

13 February 2015

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 January 2015	31 December 2014
NTA per share (ex-dividend)	96.2 cents	92.9 cents
Deferred tax asset on carry forward realised losses	4.7 cents	5.0 cents
Deferred tax liability on unrealised income and gains	(4.5 cents)	(3.8 cents)
NTA per share after all tax balances (ex-dividend)	96.4 cents	94.1 cents

In addition to the deferred tax asset (DTA) of 4.7 cents per share recorded in the accounts **there is a further \$7.41m or 10.86 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 \$24.1m of losses after deducting unrealised gains as at 31 January 2015 of \$10.3m from total available carried forward tax losses of \$34.4m. 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

January 2015	Return	Benchmark	Excess
1 Month	3.47%	3.22%	0.25%
1 Year	13.52%	12.05%	1.47%



PERENNIAL VALUE MANAGEMENT COMMENTARY

Market Review:

The Australian equities market was up strongly in January, with the benchmark S&P/ASX300 Accumulation Index finishing up 3.2%.

Global markets were mixed in January, with the S&P500 down 3.1% and the Shanghai Composite down 0.8%, while the FTSE (up 2.8%) and Nikkei 225 (up 1.3%) rose. The European Central Bank announced that it will be implementing quantitative easing at a level exceeding market expectations and the Swiss Central bank abandoned the Swiss Franc's cap against the Euro. The oil price continued to fall with the WTI oil price falling 9% over the month and other commodities were also weak with iron ore and copper both down 13%. Bond yields continued to fall sharply with the US 10 year Treasury yield falling from 2.2% to 1.7% over the month. Global economic data was a mixed. US retail sales were weak, China data remained soft and Eurozone deflation was worse than expected. However, more positively, US employment data was strong with the US unemployment rate falling to 5.6% and US consumer confidence jumped to the highest level since 2004.

Domestic economic data was generally positive, employment was stronger than expected in December with the jobless rate unexpectedly falling and housing credit was up 7.1% over the year to December, the strongest growth since December 2010. The Australian cash rate remained unchanged at 2.5% during January and the Australian dollar (AUD) reached a 5 year low against the US dollar (USD), falling from 0.81 to 0.78 USD.

The defensive sectors outperformed over the month with telecommunications (up 8.2%), REITs (up 7.4%) and utilities (up 6.0%). Consumer discretionary (up 5.5%) also outperformed. The worst performing sector was energy (down 6.6%), followed by information technology (down 1.7%) and metals and mining (up 1.2%).

Portfolio Review:

The Century Australia Investment Portfolio delivered a return of 3.5%, outperforming the market by 0.3%. This was a particularly pleasing result as the REIT and Utilities sectors, which the Portfolio is underweight due to valuation concerns, both delivered solid outperformance.

The best performing stock in the Portfolio for the month was Newcrest Mining (up 24.5%) which was assisted by the 8% rise in the gold price but also announced a strong quarterly production report, raising guidance for full year production at lower costs than previously expected. Other strong performers included Iluka Resources (up 18.8%) reversing recent underperformance and Harvey Norman (up 17.6%) following press reports that the company experienced a surge in sales post-Christmas. Resmed (up 16.4%) rallied after delivering a second quarter result which showed strong sales growth, particularly in the key US market, on the back of their recently released new product range. Henderson Group (up 13.8%) benefitted from strong European equity markets following the ECB's quantitative easing announcement.

Macquarie Group (up 6.6%) reported that, due to better trading conditions and assistance from the falling AUD, FY 15 earnings will be up 10 to 20%. This represented a significant upgrade from previous guidance of “slightly up on prior corresponding period” and, in our proprietary earnings model, we have increased our FY 15 earnings growth from 6 to 16%. Macquarie has proven to be a very rewarding investment for the Portfolio over the past three years and remains a core portfolio holding. With 70% of earnings sourced offshore, we believe that the market still under-appreciates the currency tailwinds in this business, the stock remains in an upgrade cycle and valuation is not stretched based on an attractive prospective FY '15 gross yield of 6.8%.

Stocks which detracted from performance tended to be resource and materials related names, with Downer EDI (down 10.8%), Bluescope Steel (down 10.3%), Woodside Petroleum (down 9.8%) and Sims Group (down 9.6%). Origin Energy (down 8.5%) continued to trade lower as oil prices declined and increased market concerns in relation to the company's debt levels. We remain comfortable in relation to Origin's balance sheet as substantial free cash-flow will be generated once the APLNG project is completed. On this front, the company confirmed late in the month that the project remains on track to begin producing LNG in mid-2015.

In terms of portfolio activity, the most significant move was to sell out of Amcor at an average share price during the month of \$13.30. This has been a core long-term holding and we continue to support the business. However, the very strong share price appreciation in the December 2014 quarter resulted in a stretched valuation. At \$13.30, this represented a prospective FY 15 P/E of 20.4x and a very low prospective gross yield of 3.8%. Thus, we believed that Amcor was priced to perfection and this was somewhat confirmed with the share price weakness following the surprising announcement that the highly-regarded CEO Ken MacKenzie will retire. He will step down at the end of the financial year and be succeeded by incumbent CFO Ron Delia.

Holdings in Newcrest, Orora and Resmed were also trimmed following significant recent outperformance.

Proceeds were reinvested into a limited number of stocks including Coca Cola Amatil. Readers will recall that we have been selectively building up this holding in recent months at an average share price of \$9.00.

Investment Outlook:

January again highlighted the ongoing volatility in markets. However, investors should take comfort from the fact that the recent reporting season showed that company earnings are growing and valuations are reasonable. The fall in energy prices, if sustained should also provide further economic stimulus. Longer-term, as economic growth resumes and broadens, led in particular by a recovering US economy, company profits will continue to grow.

Top Equity Holdings – 31 January 2015:

The top ten equity holdings of the Century Australia Portfolio as at 31 January 2015 were as follows:

Security Name	% of Portfolio
Westpac Banking Corp	8.4%
BHP Billiton Limited	8.0%
National Aust. Bank	7.9%
Telstra Corporation	7.2%
Commonwealth Bank	6.4%
ANZ Banking Grp Ltd	6.3%
Macquarie Group Ltd	3.0%
AMP Limited	2.9%
Rio Tinto Limited	2.8%
Woodside Petroleum	2.6%

At month end, stock numbers were 46 and cash was 2.7%.

Performance returns

January 2015	Return	Benchmark	Excess
1 Month	3.47%	3.22%	0.25%
1 Year	13.52%	12.05%	1.47%
2 Years (p.a)	13.53%	11.32%	2.21%

