major changes, we trimmed exposures in existing holdings including Asciano, CBA, Lend Lease, Orora and Sims Group. With regards to Sims Group, the share price had reacted very sharply (up some 25%) to the company's release of its strategy review (see our July monthly commentary) and we felt it sensible to trim into this share price strength.

Proceeds were reinvested into increasing holdings in stocks including AMP (at an average entry price of $5.33 versus month-end price of $5.88), Ansell ($18.67 versus $19.90), Harvey Norman ($3.14 versus $3.55). The subsequent rise in each of these stocks was due to the release of positive profit results. In addition to the QBE placement referred to above, the portfolio also participated in AGL Energy's 1 for 5 rights issue to raise $1.2bn to purchase the Macquarie Generation electricity assets from the NSW Government. We acquired stock at $11.00 versus the month-end close of $14.10.

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Investment Outlook:

The last 2 months have seen the 2015 financial year off to a good start, delivering a total return of 5.1%, building on the strong returns of 21.9% and 17.3% in the 2013 and 2014 financial years respectively. While there are positive economic signals in many markets, a level of macroeconomic uncertainty remains and ongoing volatility is likely. This highlights the increased importance that will be attached to stock-picking in the generation of future investment returns.

Top Equity Holdings – 31 August 2014:

The top ten equity holdings of the Century Australia Portfolio as at 31 August 2014 were as follows:

Security Name	% of Portfolio
BHP Billiton	10.1%
Westpac	8.3%
National Australia Bank	7.3%
ANZ Banking Group	7.0%
Telstra	5.8%
Commonwealth Bank of Australia	5.8%
Woodside Petroleum	3.6%
Rio Tinto	3.3%
Macquarie Group	3.2%
AMP	2.7%

As at month end, stock numbers were 40 and cash stood at 2.8%.

Performance returns

July 2014	Return	Benchmark	Excess
1 Month	0.90%	0.64%	0.26%
1 Year	17.80%	14.15%	3.65%
2 Years (p.a)	22.04%	18.80%	3.24%

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