# ASX Announcement

17 March 2004

Manager
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: **019/04**

---

**For Information Only**

**Part One: AMP Income Securities buy back offer opens**

**Part Two: Income Securities Off Market Buy Back Offer**



AMP Limited
Level 24, 33 Alfred Street
Sydney NSW 2000 Australia
ABN 49 079 354 519

**For Information Only**

17 March 2004

**AMP Income Securities buy back offer opens**

AMP has today written to AMP Income Securities holders, offering to buy back their holdings at A$98 plus accrued interest per security.

On 23 February 2004, AMP announced that it planned to buy back as much of its A$1.24 billion in outstanding Income Securities as possible.

The offer price of A$98 plus accrued interest represents a premium to the securities' closing price of A$94.10 on the Australian Stock Exchange the day before the buy back announcement. In addition, up until the buy back announcement, the securities had never traded as high as A$98.

The Income Securities are perpetual instruments that will continue to trade on the Australian Stock Exchange while they are on issue.

Separately, AMP has reached agreement with the Trustee for the Income Securities, Perpetual Trustee Company Limited, to amend the terms of the Income Securities to make interest payments cumulative and compounding from 1 July 2004. This will mean that the interest on the securities remains tax deductible, following tax changes which become effective on that date.

The Trust Deed for the Income Securities is currently being amended to reflect the new terms and conditions.

In the Information Pack being sent to Income Securities holders about the buy back, AMP Chairman Peter Willcox says that the buy back is part of AMP's post-demerger plan to reduce debt as soon as possible.

"A combination of higher operating profits in 2003, stronger investment markets and above benchmark investment returns means that we now have a stronger-than-expected balance sheet. This means we can repay over $1.2 billion of external debt more quickly, reducing our total debt to around $2 billion," he says.

Mr Willcox also says that he will be accepting the offer for his holding.

"I am the only director of AMP holding income securities and I plan to accept the offer for my complete holding of 2,500 securities," he says.

AMP Chief Executive Officer Andrew Mohl encouraged Income Securities holders to read the documentation, which they should receive in the next week.

He noted that AMP had already purchased around $100 million worth of the Income Securities from the two largest holders, who had agreed to withdraw legal action.



AMP Limited
Level 24, 33 Alfred Street
Sydney NSW 2000 Australia
ABN 49 079 354 519

“AMP is repurchasing these securities as they are expensive relative to other forms of debt, particularly in the current interest rate environment. In addition, AMP has too much hybrid debt equity in our overall capital resources,” ” Mr Mohl said.

“We are hopeful of achieving a good response from our securities holders.”

The offer closes on Monday 19 April 2004. However Mr Mohl noted that AMP had established a facility for Income Securities holders who would like to receive payment sooner. If Income Securities holders accept by Monday 29 March 2004 their accounts will be credited, or they will be sent a cheque, as soon as practicable.

Securities holders with questions can contact the AMP Income Securities Information Line on 1300 130 262 (within Australia) or +61 3 9649 5258 outside Australia.

AMP has around 51,000 Income Securities holders.

**Media inquiries:**
Karyn Munsie
Ph: +612 9257 9870
0421 050 430

Matthew Coleman
Ph: +612 9257 2700
0421 611 138

**Investor inquiries:**
Mark O'Brien
Ph: +612 9257 7053



AMP Limited
Level 24, 33 Alfred Street
Sydney NSW 2000 Australia
ABN 49 079 354 519