Supplementary prospectus

AMP Limited ABN 49 079 354 519

This document is a supplementary prospectus relating to the prospectus of AMP Limited dated 17 October 2003 in relation to a non-renounceable rights offer by AMP Limited ("**Prospectus**") and the supplementary prospectus of AMP Limited in relation to the rights offer dated 28 November 2003 ("**First Supplementary Prospectus**").

This document supplements, and should be read together with, the Prospectus and the First Supplementary Prospectus. Words and expressions defined in the Prospectus, or the AMP Explanatory Memorandum dated 16 October 2003 ("**Explanatory Memorandum**"), have the same meaning in this document.

Each director of AMP Limited has consented to the lodgment of this document with ASIC as required by section 720 of the Corporations Act.

This document is dated 22 December 2003. It was lodged with the Australian Securities and Investments Commission on 22 December 2003.

1 HHG Global Offer and Convertible Loan Notes

The Explanatory Memorandum disclosed that HHG intends to undertake an issue of new HHG shares prior to 30 June 2004 to raise a net amount of at least £100 million to complete the recapitalisation of HHG. Further, the Explanatory Memorandum sets out the terms of the conditional commitment by UBS AG to subscribe for up to £100 million CLN loan notes (to be issued by HHG) to provide interim capital support until completion of the proposed equity raising.

On 19 December 2003, HHG announced that it had successfully proceeded to allocate shares under its global offering. HHG allocated 652,920,962 HHG Shares at an issue price of 30 pence per share to raise a net amount of approximately £190 million. Settlement of the global offering is expected to take place on 23 December 2003.

If the global offering is completed as anticipated, the CLNs (the proposed terms of which are set out in the Explanatory Memorandum) will not be required and AMP will be released from its standby commitment in relation to the CLNs.

The issue of HHG Shares pursuant to the global offering will represent approximately 26% of the enlarged share capital of HHG, resulting in dilution to existing HHG Shareholders. This dilution will also have the effect that AMP's interest in HHG will be reduced from approximately 15% of its issued capital to approximately 11% of its issued capital.

2 Accounting loss on demerger

The Explanatory Memorandum discloses that the AMP Group will record a loss on the Demerger taking effect based on the market value of HHG. The loss on Demerger set out in the proforma statement of financial position in the Explanatory Memorandum was based on a directors' valuation of HHG of £1,300 million. In determining this valuation the directors considered an independent valuation prepared for HHG based on the financial position of the HHG Group at 30 June 2003, updated to reflect the proforma capital adjustments as set out in the Explanatory Memorandum. The Explanatory Memorandum disclosed that as a market based valuation will be impacted by the share price of HHG after the Demerger, the final loss on Demerger may be materially different from the estimate provided in the Explanatory Memorandum.

The final loss on Demerger is to be determined by reference to the share price of HHG after the Demerger. Final details of the calculation are yet to be determined.

3. Income Securities

The Explanatory Memorandum discloses that AMP does not consider that an event of default has occurred or will occur under the terms of the Income Securities and certain other debt securities as a result of the announcement or implementation of the Demerger.

In November 2003, the trustee of the Income Securities, Perpetual Trustee Company Limited, commenced legal proceedings in the Supreme Court of New South Wales to seek judicial advice on the impact of AMP's Proposal to Demerge on the Income Securities. That application will not be considered until 2004.

On 22 December 2003, two noteholders filed a statement of claim in the Supreme Court of New South Wales seeking a declaration that the Demerger will cause an event of default to occur. That application will not be considered until 2004.

If the court were to ultimately find that a default has occurred, the securities would be repayable at face value. In the unlikely event this was to occur, AMP has both internal and external capacity to refinance the Income Securities and the other debt securities to which this issue relates, including existing cash resources and debt facilities.

AMP continues to believe that no event of default has occurred, or will occur, as a result of the Demerger in respect of the Income Securities and the other debt securities to which this issue relates.