ASX Announcement

8 August 2003

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Company Announcements Office
Australian Stock Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Manager
Market Information Services Section
New Zealand Stock Exchange
Level 9, ASB Tower, 2 Hunter Street
Wellington New Zealand

Announcement No: **89/03**

AMP settles GIO class action

AMP Limited has announced that its subsidiary AG Australia Holdings Limited (formerly GIO Australia Holdings Limited) has reached a settlement in proceedings related to the takeover of GIO in 1999. The settlement is subject to approval by the Federal Court, which will be sought as soon as possible.

AMP has today signed a heads of agreement with Maurice Blackburn Cashman (MBC) to settle this matter. MBC brought the action on behalf of GIO shareholders who held shares continuously between 25 August 1998 and 4 January 1999, and who did not accept AMP's offer due to their reliance on announcements made by GIO in the takeover period including its Part B Statement.

If approved by the Federal Court, the settlement involves a total payment of A$112 million. AMP's contribution to the settlement will be A$56.8 million with other parties paying the balance. Subject to resolution of one outstanding issue with one of the cross-claimants, and subject to negotiation of final documentation, the settlement will include resolution of all claims and cross-claims in the proceedings.

The A$56.8 million to be paid by AMP is covered by reserves held within the Group and will not impact profit and loss.

AMP Chief Executive Officer Andrew Mohl said he was pleased to be bringing an end to the litigation related to the GIO takeover.

"We believe we have reached a settlement that is in the interests of all parties," Mr Mohl said.

"From AMP's perspective, bringing this matter to an end allows us to focus on issues including our demerger proposal."

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