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Lodgement of Open Briefing

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Record of interview:

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AMP Limited, in its presentation to yesterday's JP Morgan Asia Pacific Equity Conference in New York, highlighted how it's executing its strategy to deliver shareholder value. How will AMP's business model continue to generate value and growth for shareholders in the immediate term?

CEO Andrew Mohl
Our business model spans the wealth management industry value chain and we believe we have strengths in each part of the chain that will drive value and growth going forward. In distribution, our business model is based on long-term partnerships with self-employed financial planners. In product manufacturing, we have market-leading scale and cost efficiency and in investment management, we have broadly based capabilities that are being supplemented by partnerships with specialist managers.

We also believe that covering the value chain means the AMP "whole" is greater than the sum of its parts and the presentation looks at a number of areas where this applies. Our strength in distribution delivers relatively assured scale in the manufacturing space, which in turn enables us to buy in technology where we choose not to manufacture. It also drives volumes in the asset management business, which in turn enables high quality partnering opportunities. The scale of manufacturing drives our purchasing power with external fund managers and also with technology support providers.

Managing the funds in our mature Life book, which is in run-off, also creates opportunities in asset management. We've developed a range of relatively sophisticated risk management products and services, and the divestment of funds has also enabled us to develop sophisticated, modern wealth management products, indeed this was the original inspiration for listed property trusts.

Finally, we believe that being a specialist wealth management group creates a very attractive proposition for our staff and planners and also gives us great credibility in interfacing with government and other opinion leaders.

We're now working on enhancing our position in each of these areas in order to strengthen our business model as a means to generate value for all stakeholders. In distribution, we're focusing on the quality of advice, the professionalism and sophistication of our planners' practices, and the segmentation of the client base. In product manufacturing, we're continuing the drive to be the lowest cost provider because ultimately we believe that's critical for success. In asset management, our profit growth will be driven by relatively small, but higher margin areas such as property and private capital, as well as the natural growth we expect to achieve in listed assets, including our fast-growing multi-manager funds.

The execution of our strategy and our competitive positioning will deliver strong growth in embedded value and value of new business in 2004 and 2005. Operating margins for AMP Capital Investors will be higher in 2004, and we expect solid growth in 2005.

AMP group has excess capital, and in addition to operational performance, capital management will enhance shareholder value. We anticipate a capital return to shareholders no later than mid 2005, with the quantum and method to be determined.

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Funds under management in corporate and retail superannuation and retirement income products are expected to grow at a compound annual rate of 12 percent and 14 percent respectively over the next five years. To what extent can AMP shareholders expect to benefit from this growth?

CEO Andrew Mohl
We have a strong competitive position in both superannuation and retirement income segments, as demonstrated by our number one market share in superannuation and number two market share in retirement incomes. The growth rates of these product categories are forecast to outperform traditional savings and risk products. We're overweight these segments relative to our major competitors. Furthermore, we have very little exposure to household credit. We believe the low yield characteristics of residential property will result in investors allocating a higher proportion of their savings towards financial assets. We're well placed to benefit from this trend.

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Since 2000, cash transfers from AMP Financial Services (AFS) have totalled over $4 billion. What were the drivers of this cash release, and what's the outlook for potential cash transfers going forward?

CEO Andrew Mohl
Since 2000, the underlying earnings of AFS have been around $2.6 billion. The additional capital that's been transferred to the group has been around $1.4 billion. That's essentially reflected the run-off in the mature book and the risk reduction initiatives we've taken to protect the shareholder's position. During that period we've seen markets fall heavily and then rise, so it's fair to say market effects have been relatively small. We've benefited from AFS's migration from a Life company providing products backed with guarantees, to increasingly a fund manager that generates management fees, but where investment risk is borne by customers.

Going forward, we believe the mature book will continue to release capital while the contemporary book will grow and require capital. One area we'll be looking at closely is the target capital buffer over minimum regulatory requirements of AMP Life. At the moment it has an AA credit rating but it's arguable whether the Life Company in its own right requires financial strength at that level.

In the recent first half, net transfers to the group included capital of $270 million, as well as $222 million of franking credits valued at 70 percent face value. A further $484 million was identified as being excess to AMP Life's target surplus. The repatriation of this is subject to Life board approval.

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How dependent are future capital management initiatives on cash transfers from AFS?

CEO Andrew Mohl
In the general course, AFS will transfer capital that's surplus to the target buffer over minimum regulatory requirements. Operating margins and investment returns will remain key drivers of future capital surplus. If markets continue to rise, the surplus will also grow and vice versa, reflecting the change in value of guarantees and options. As I said earlier, we'll also be looking closely at the setting of the target buffer itself.

The group also has excess capital in the form of our investment in HHG. We also expect to be receiving further cash (via loans) from Cobalt/Gordian and the operating profits of AMP Capital. AFS is important, but it's not the sole provider of capital to the group as a whole.

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You've talked about AMP's business model spanning the wealth management industry value chain. To what extent might this act as a limitation – for AFS in being seen as offering non-independent advice and for AMP Capital in curbing its potential to distribute products outside the AFS franchise?

CEO Andrew Mohl

We run our segments of the wealth management value chain to be competitive in their own right. That's the only way to operate this business in an open architecture environment. In distribution, we provide institutional advice through AMP Financial Planning and "independent" advice through Hillross, which has grown quickly in the last few years and had sales growth of 59 percent in the first half. We effectively cover the market in terms of both institutional and "independent" advice, which gives us a very strong position. We have the largest number of planners of any financial services group and easily the largest number of Certified Financial Planners. As our presentation shows, we have around 655 CFPs. The National Australia Bank has the next highest number, with 430 across its various dealer groups.

In asset management, AMP Capital has the benefit of the large mandate for AFS's mature book and then competes with other managers to win funds from the modern platforms, reflecting the choices of customers and advisors, in the contemporary book. Because of the AMP branding, there's a tendency for the default option to be AMP, so AMP Capital does well in that channel, which also helps give it critical mass.

In marketing its products externally, AMP Capital has a very strong position in the institutional market; it's the market leader in direct property, it's second largest in equities, it's largest in fixed interest and has a very sound track record. In the first half, 81 per cent of Australian funds outperformed their benchmarks. However, its success in the external retail market has been limited and that's one of the areas we think is a real growth opportunity. AMP Capital launched its China Fund earlier this year, bringing in $55 million, which was significant for that sort of product, and it's going to market soon with an enhanced yield product that we believe will attract substantial flows. We believe there's a lot of potential for AMP Capital to build its brand in the external retail market.

AMP has a very competitive position across the entire wealth management value chain. This in no way limits the ability of AFS or AMP Capital to compete. In fact, the business model as a whole is greater than the sum of parts, and underpins the competitive positioning of the business.

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There's some concern that the recently announced re-pricing initiatives within AFS will erode AMP's value and growth. What was the rationale for the re-pricing and its timing and which specific products does it relate to?

MD AFS Craig Dunn

The competitive dynamic is changing with the introduction of choice of fund and new fee disclosure – both of which AMP has strongly supported – the strong growth in self-managed funds, the likelihood of a lower investment return environment, and the launch of new products with lower fees by some competitors. Our conclusion was that existing fee levels were not sustainable.

The re-pricing affects the superannuation and pension products within our Flexible Lifetime and CustomSuper range. The annual fee reduction of around $40 million pre-tax has been funded by negotiating lower charges from external fund managers and by further cost reductions in our contemporary business. Before any volume or persistency effects, the pricing change will reduce our net fee income, post tax, by around $15 million next year. The effects of the change on embedded value and value of new business have already been adjusted for in the figures reported at June 30, 2004, yet both value metrics still grew strongly.

A number of factors drove our timing. Firstly, we'd recently completed negotiations with external fund managers and needed to determine whether these should flow through to the bottom line or be passed onto customers, especially given the half-year result announcement was imminent. We also thought there were real benefits from a brand perspective in being seen as the first major player to move on fees across the board. We've been extremely pleased with stakeholder reaction to the announcement.

This re-pricing was made from a position of strength. We've got scale in the distribution and manufacturing of superannuation and pension platforms, and the reductions in fund manager fees we've been able to achieve and the ongoing lowering of unit costs demonstrate we're able to take advantage of that scale for the benefit of both shareholders and customers.

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How competitive are the re-priced products and do you foresee further re-pricing initiatives?

MD AFS Craig Dunn
In considering the quantum of change, we assessed our competitive position across various pricing points, the sustainability of the new fee levels over the medium term and the potential impact on our shareholders. While 90 percent of our customers will benefit from the fee reduction, those customers with balances of between $100,000 and $300,000 will derive the greatest benefit.

With our premium branding and distribution we don't have to be the cheapest in the market, but we need to be within a competitive range and this is especially so over $100,000, where our customers have more choice, eg, self-managed funds tend to become more price sensitive. In the $100,000 to $500,000 range, before our planner agrees with his or her customer any trail commission that's likely to apply, the fee for a multi-manager balanced fund is only 136 basis points, or 30 basis points lower again if the investor selects a passive equity fund. For customer balances over $500,000, another 20 basis point fee reduction, or rebate, applies. This pricing is very competitive locally, and we believe internationally.

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In relation to the superannuation choice of fund legislation, how is AFS positioned versus competitors such as the big four banks on the one hand and the growing number of boutique fund managers on the other?

MD AFS Craig Dunn
We're very well placed. We've been strong supporters of the change because we think it's good for the industry and consumers, and we think it will be good for

AFS. We've got an exceptional planner franchise at the front end of the value chain, which is highly regarded by both customers and other stakeholders, and we think it will be very effective in the choice regime. We've got a more competitively priced product platform with the recent changes, so we're looking forward to the choice regime and think we'll do well.

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The wealth management industry continues to undergo rationalisation. To what extent is your competitive advantage determined by scale and quality of distribution? Can AFS maintain its number one position in the market?

MD AFS Craig Dunn
We've demonstrated over the last couple of years how important scale is and importantly, we've been able to take advantage of our scale to deliver considerable value growth. We've done that through some very sizable unit cost reductions and more recently, through leveraging our supply chain by negotiating down external fund manager fees. Whether you're looking at our systems, technology or processes, or supply chain management, we've been effective in utilising our scale to become one of the most efficient players in the market.

Our distribution capability is underpinned by the licensing of almost 1,600 self-employed planners. We've become their clear partner of choice with a value proposition that helps them to grow both the value of their business and its productivity. We offer strong ongoing management support and communication, the most comprehensive and efficient back-office administration network in the market, and market-leading remuneration and incentive structures that are geared to both winning new business and retaining existing business. We also provide ongoing support in the areas of technology and education, which is reflected in our having the highest number of CFPs in the market. This in turn underpins the customer value proposition of the self-employed model, which is built on quality advice, value for money and trusted relationships.

If the market becomes more competitive with superannuation choice, the scale players and the players with a strong position at the front end of the value chain, through their planner franchise, are the market participants most likely to be successful. We're clearly well positioned in this regard.

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AFS is developing new advice offers based on client segmentation. What does this mean for AMP's financial planning offering and why is it important?

CEO Andrew Mohl
In our view, financial planning is now very much a profession, akin to the provision of accounting or legal services. The traditional approach has been based around a single offering and planners haven't been that sophisticated in terms of segmenting their clients, understanding cost to serve or the value they're generating for a client, or running their practice as a business. Due to regulatory change and the requirements on planners to review customers on a periodic basis, we're seeing increasing focus around practice management, the professionalism of advice given, and the complexity of the various product lines, particularly with

regard to retirement incomes. We believe this is a very positive evolution in the market.

Our strategic planning is designed to help planners become more focused around the customers they're serving, the products and services they're providing, and running their businesses far more efficiently. We intend to give them accreditation so there's a true benchmark for standards of qualification. We believe that will give customers greater confidence. It will also enhance the positioning of AMP as a provider of quality advice.

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The recent AFS product price cuts were predicated to some extent on the price reductions you've been able to get from fund managers on the basis of your distribution scale. What implications does this have for AMP Capital's ability to set or maintain prices?

CEO Andrew Mohl
AMP Capital has been operating internally on an institutional mandate with AMP Life for some time. The recent price negotiations with external fund managers brought them much closer into line with AMP Capital. Institutional fund managers are competing in a crowded market and unless they have a premium product, price is going to be set by the client rather than the fund manager. Increasingly, you're going to have base prices with performance fees subject to performance against an agreed benchmark. That's the way AMP Capital works with AMP Life today. This is why areas such as infrastructure and property are attractive for us – margins are significantly higher and at this point in time we have an excess of client interest and a shortage of assets, which is a good position in terms of price setting.

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What implications do Australia's open architecture platforms have for the synergies between AFS and AMP Capital Investors and how might those synergies evolve over time?

CEO Andrew Mohl
We see open architecture as very healthy. Historically, an AMP Life agent sold an AMP product that was exclusively managed by AMP Capital. When AMP Capital was performing badly, the client was unhappy and the agent's business was at risk. So essentially you had a relatively fragile business model. The fact that planners are now operating off a platform with a wide selection of fund managers means they can focus on the quality of advice. We're delivering scale efficiencies so our platforms are also relatively low cost. The onus is then on the asset manager to deliver performance, which is what asset management intrinsically is all about. That's a good basis for AMP Capital to operate on and in the past year 81 percent of Australian funds outperformed their benchmarks so it's performing well.

To an extent AMP Capital is now no different from any of the other external fund managers that participate on those platforms, however, there's still a substantial mature book that AMP Capital manages. It's the largest mandate of its type in Australia. Some of the services provided to AMP Life are very sophisticated in a risk management sense, and there are also ongoing shifts in the portfolios and changes in asset allocation that are freeing up illiquid assets for structures and external clients that AMP Capital can generate significant future earnings from.

The relationship between AMP Capital and AMP Life is a very robust one and it's certainly enhancing the skills and competitive focus of AMP Capital and enabling it to continue to grow in a very healthy way.

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What initiatives are in place to ensure AMP Capital's recent strong investment performance continues, and what other strategic priorities are you currently pursuing in AMP Capital?

CEO Andrew Mohl
Our first-half investment performance was one of the best we've achieved. Given we're talking about $70 billion of funds under management, we'd regard a ratio above 75 percent as strong performance. We review each of our asset management teams on a regular basis, including their short and medium-term performance, areas to improve, people, and means of leveraging the skills of other areas of AMP Capital. We regard asset management very much as a people business and we've overhauled our remuneration structures in the last six months to ensure there's a strong alignment between individual and team performance and remuneration.

We're also doing a lot of work with our international partners, so that whilst we're no longer part of a global group, our key people have access to international networks and the experience of world-class fund managers. We're continuing to develop the culture in AMP Capital as part of the focus on a high performance culture in the group more generally. We've had a change of Managing Director earlier this year, and the leadership team has also been strengthened.

Finally, the AMP Capital brand's less than a year old and it's pleasing how well recognised it is already. If you look at some of our key spokespersons, like Shane Oliver around investment strategy and economics and Merv Peacock around Corporate Governance, the positioning of AMP Capital is very good in the market today.

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How are you seeking to build a more constructive, achievement-oriented culture in AMP?

CEO Andrew Mohl
Research indicates that a constructive culture is in the long term strongly aligned with high performance. Strategically, coming back to our core competencies and focusing around distribution, product manufacturing and asset management, has meant we have our best people now focused on what really matters, with a clear understanding of their accountabilities and with strong management and reward systems that recognise performance. That's a very strong framework.

We're trying to develop greater focus around teamwork and around enhancing individual performance. We think the performance review process is very important in that, and all managers have a role to play in working with their people so that performance is recognised and areas of development are identified and improved. That's an ongoing process. We're also working on the diversity within the organisation, which has always been one of our strengths and we think we can continue to build on that. By definition, if you're recruiting from a broader group of people, overall your performance should also be enhanced.

Strategically and operationally there's now a much better culture of accountability and focus in the organisation and we intend to maintain that momentum.

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Thank you Andrew and Craig

For more information about AMP, visit www.ampgroup.com. Alternatively, call Howard Marks on (+61 2) 9257 7109 or Rosalie Duff on (+61 2) 9257 9557.

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AMP – driving value and growth

Andrew Mohl
Chief Executive Officer

Outline

- AMP today
- 1H 04 financial results
  - Summary
  - Overview
  - Outlook - 2H 2004 and 2005
- Strategic focus
  - Industry landscape
  - AMP's competitive strengths
  - AMP's culture
- Wrap up

AMP today

- A leading regional wealth management company with about 3,700 employees, 2.3 million customers and two core businesses

AMP Financial Services Product manufacturing and distribution	AMP Capital Investors Funds management
Financial planning	Equities
Retail and corporate superannuation	Fixed income
Retirement income	Property
Investments	Private Capital
Income, risk and general insurance	Infrastructure
Home loans, deposits, credit cards	Specialist partnerships

  - No 1 provider of superannuation in Australia and New Zealand
  - Largest financial planning network in the market
  - One of the region's largest investment managers
- AMP also owns the general insurance run-off portfolios of Cobalt/Gordian and a 10% stake in HHG

Summary of 1H 04 financial results

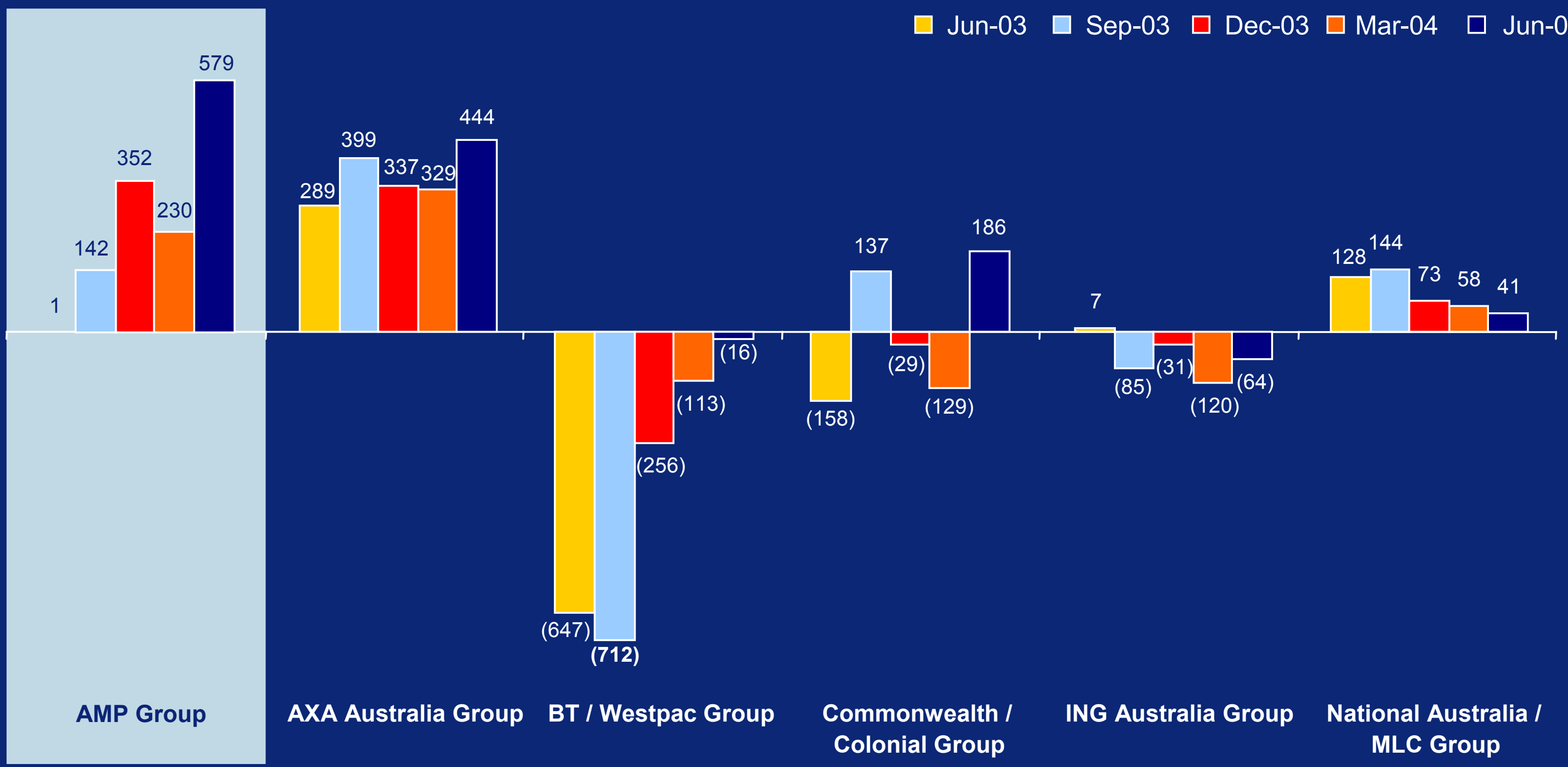
- Post-demerger focus on four key areas to deliver shareholder value:
  - Reducing unit costs
  - Growing cash flows
  - Outperforming on investments
  - Lowering balance sheet gearing
- Good progress made:
  - Controllable costs down 1% and cost to income ratio down five percentage points to 42%
  - 21% growth in cash inflows and A$540m in net cash flows in AMP Financial Services; A$1.6b net external cash flows in AMP Capital Investors
  - 81% of Australian funds under management exceeding performance benchmarks
  - Debt reduced by A$2.8b and gearing at target levels six months ahead of schedule
  - ‘A’ credit rating restored for AMP Limited

Overview – value and earnings metrics

	1H04	1H03
Value of new business	A$125m	A$100m
Return on embedded value in half year @3% discount margin, before transfers	9.3%	5.8%
Underlying contribution[1]	A$311m	A$258m
Return on equity (underlying)	16.9%	N/A
Earnings per share (underlying)	A$0.17	A$0.21
Dividend per share (franking %)	A$0.13 (75%)	A$0.07 (15%)

[1] Calculated as total operating margins less interest on Group debt, plus underlying investment income

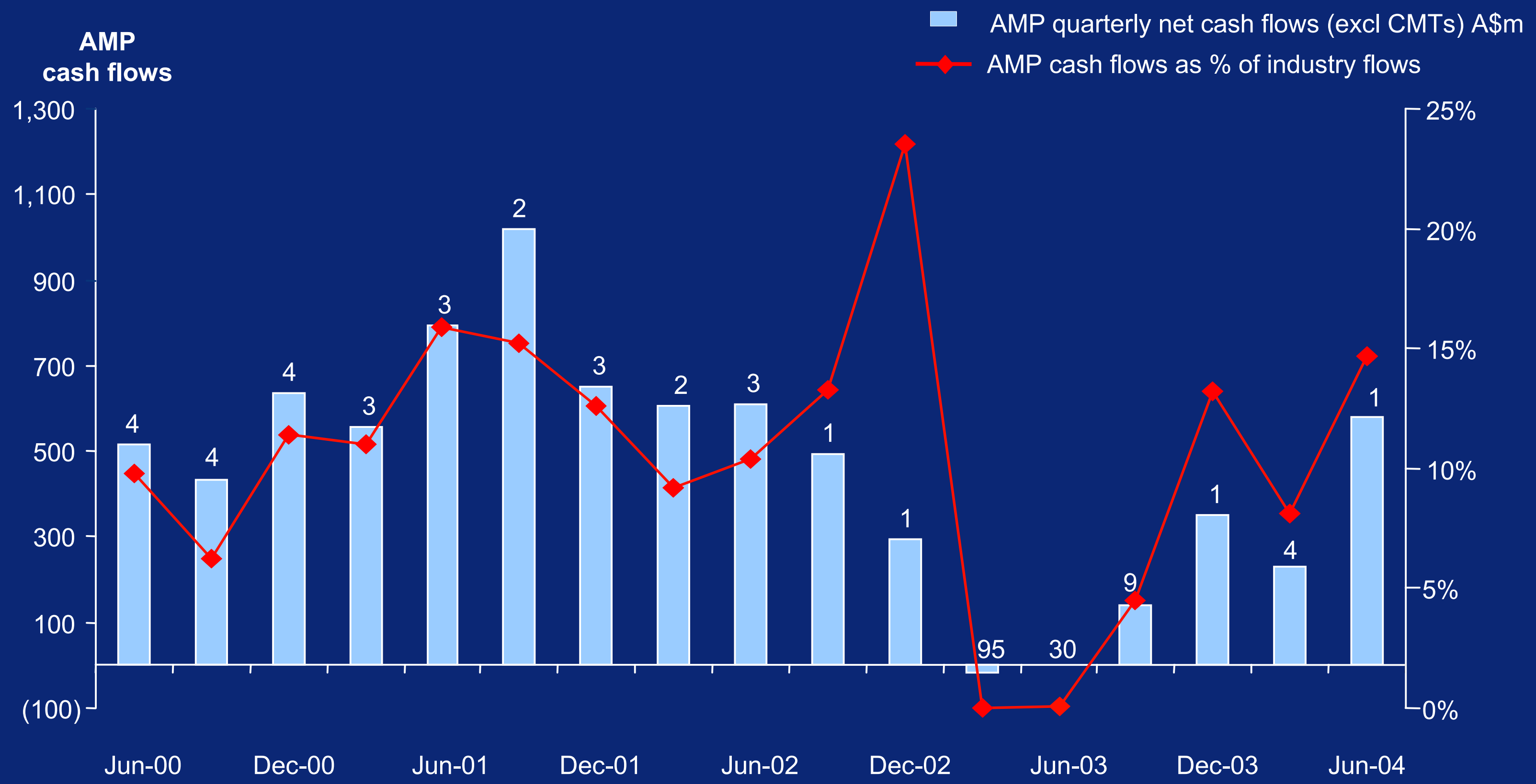
Overview - net retail cash flows relative to major competitors



Quarterly net cash flows excl CMTs (A$m) of largest participants by FUM in Australian market

Source: Plan for Life June 2004

Overview - net retail cash flows and industry share

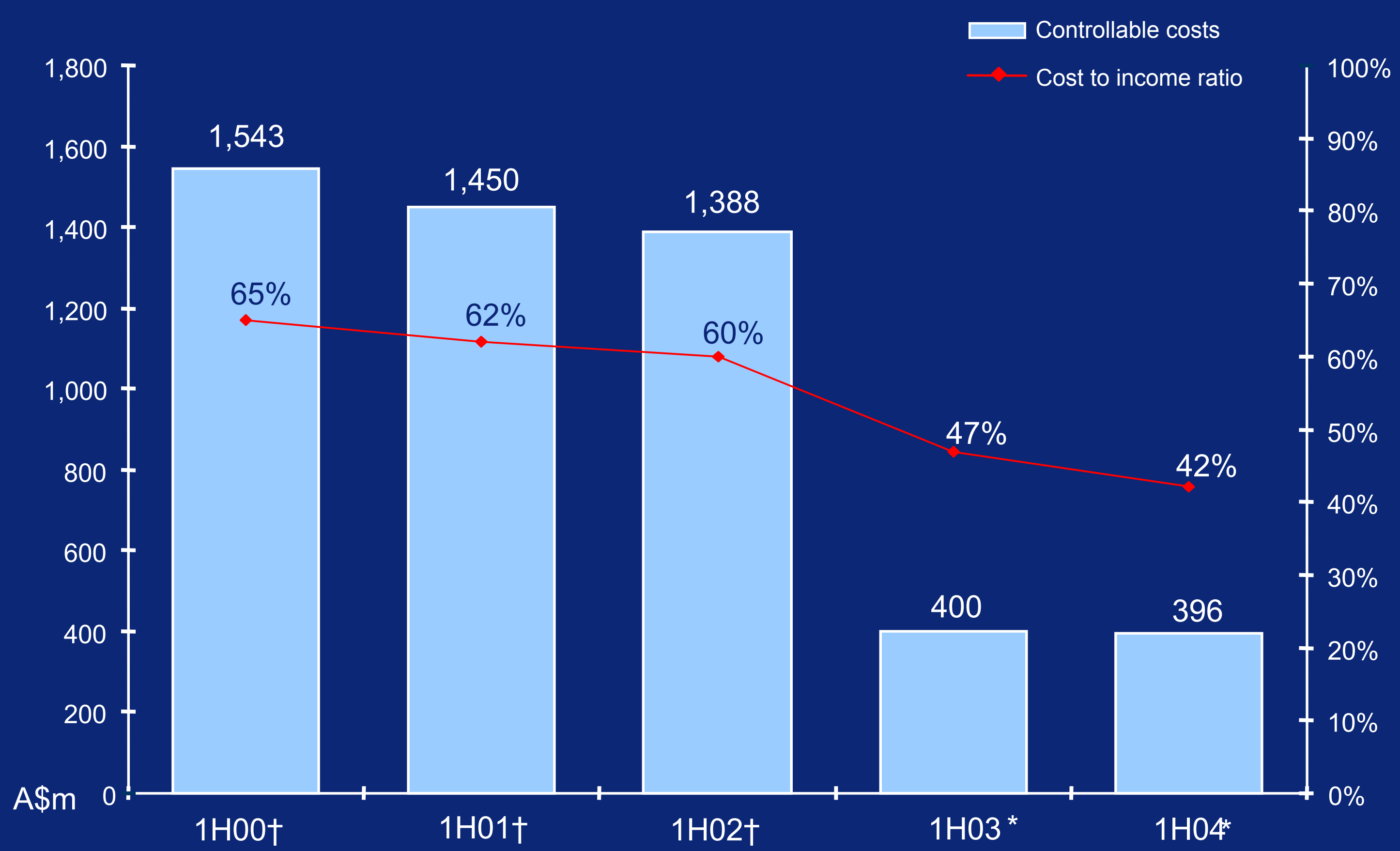


Number above box represents relative industry ranking in quarter

Source: Plan for Life June 2004

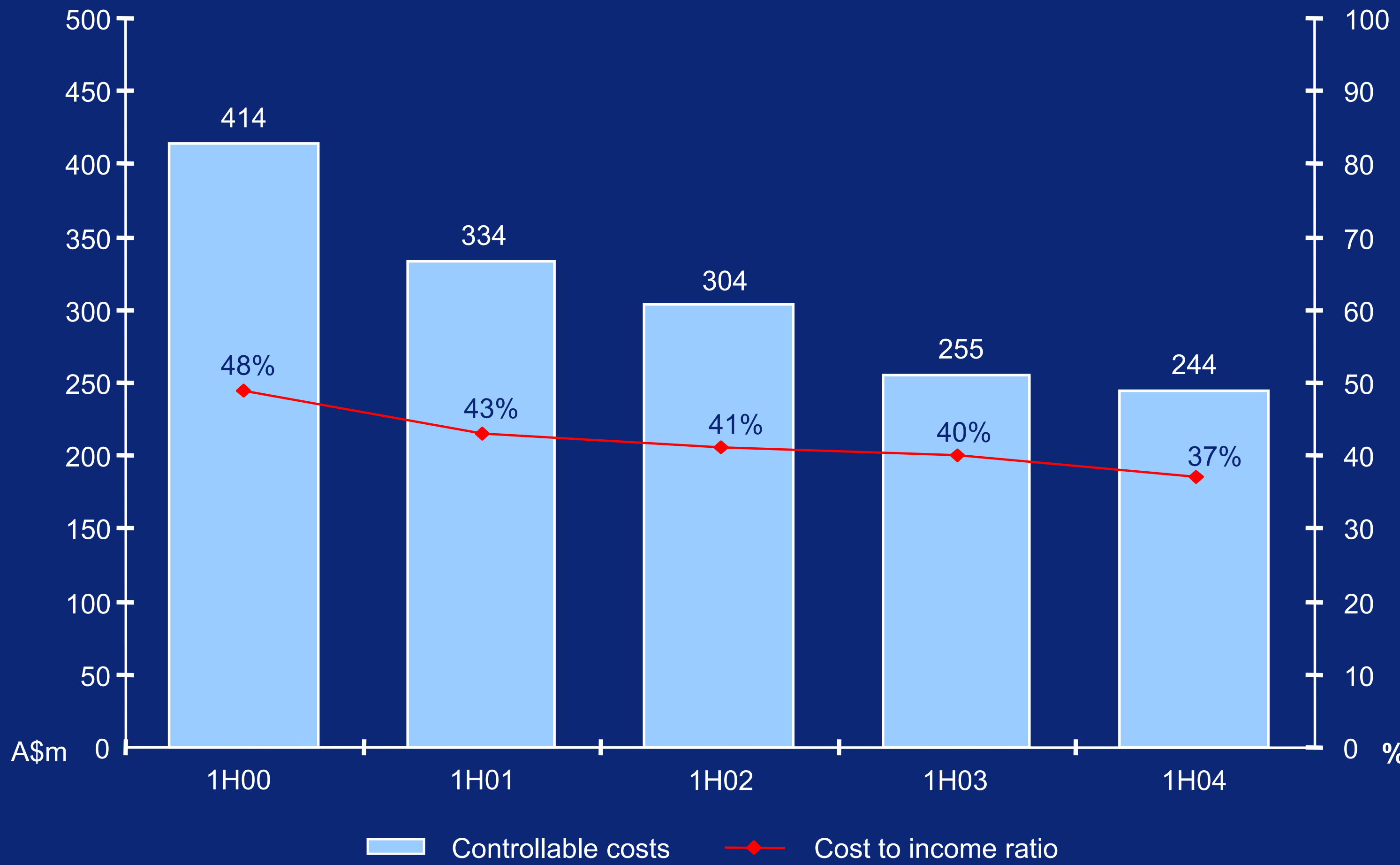
Note: Market share % for Mar 03 & Jun 03 are N/A due to negative fund flow figures and have been assumed to be 0%

Overview – Group costs and cost ratio



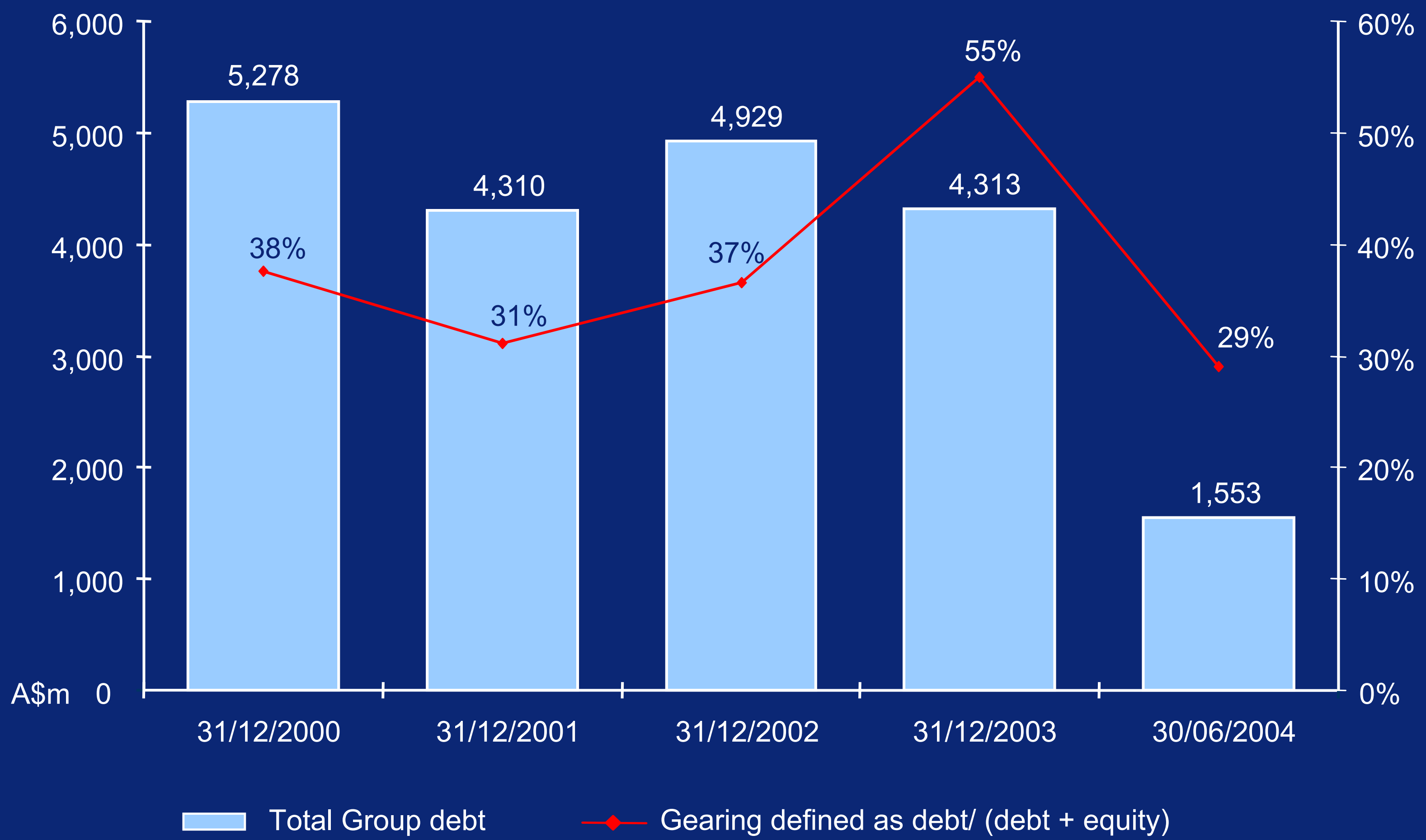
† AMP group including previously owned HHG entities * Demerged AMP

Overview – AMP Financial Services costs and cost ratio*



* Excluding AMP Banking

Overview – Group debt and gearing



Overview – AMP Financial Services profit and capital reductions

	Underlying AFS operating profit (1)(4)	Additional capital reduction (2)(3)(4)(5)	Cash transfer from AFS
	$m	$m	$m
2000	596	162	758
2001	596	(374)	222
2002	545	710	1,255
2003	580	509	1,089
1H04	295	431	726
Total	**2,612**	**1,438**	**4,050**

Note:

(1) Underlying operating profit – uses normalised investment income on capital rather than actual investment income on capital. It includes Bank earnings and contribution from the service company, excluding restructuring provisions.

(2) Capital reduction excludes movements in intangibles

(3) Excludes capital releases from Bank discontinued operations of $131m in 2002 and $276m in 2003

(4) 2000 – 2002 numbers restated from Demerger Explanatory Memorandum to exclude certain AMP bank activities that did not transfer to AMP Financial Services until 1H 04

(5) 1H 04 number includes A$484m of capital excess to target surplus that is likely to be transferred to AMP Ltd, subject to AMP Life Board approval

Overview – Group capital management

Priorities:

- Target underlying payout ratio policy of 75% with franking of 75%
- Continue to reinvest for profitable growth in core businesses
- Maintain financial strength consistent with an ‘A’ credit rating for AMP Group Holdings
- Return excess capital to shareholders

Outlook for 2004

- Results tracking well
- Expecting strong growth in Embedded Value and Value of New Business in AFS. VNB in 2H 04 will benefit both from seasonally higher sales and resetting of maintenance costs for FY 04 based on expected lower unit costs in 2005
- Operating margins in AMP Capital Investors now likely to be slightly higher than FY 03
- Continued focus on costs across the group
- Group debt reduction and gearing targets achieved – restored 'A' credit rating and working on next phase of capital management strategy

Outlook for 2005

- AFS operating margins and underlying contribution will be impacted by loss of transitional tax relief (around A$20m from 1 July) and price effect of fee reductions for key superannuation and pension products (around A$15m)
- AFS expects to more than offset these negative impacts with growth in cash flows and AUM and continued tight cost management
- VNB and EV already reflect impact of planned fee reductions and loss of transitional tax relief, and are expected to continue to grow strongly given fair markets
- Solid growth expected in operating margins in AMP Capital Investors
- Likely capital return to shareholders in one form or another, with quantum and timing to be determined, in addition to 75% dividend payout policy

Strategic focus

Industry overview: key market trends and implications

Market trends	Implications	AMP leverage
▪ Long term industry growth rates around double digits underpinned by mandatory superannuation	▪ Attractive wealth management market	▪ Strongly placed in fastest growing segments
▪ Aging population	▪ Importance of retaining customers through retirement	▪ Customer intimacy and improving persistency
▪ Greater regulation (esp. compliance and transparency of fees)	▪ Increasing professional requirements for planners and enhanced disclosure ▪ Increasing barriers to entry	▪ Planner accreditation ▪ Repricing ▪ Model disclosure standards
▪ Open architecture platforms capturing majority of flows	▪ Importance of "fit for purpose" platform	▪ Low cost manufacturing platform
▪ Unbundling of value chain	▪ Distribution power critical ▪ Cost efficiency critical ▪ Increasing specialisation	▪ High quality performance in each element of the value chain
▪ Unwinding of corporate super plans	▪ Large transfers to master trust sector over next 2-3 years	▪ Strong market share in this segment

Industry overview: AMP has a strong competitive position

	Market	AMP	AXA	CBA	ANZ/ING	NAB	WBC
Market share (Australia only):							**Bold=Ranked #1**
Total Retail FUM [(a)]	$ 347.4b	10.8% (3)	4.9%	**13.5%**	9.4%	13.0%	7.3%
Super FUM	$ 162.5b	**16.8% (1)**	5.4%	13.1%	8.3%	16.5%	6.7%
Retirement Income FUM	$ 48.7b	12.7% (2)	6.9%	**14.6%**	10.1%	11.6%	6.4%
Unit Trusts FUM	$ 96.6b	3.7% (10)	4.9%	**13.9%**	6.6%	8.5%	10.5%
Cash Trusts FUM	$ 31.9b	0% (-)	0.2%	14.1%	21.9%	11.3%	3.0%
Individual Risk Premiums	$3.0b	11.1% (4)	12.7%	12.8%	9.8%	**14.8%**	7.0%
Traditional Life FUM (Regular Premium)	$30.8b	**37.1% (1)**	18.0%	16.3%	0.9%	6.8%	7.0%

Source: Plan for Life Jun 2004, Individual Risk Premiums (Plan for Life Mar 2004)

(a) Total = Super + Retirement Income + Unit Trusts + Cash Trusts + Investment Bonds (not included in table)

Industry outlook: Growth highest where AMP has relatively high market share

	FUM CAGR 1999 – 2004	FUM CAGR 2004 -2009	Net Cashflows CAGR 1999-2004	Net Cashflows CAGR 2004-2009	% of Total Retail Market 2003	% of Total Retail Market 2013
Corporate and Retail Super	16.0%	12.4%	0.7%	13.1%	58.7%	65.4%
Retirement Income	14.3%	13.5%	-6.2%	22.9%	10.6%	12.6%
Savings and Investments	6.6%	7.3%	-1.1%	5.3%	29.1%	20.2%
Risk In-force Premiums	-3.8%	8.3%	8.3%	8.9%	N/A	N/A

Source: DeXX&R based on data as at 30 June 2003

AMP’s business model spans the industry value chain

Distribution - planners	Distribution - dealer groups	Products & platforms	Investment management
AMP and aligned planners	AMP Financial Services - Advice Based Distribution	AMP Financial Services - Product Manufacturing	AMP Capital Investors

AMP’s positioning is strong in each part of the value chain:

- unmatched strength in distribution based on long term partnerships with self-employed financial planners
- market-leading scale and cost efficiency in product manufacturing
- broadly-based capabilities in investment management supplemented by partnerships with specialist managers

AMP's business model – whole greater than sum of the parts

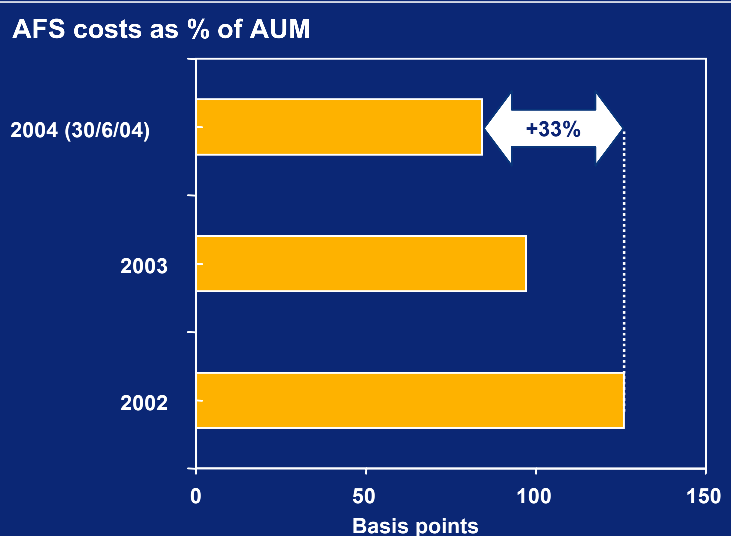
- Distribution drives high and relatively assured volumes in product manufacturing (eg #1 in planners, #1 in super) and provides the ability to cost-effectively in-source technology (eg Asgard Wrap)
- Distribution drives high fund volumes in AMP Capital and facilitates high quality partnering opportunities (eg Future Directions Funds)
- Product manufacturing volumes in turn drive purchasing power with external fund managers and technology providers (eg supply chain management initiatives)
- Funds management and divestments for mature Life book drive leading edge modern products (eg Protected Equities, Listed/Unlisted Property Trusts)
- Being a broadly-based heritage wealth management group is an attractive value proposition to employees and planners (eg high retention through recent tough times)
- Being a broadly-based heritage wealth management group enables leadership positions to be taken in key industry areas (eg advocacy and corporate governance)

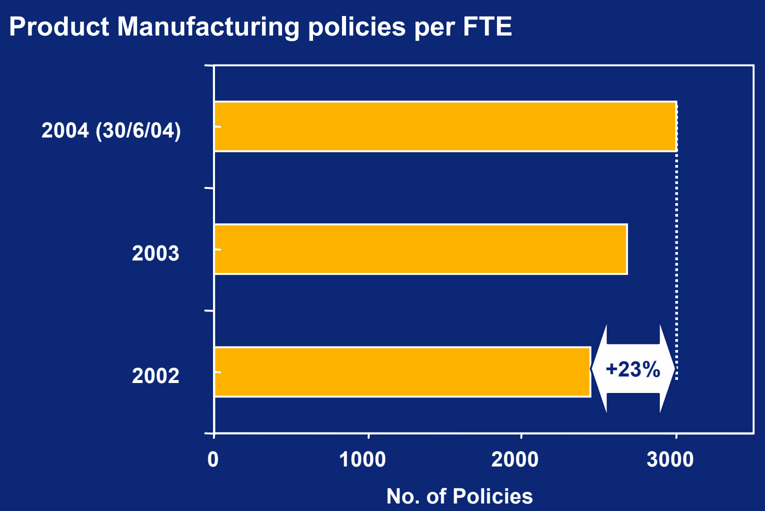
AMP Financial Services – executing a clear strategy

AFS AUSTRALIA

	Product Manufacturing	Advice Based Distribution
Competitive Advantage	Lowest unit cost provider	Customer & planner intimacy
Planner Value Proposition	Simplicity Quality Value for Money Contemporary product range	Preferred business partner Reputation – trust Quality of advice Quality business support to grow business & productivity
Customer Value Proposition	Simple, Quality, Value for Money Contemporary product range	Trusted Relationship Quality advice Value for money

Product manufacturing – delivering low cost platform and improved quality





Note: Data excludes AMP Banking, AMP Sanmar & AMP New Zealand Financial Services

Product manufacturing – leveraging low cost platform

AMP drivers

- AMP recovering strongly and well ahead of plan
- Asset management supply chain review completed - $20m savings
- Cost leadership achieved in product manufacturing
- Major new product features

REPRICING INITIATIVE

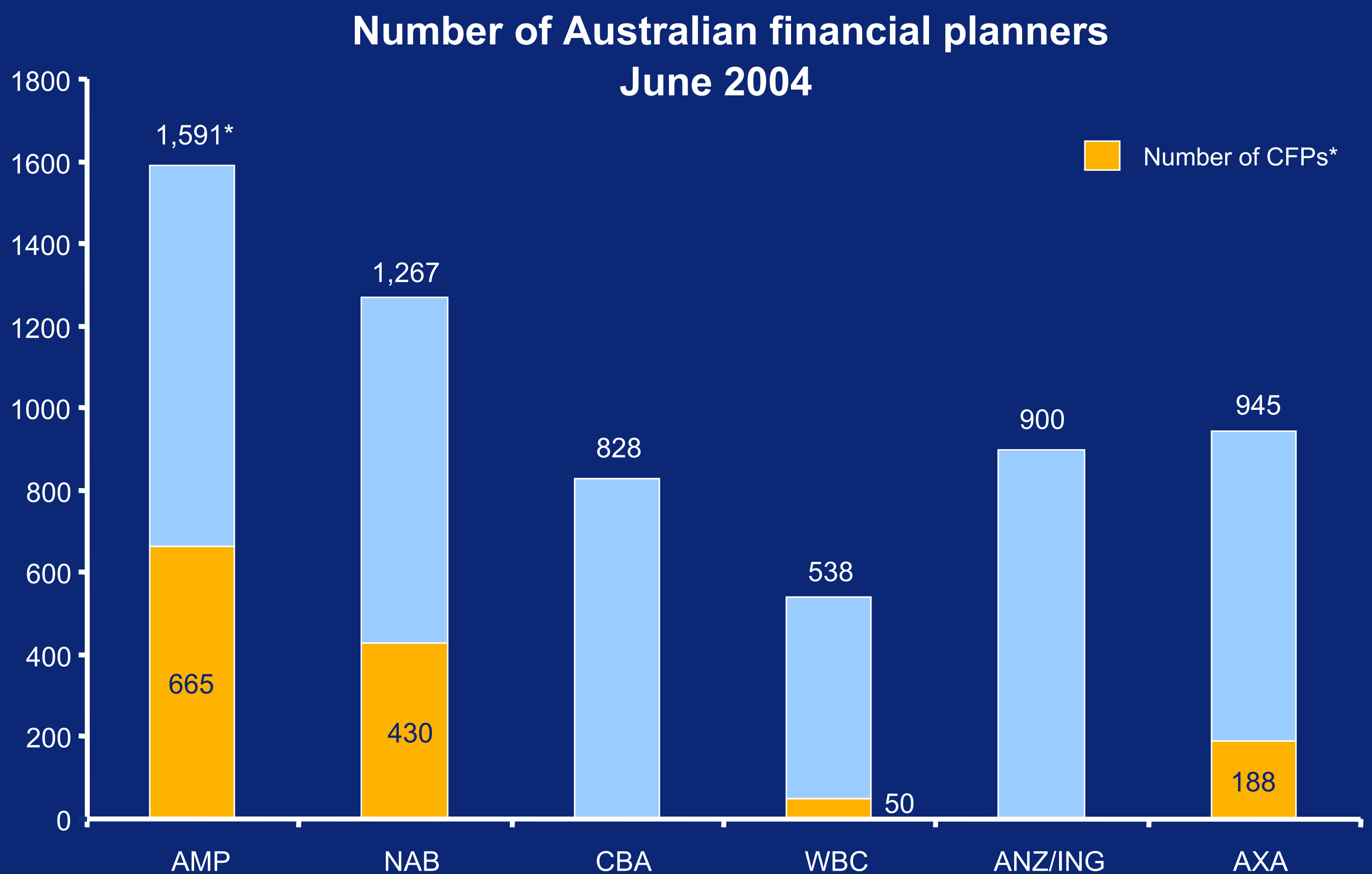
Environmental drivers

- Choice of Fund – July 2005
- New fee disclosure – July 2005
- Continued market penetration of DIY funds
- Competitive pricing of some major groups on open platforms

Advice based distribution – structural competitive advantage in self-employed model

	Banks	Independents	AMP Financial Planning potential
Trusted relationships	X	✓	✓
Cost effectiveness	✓	X	✓
Local autonomy	X	✓	✓
Corporate scale and discipline	✓	X	✓
	Banks do not have adviser models to sustain long term personal relationships	**Independents lack the support and security associated with a large institution**	**AMP has the potential to leverage its large self-employed planner force to win on all dimensions**

Advice based distribution – competitive advantage in scale and planner quality

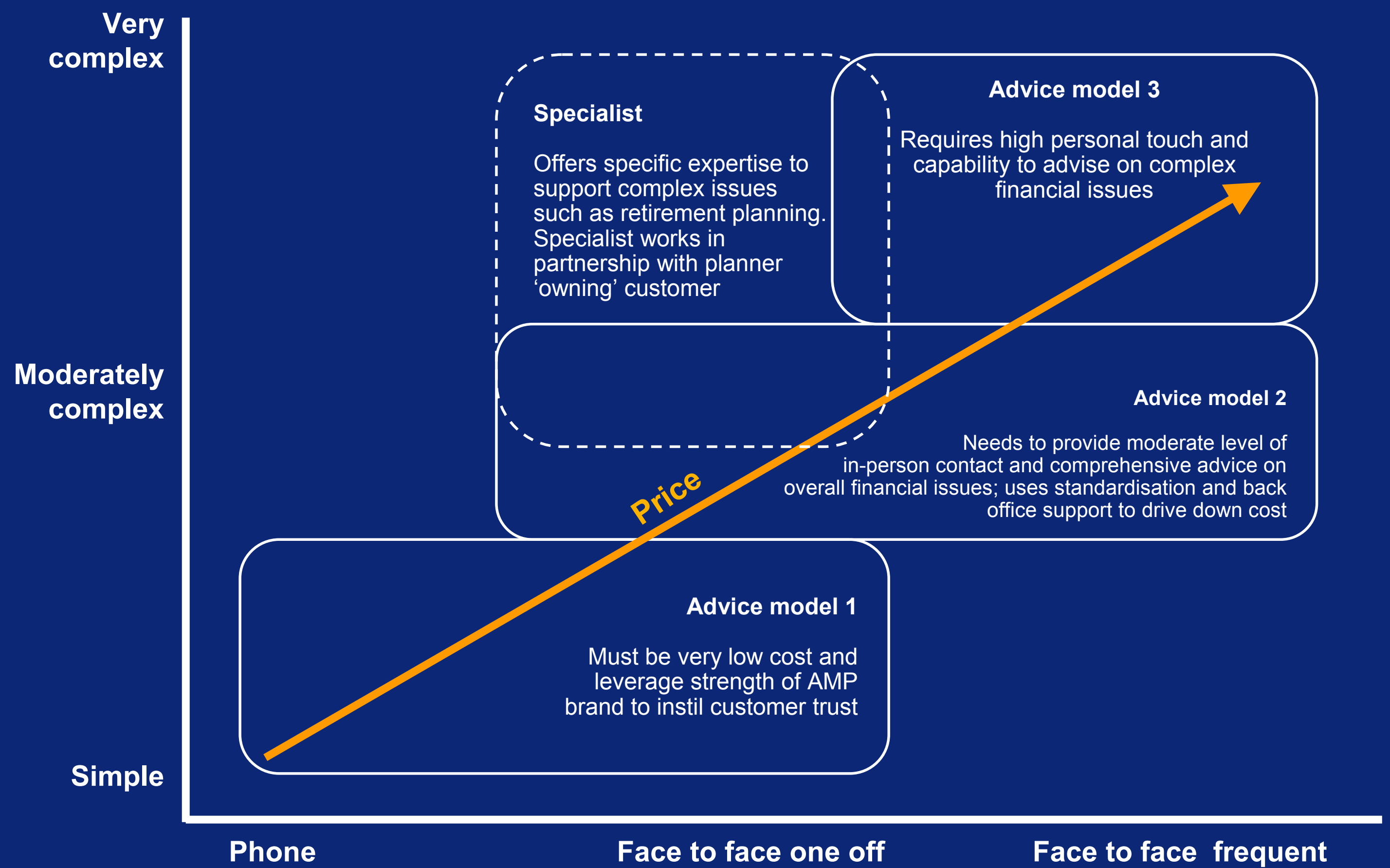


Note: ANZ, CBA did not provide 2004 CFP numbers
Source: Money Management 2004

*CFP – Certified Financial Planners
*1,591 Australia only. Total AMP planner numbers including New Zealand is 1,866

Advice based distribution – developing new advice offers based on client segmentation

Complexity of advice
- No. and type of products
- Complexity of affairs
- Highly correlated to customer value



Level of interaction
- Channel
- Frequency of contact

AMP Capital Investors – strategic priorities

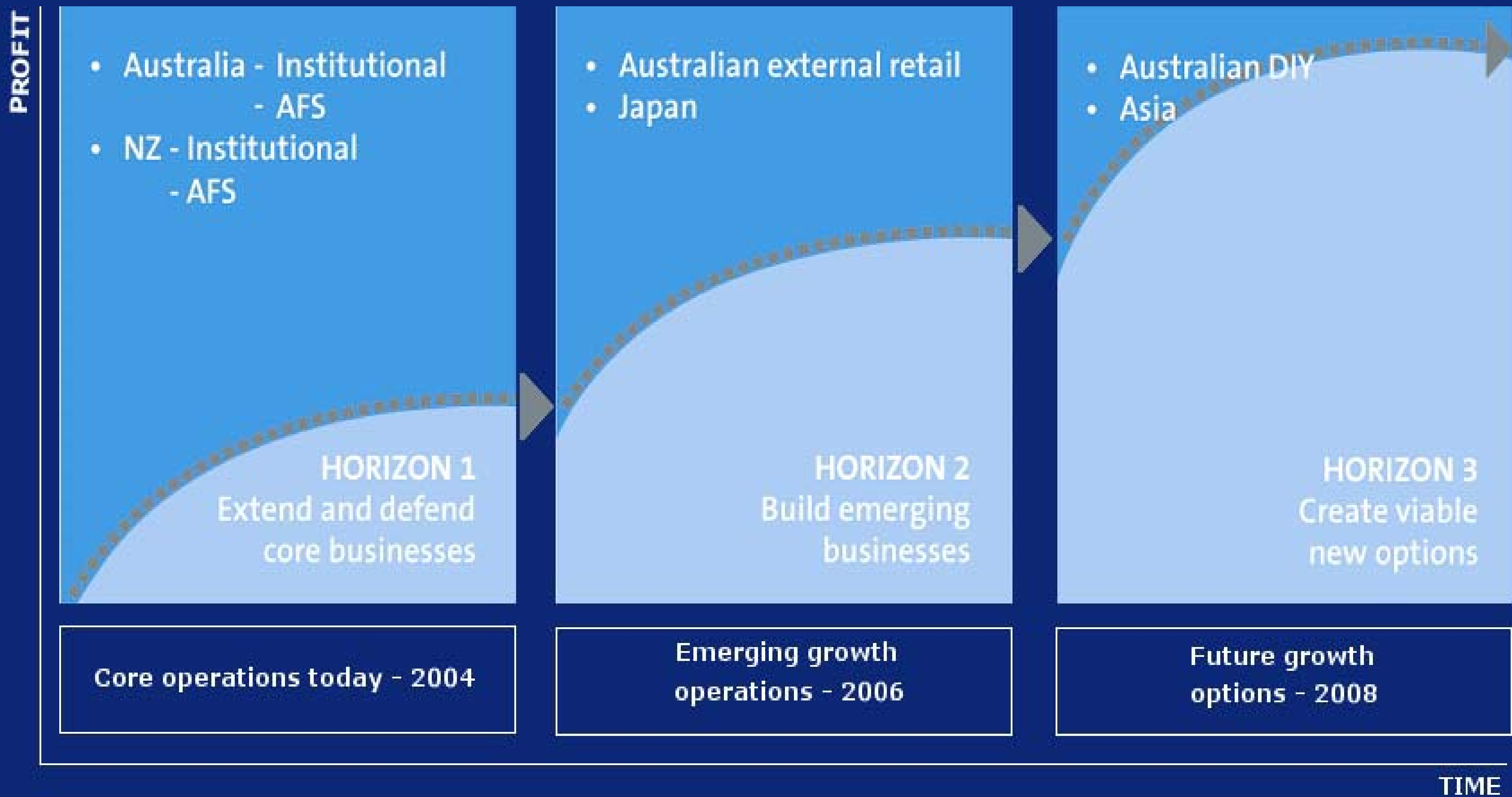
- Strengthen investment performance
- Implement the lead manager model including partnering with specialist external managers
- Defend and extend key business segments
- Foster new growth options
- Reposition the company under the AMP Capital brand

AMP Capital Investors – product outlook

	AUM[1]	Profit margins	Opportunity
Fixed Interest	A$26.1b	Low	Top quartile performance based on credit enhancement. Renewed growth potential in retail and institutional markets
Australian Equities	A$18.6b	Low to medium	Value style has outstanding record; Capital style recovering. Multi style blend performing well.
Global Listed Property	A$1.7b	Medium	First to market in Japan, raising A$1.4b. Set to grow strongly in Asia-Pacific region.
Future Directions Funds	A$7.4b	Medium	Multi-manager funds combine strengths of AMP Capital Investors and Mercers. Set to grow strongly.
Property	A$9.5b	High	Positioning as direct property manager enhanced by industry changes, set to grow solidly.
Private Capital	A$2.8b	High	Infrastructure set to grow strongly, DUET joint venture with Macquarie successfully listed and set to grow strongly.

1 Represents both asset classes and product platforms as at June 04

AMP Capital Investors – channel outlook

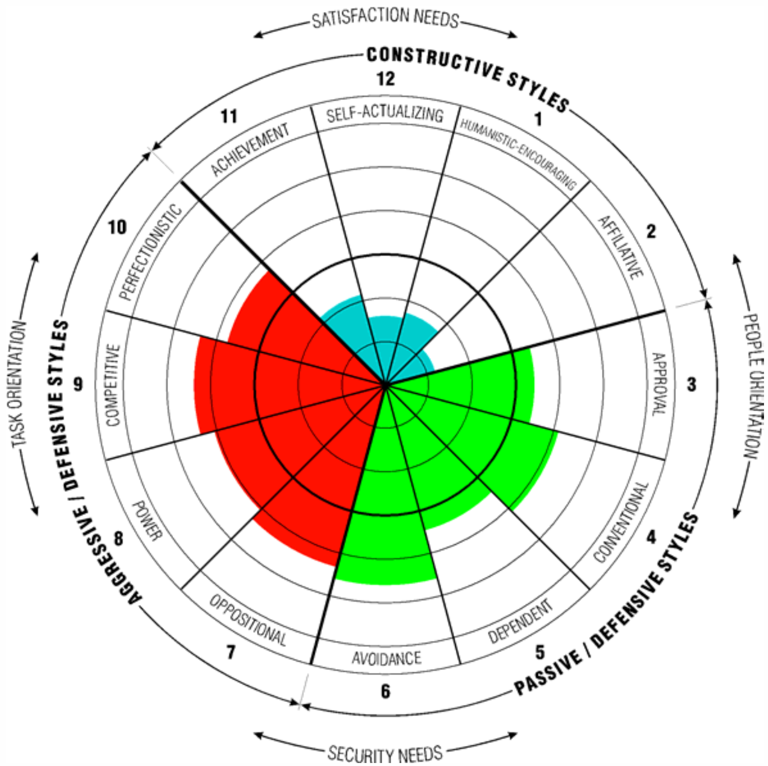


AMP culture - overview

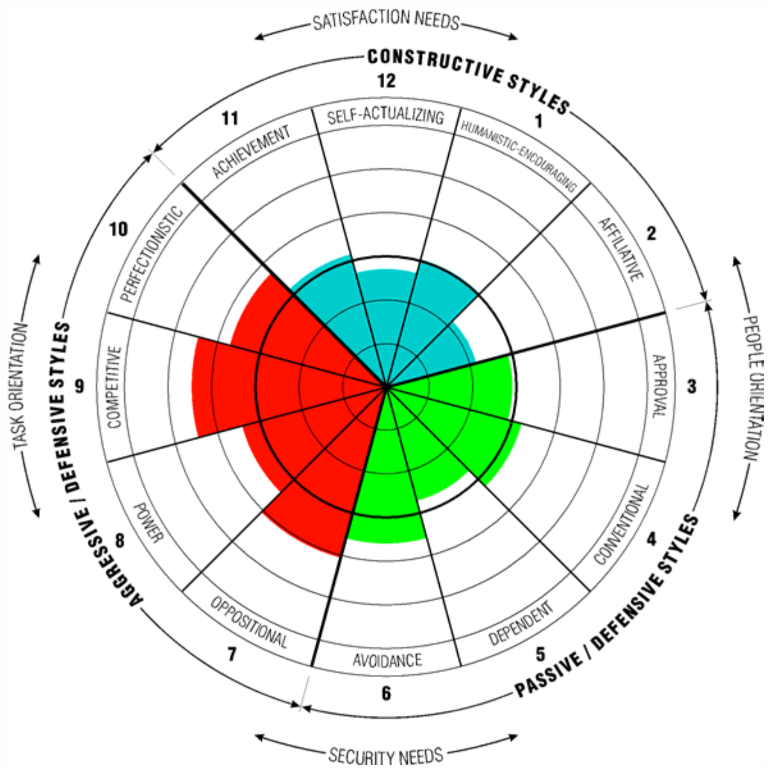
- A constructive culture is a key long term driver of high performing companies
- AMP has been measuring culture since 1996 using the Organisational Culture Inventory (OCI) tool
- OCI identifies an organisation's culture as having one of three dominant styles: constructive (**blue**), passive/defensive (**green**) and aggressive/defensive (**red**)
- 2004 results show an improvement in constructive styles, in particular becoming a more achievement-oriented place to work
- AMP also compares well in this area against competitors in the financial services industry
- Encouraging results to date but still have some way to go in developing a strong constructive culture

AMP culture – increasingly constructive

1996
N = 3,539



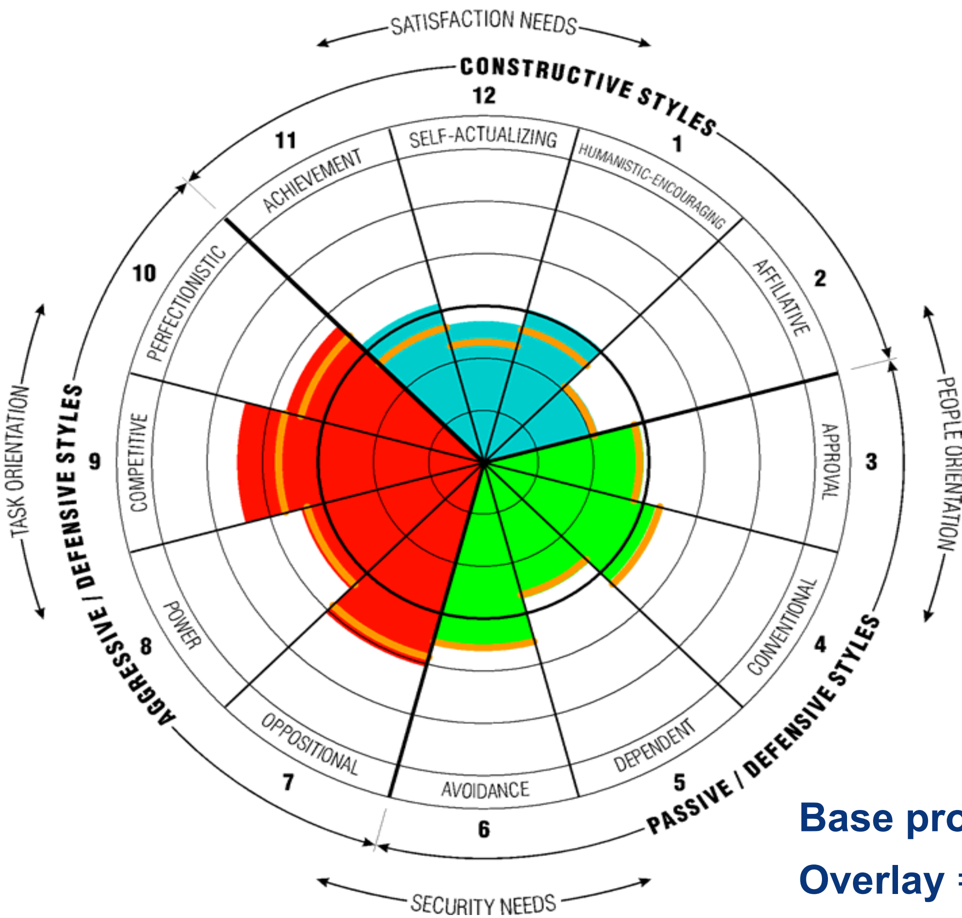
2004
N = 370



Source: Human Synergistics NZ Limited

AMP culture – more constructive than finance industry

Financial services industry comparison



Base profile = AMP 2004

Overlay = Finance industry

Wrap up

- Focus remains on running AMP better than it's ever been run before – encouraging initial results
- AMP is a more focused and agile company with a passion to succeed
- Significant opportunities for growth in wealth management:
  - Attractive retirement savings market
  - Pre-eminent and resilient brand
  - Market-leading distribution and cost efficiency
  - Broadly-based investment capability
  - Increasingly performance driven culture in AMP
- Outstanding platform to drive value and growth