AMP Limited

ABN 49 079 354 519

Directors' Report and Financial Report for the half year ended 30 June 2006

DIRECTORS' REPORT

For the half year ended 30 June 2006

Your directors present their report on the consolidated entity consisting of AMP Limited and its controlled entities (AMP) for the half year ended 30 June 2006.

DIRECTORS

The directors of AMP Limited during the half year and up to the date of this report are shown below. Directors were in office for this entire period.

Peter Mason – *Chairman*
Andrew Mohl – *Managing Director and Chief Executive Officer*
John Astbury
David Clarke
Richard Grellman
Meredith Hellicar
Nora Scheinkestel

REVIEW OF OPERATIONS AND RESULTS

AMP is a company focused on helping Australians and New Zealanders manage their financial well-being so they can enjoy the future they want.

During the first half of 2006, AMP has continued to focus on its core Australian and New Zealand operations with the strategic intent of running the business better than it's ever been run before. AMP operates in a high growth industry and is utilising its competitive advantages – scale, brand, distribution, cost efficiency, investment capability and culture – to drive sustained improved performance and to realise its inherent potential to be a truly high performing company.

The result for the half year ended 30 June 2006 was a consolidated profit attributable to shareholders of AMP Limited before accounting mismatches of $424 million compared to $397 million for the previous corresponding period. The net profit after accounting mismatches was $347 million, compared to $392 million for the previous corresponding period.

There was a 7.1 % increase in underlying profit to $420 million for the half year to 30 June 2006 from $392 million for the half year ended 30 June 2005. This reflected strong cash flows, growth in assets under management and lower unit costs which more than offset the loss of transitional tax relief and the reduction in investment income from capital initiatives.

Underlying profit is AMP's preferred measure of profitability as it removes investment market volatility, and is the basis for calculation of AMP's dividends to shareholders.

The business made good progress on its five key short-term performance indicators in the period under review.

- Underlying Return on Equity (RoE) increased to 26.6% from 22.9% in the first half of 2005
- Value of new business rose 22% on the first half of 2005 to $164 million and embedded value grew by 12% in the half-year before transfers (3% discount margin)
- Operating earnings grew by 15% to $342 million
- Cost to income ratio fell by 1.8% to 40.1%
- 84% of Australian assets under management met or exceeded their benchmarks in the year to June.

AMP generated total investment gains (before tax) attributable to shareholders, policyholders and other equity interests of $4,503 million for the half year ended 30 June 2006, compared to $3,472 million for the half year to 30 June 2005 reflecting strong investment performance.

Net cash flows in AMP Financial Services of $2.8 billion were up $2.0 billion on the first half of 2005. Cash inflows grew by 52% and outflows rose by 17%.

Total assets under management were $110 billion, up 6% from $104 billion at 31 December 2005.

The focus for 2006 remains on running the business better that it's ever been run before, capturing scale benefits from volume and market growth, sustaining the lowest unit cost position in the industry and pursuing strong growth in the core businesses.

Capital management

On 16 February 2006, AMP announced that AMP Limited shareholders would receive a capital return of 40 cents a share. AMP's shareholders approved the capital return at the Annual General Meeting in May 2006, and payment was made on 19 June 2006. The Australian Taxation Office has ruled that the capital return is to be treated as a reduction in the cost base of the shares and not as a taxable dividend.

A capital return of 40 cents per share was also undertaken during 2005, where payment was made on 16 June 2005.

Capital and reserves of the group have decreased to $2,182 million from $2,810 million at 31 December 2005 as a result of the capital return and dividends paid during the first half of 2006, partially offset by 2006 half year profits and movements in reserves and contributed equity.

The strength of AMP's balance sheet is evident in the rise in interest cover (underlying basis) from 10.6 times in the first half of 2005 to 14.6 times.

Group Office capital at June 2006 was $1.5 billion. It is likely a further capital initiative will occur in 2007 although no decisions have yet been taken as to the quantum, timing or form. The initiative will continue to be framed against the objective to maintain the Group's A credit rating.

IMPACT OF ACCOUNTING MISMATCHES ON PROFIT

One of the significant impacts arising from the implementation of the Australian equivalents to International Financial Reporting Standards (AIFRS) is accounting mismatches. As detailed in the accounting policies note 1(c) in the Financial Report for the half year, accounting mismatches arise because the valuation rules for liabilities to policyholders differ from the valuation rules for certain assets which support them. The application of the rules to these policyholder assets has an abnormal impact on shareholder profit. For example, where policyholder funds own AMP Limited shares the increase in AMP Limited's share price (rebased for the capital returns) from $7.37 to $9.13 in the 6 months to June 2006 (2005: decrease from $6.84 to $6.47) has driven an accounting loss of $57 million (2005: gain of $5 million) in the consolidated result.

The International Accounting Standards Board (IASB) is currently discussing this issue. The IASB has confirmed that it would be preferable to eliminate such accounting mismatches, and is reviewing alternative accounting treatments. The current discussions are part of the wider Insurance Contracts project, and as such are not expected to be resolved in the short term.

During the half year, the aggregate of the accounting mismatches reduced the net profit attributable to the shareholders of AMP Limited by $77 million from $424 million before the accounting mismatches to $347 million after accounting mismatches. The accounting mismatches have reduced the net profit of AMP Limited by approximately 18% although having no impact on cash flow and value.

So that the AMP Limited financial report for the six months ended 30 June 2006 can be drawn up in accordance with Australian Accounting Standards and to present a true and fair view of the results of operations, the presentation of the income statement has been reformatted in order to explain the impact of the accounting mismatches.

EVENTS OCCURRING AFTER THE REPORTING DATE

At the date of this report, the directors are not aware of any matter or circumstance that has arisen since the end of the half year which has significantly affected or may significantly affect the operations of the consolidated entity, the results of its operations or its state of affairs, which is not already reflected in this report other than the following:

Since 30 June 2006, the directors have declared an interim dividend of 19 cents per share to be paid on 24 October 2006, up 5 cents per share on the 2005 interim dividend of 14 cents per share. The dividend is 85% franked (up 10% on franking rate in 2005).

AUDITORS INDEPENDENCE DECLARATION TO THE DIRECTORS OF AMP LIMITED

We have obtained an independence declaration from our auditors, Ernst & Young, a copy of which is attached to this report and forms part of the Directors' Report for the interim period ended 30 June 2006.

ROUNDING

In accordance with the Australian Securities and Investments Commission Class Order 98/100, amounts in this directors' report and the accompanying financial report have been rounded off to the nearest million Australian dollars, unless stated otherwise.

Signed in accordance with a resolution of the directors.

Peter Mason
Chairman

Andrew Mohl
Managing Director and Chief Executive Officer

Sydney, 24 August 2006

ERNST & YOUNG

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Australia

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Sydney NSW 2001

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Auditor's Independence Declaration to the Directors of AMP Limited

In relation to our review of the financial report of AMP Limited for the half year ended 30 June 2006, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Brian Long
Partner
Sydney
24 August 2006

AMP LIMITED

ANALYSIS OF SHAREHOLDER PROFIT

For the half year ended 30 June 2006

A$m	30 Jun 2006	30 Jun 2005
Profit and loss		
AMP Financial Services	290	250
AMP Capital Investors	55	42
Cobalt/Gordian	15	21
BU operating earnings	360	313
Discontinued businesses [1]	-	1
Group Office costs	(18)	(17)
Total operating earnings	342	297
Underlying investment income	99	101
Interest expense on Group debt	(31)	(37)
Transitional tax relief [2]	-	31
Cobalt/Gordian fair value provision release	10	-
Underlying profit	420	392
Investment income market adjustment		
- HHG	-	(17)
- Other	1	9
Profit after income tax before other items	421	384
Employee defined benefit schemes	2	-
Impairment of intangibles	-	(2)
Fair value of debt and derivatives	3	15
Other items	(2)	-
Profit attributable to shareholders of AMP Limited before accounting mismatches	424	397
Mismatch items [3]	(77)	(5)
Consolidated net profit after accounting mismatches	347	392

1 Relates to AMP Banking discontinued businesses.

2 Transitional tax relief refers to the transitional tax relief granted as part of the Australian Review of Business Taxation (1999). This relief ceased to apply after 30 June 2005.

3 As explained further in Note 1(c) of the financial report, accounting mismatches arise because the recognition and measurement rules for certain policyholder assets differ from the recognition and measurement rules for the actual liability to policyholders in respect of the same assets. These mismatches result in policyholder asset movements impacting the profit attributable to shareholders and increased volatility of the reported profit. Accounting mismatches arise in respect of gains and losses on "treasury shares", discounting of deferred tax balances in the valuation of investment contract liabilities, gains and losses on investments in controlled entities of the life statutory funds and gains and losses on owner occupied property.

AMP LIMITED
ABN 49 079 354 519

FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 June 2006

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Registered Office:
Level 24, 33 Alfred Street
Sydney NSW 2000 Australia

AMP Limited, a company limited by shares, is incorporated and domiciled in Australia

Income statement

for the half year ended 30 June 2006

	Note	Consolidated 30 Jun 2006 $m	30 Jun 2005 $m
Income and expenses of policyholders, shareholders and external unitholders[1]			
Insurance premium and related revenue	3	458	450
Fee revenue	3	615	491
Other revenue	3	120	132
Investment gains and losses	3	4,503	3,472
Insurance claims and related expenses	4	(629)	(788)
Operating expenses	4	(889)	(785)
Finance costs	4	(308)	(249)
Movement in external unitholders' liabilities		(591)	(268)
Change in policyholder liabilities before accounting mismatches			
- life insurance contracts[2]		(316)	(203)
- investment contracts[2]		(2,211)	(1,557)
Income tax expense	5	(328)	(298)
Profit attributable to shareholders of AMP Limited before accounting mismatches		424	397
Unmatched changes in policyholder liabilities (accounting mismatches) due to:[2]			
- treasury shares		(57)	5
- owner occupied property		(17)	-
- other		(3)	(10)
Net profit after accounting mismatches		347	392

Footnote:

(1) *Income and expenses include amounts of shareholder interests and also policyholder interests in the life statutory funds. Amounts included in respect of the life statutory funds have a substantial impact on most of the consolidated Income statement lines, especially Investment gains and losses. In general, policyholders' interests in the transactions for the period are attributed to them in the lines Change in policyholder liabilities before accounting mismatches and Unmatched changes in policyholder liabilities (accounting mismatches).*

(2) *As explained further in Note 1(c), accounting mismatches arise because the recognition and measurement rules for certain policyholder assets differ from the recognition and measurement rules for the actual liability to policyholders in respect of the same assets. These mismatches result in policyholder asset movements impacting the Net profit after accounting mismatches and increased volatility of the reported profit.*

Earnings per ordinary share	cents	cents
Basic	18.8	21.5
Diluted	18.8	21.4
Basic before accounting mismatches	23.0	21.7
Diluted before accounting mismatches	22.9	21.6

Balance sheet

as at 30 June 2006

	Note	Consolidated 30 Jun 2006 $m	31 Dec 2005 $m
Assets			
Cash and cash equivalents		1,005	978
Receivables		1,933	1,387
Equity securities	6	40,714	38,182
Debt securities	6	31,906	30,845
Property securities	6	5,579	5,047
Other financial assets	6	2,575	1,922
Investment property	7	6,489	5,766
Property, plant and equipment	8	419	336
Deferred tax assets	5	260	266
Other assets		134	127
Intangibles		725	632
Total assets of policyholders, external unitholders,shareholders and minority interests		**91,739**	**85,488**
Liabilities			
Payables		2,002	1,756
Current tax liabilities		312	385
Provisions		258	328
Outstanding claims liabilities		960	1,037
Deferred tax liabilities	5	1,835	1,599
Borrowings	9	9,776	9,090
Subordinated debt	10	439	428
Other financial liabilities		33	99
Other liabilities		-	23
Life insurance contract liabilities		20,525	20,942
Investment contract liabilities		42,899	38,712
External unitholders' liabilities		10,486	8,266
Total liabilities of policyholders, external unitholders, shareholders and minority interests		**89,525**	**82,665**
Net assets of shareholders and minority interests		**2,214**	**2,823**
Equity			
Contributed equity	12	4,081	4,749
Reserves	13	(2,002)	(2,002)
Retained earnings	13	103	63
Total equity attributable to shareholders		**2,182**	**2,810**
Minority interests		**32**	**13**
Total equity of shareholders and minority interests		**2,214**	**2,823**

Statement of recognised income and expenses

for the half year ended 30 June 2006

	Note	Consolidated 30 Jun 2006 $m	Consolidated 30 Jun 2005 $m
Income and expenses (net of tax) recognised directly in equity			
Owner occupied property			
- valuation gains taken to equity	13	17	-
Cash flow hedge movements	13	9	(1)
Defined benefit fund actuarial gains and losses		15	1
Exchange differences on translation of foreign operations	13	(30)	(3)
Total net income (expense) recognised directly in equity		**11**	**(3)**
Net profit after accounting mismatches		347	392
Total recognised income and expenses for the period		**358**	**389**
Attributable to:			
Shareholders of AMP Limited		358	389
Minority interests		-	-
Total recognised income and expenses for the period		**358**	**389**

Statement of cash flows

for the half year ended 30 June 2006

	Consolidated	
	30 Jun 2006 $m	30 Jun 2005 $m
Cash flows from operating activities		
Cash receipts in the course of operations	8,166	5,775
Interest and other items of a similar nature received	751	747
Dividends received	317	236
Cash payments in the course of operations	(6,396)	(5,060)
Finance costs	(332)	(273)
Income tax refunded (paid)	(185)	(100)
Cash flows from (used in) operating activities	**2,321**	**1,325**
Cash flows from investing activities		
Net proceeds from sale of/(payments to acquire):		
- investment property	(224)	(186)
- equity securities	(2,104)	(1,063)
- unit trusts	(673)	(903)
- interest bearing securities	2,321	541
- loans	(80)	(165)
- other investments	(10)	(53)
Payments to acquire controlled entities(1)	(108)	-
Cash flows from (used in) investing activities	**(878)**	**(1,829)**
Cash flows from financing activities		
Proceeds from borrowings - non Banking operations	161	211
Net movement in borrowings - Banking operations	402	44
Net movement in deposits from customers	101	(17)
Payment for AMP Income Securities buy back	-	(265)
Repayment of borrowings	(96)	(11)
Payment of capital return(2)	(739)	(733)
Dividends paid(3)	(288)	(221)
Cash flows from (used in) financing activities	**(459)**	**(992)**
Net increase (decrease) in cash	**984**	**(1,496)**
Balance at the beginning of the period	7,254	7,706
Effect of exchange rate changes on cash balances	(19)	-
Balance at the end of the period	**8,219**	**6,210**

Footnote:

(1) Net of cash disposed or acquired.

(2) Payment of capital return is presented net of the capital return on "treasury shares". See Note 12 for further information.

(3) Dividends paid is presented net of dividends reinvested and dividends on "treasury shares". See Note 13 for further information.

Notes to the financial statements

for the half year ended 30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated economic entity (the AMP group) comprises AMP Limited (the parent entity), a company limited by shares, and all entities that it controlled during the half year and at the balance date.

(a) Basis of preparation
This general purpose Financial Report for the half year reporting period ended 30 June 2006, has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*.

Accounting policies have been consistently applied to the current half year and comparative period, unless otherwise stated. The same accounting policies and methods of computation are followed by this half year Financial Report as compared with the 31 December 2005 annual Financial Report except as described below.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that this half year Financial Report, comprising the financial statements and the notes thereto, complies with International Financial Reporting Standards.

This half year Financial Report does not include all notes of the type normally included within the annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial position and financial performance of the consolidated entity as that given by the annual Financial Report.

As a result, this report should be read in conjunction with the 31 December 2005 annual Financial Report of the AMP group and any public announcements made in the period by the AMP group in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

For the purpose of this Financial Report, the half year has been treated as a discrete reporting period.

The AMP group is predominantly a wealth-management business conducting operations through AMP Life Limited (AMP Life), a registered life insurance entity and other entities. The assets, liabilities, revenues and expenses arising from investment contracts, life insurance contracts and general insurance contracts are measured predominantly on the basis of fair value.

Where necessary, comparative information has been reclassified to be consistent with current period disclosure.

Change in accounting policy
On initial application of AASB 119 *Employee Benefits* as issued on 7 July 2006 (applicable to years beginning 1 January 2006), AMP has elected to recognise actuarial gains and losses on employer sponsored defined benefit plans directly in retained profits. Actuarial gains and losses were previously required to be recognised through the income statement. This change in policy has been applied retrospectively to all comparative periods. The change in accounting policy has reduced the half year 2006 profit by $15m, half year 2005 profit by $1m and full year 2005 profit by $19m.

(b) Principles of consolidation
This Financial Report consolidates the financial information of controlled entities. Control is determined as the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In certain cases an entity or business may be controlled even though the AMP group does not own more than half of the voting power. In these cases control has been determined based on the AMP group's power to obtain benefits from the entity or business.

The financial information for controlled entities is prepared for the same reporting period as the parent entity using consistent accounting policies. Where dissimilar accounting policies exist, adjustments are made to bring these into line.

AMP Life conducts wealth-management business through separate life statutory funds. Transactions in respect of policyholder activities within the life statutory funds are consolidated into the AMP group Financial Report, along with all activities attributable to the shareholders of the parent entity.

The life statutory funds include controlling interests in unit trusts and companies. The total amounts of each underlying asset, liability, revenue and expense of the controlled entities are recognised in the consolidated financial statements.

When a controlled unit trust is consolidated, the share of the unitholder liability attributable to the AMP group is eliminated but amounts due to external unitholders remain as liabilities in the consolidated balance sheet.

The share of the net assets of controlled companies attributable to minority interests is disclosed separately on the balance sheet. In the income statement, the net profit or loss of the controlled entities relating to minority interests is removed before determining the net profit or loss attributable to shareholders of the parent entity.

Controlled entities that are acquired are accounted for using the purchase method of accounting. Information from the financial reports of controlled entities is included from the date the parent entity obtains control until such time as control ceases. Where there is a loss of control of a controlled entity, the consolidated Financial Report includes the results for the part of the reporting period during which the parent entity had control. All inter-company balances and transactions are eliminated in full, including unrealised profits arising from intra-group transactions.

There have been no acquisitions or disposals of controlled entities or other changes in the composition of the AMP group during the half year, which would require disclosures significant to an understanding of this Financial Report. Those acquisitions and disposals which took place during the half year were largely the result of the investment activities of the life statutory funds.

Notes to the financial statements

for the half year ended 30 June 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Securitisation vehicles
The banking operation of the AMP group sells mortgage loans to securitisation vehicles (also referred to as special purpose entities) through its loan securitisation programme. These securitisation vehicles are deemed by accounting standards to be controlled by the AMP group and are therefore consolidated.

(c) Accounting mismatches
Under AIFRS, accounting mismatches arise from some of the life statutory funds' transactions because the recognition and measurement rules for certain policyholder assets differ from the recognition and measurement rules for the liability to policyholders in respect of the same items. These mismatches result in policyholder asset movements impacting the net profit after income tax attributable to shareholders and increase volatility of the reported profit. Accounting mismatches primarily arise in respect of:

- gains and losses on "treasury shares"
- gains and losses on owner occupied properties
- discounting of deferred tax balances in the valuation of investment contract liabilities
- gains and losses on investments in controlled entities of the life statutory funds

The International Accounting Standards Board (IASB) has discussed accounting mismatches at recent Board meetings. The IASB has confirmed that "it would be preferable to eliminate such (mismatch) effects" and the IASB is reviewing alternative accounting treatments to address the accounting mismatch issue. These discussions are part of the wider IASB Insurance Contracts (Phase II) project which has a long time frame. There is no indication at this stage that they are working on any short-term fix.

"Treasury shares"
ASIC has granted relief from restrictions in the Corporations Act 2001 to allow AMP Life to hold and trade shares in AMP Limited as part of the policyholder funds' investment activities. These shares (defined by accounting standards as "treasury shares") are held on behalf of policyholders and, as a result, the life statutory funds also recognise a corresponding liability to policyholders.

Under AIFRS, the AMP group cannot recognise "treasury shares" on the consolidated balance sheet. These assets, plus any corresponding income statement fair value movement on the assets and dividend income, are eliminated when the life statutory funds are consolidated into the AMP group. The cost of the investment in the shares is deducted from contributed equity.

However, the corresponding investment contract and insurance contract liabilities, and related income statement change in the liabilities, remain upon consolidation. At the AMP group consolidated level, this mismatch results in policyholder asset movements impacting the net profit after income tax attributable to shareholders.

Owner occupied property
Under AIFRS, property owned by the AMP group which is occupied by the AMP group is considered property, plant and equipment in the consolidated balance sheet. Upward revaluations on owner occupied property are recognised in equity. Downward revaluations are recognised in the income statement to the extent that they exceed previous upward revaluations of the same property.

However, to the extent any such property is held with the AMP life statutory funds, investment contract and life insurance contract liabilities are required to reflect owner occupied property at fair value, with movements in those liabilities recognised in the income statement. This mismatch results in policyholder asset movements impacting the net profit after income tax attributable to shareholders.

Discounting of deferred tax balances in the valuation of investment contract liabilities
Investment contract and life insurance contract liabilities include the policyholders' share of current tax payable and deferred tax balances of the AMP group. Under AIFRS, deferred tax cannot be discounted. However where the deferred tax liability arises in respect of investment contracts, and is charged to policyholders on a discounted basis, this discounting must be recognised in determining the fair value of the investment contract liabilities. This mismatch results in the tax impact on policyholder asset movements impacting the net profit after income tax attributable to shareholders.

Investments in controlled entities of the life statutory funds
The majority of the life statutory funds' investments are held through controlling interests in a number of separate entities and those investments are measured at fair value. These investment assets are held on behalf of policyholders, and, as a result, the life statutory funds also recognise a corresponding liability to the policyholder.

Consolidation principles require the underlying net assets of the controlled entities to be recognised in the consolidated financial statements. The fair value of the underlying net assets will not necessarily be the same value as the life statutory funds' value of investments in the controlled entities.

However, the corresponding investment contract and insurance contract liabilities, and related income statement change in the liabilities, remain upon consolidation. At the AMP group consolidated level, this mismatch results in policyholder asset movements impacting the net profit after income tax attributable to shareholders.

Notes to the financial statements

for the half year ended 30 June 2006

2. SEGMENT INFORMATION

30 June 2006 BUSINESS SEGMENTS	AMP Financial Services $m	AMP Capital Investors $m	General Insurance $m	Other $m	Elimin-ations $m	Total $m
Total revenue[1][2]	**5,595**	**269**	**45**	**317**	**(530)**	**5,696**
Segment result	659	81	32	(97)	-	**675**
Income tax (expense) credit	(331)	(23)	(2)	28	-	**(328)**
Segment result after income tax	**328**	**58**	**30**	**(69)**	**-**	**347**
Attributable to minority interests	-	-	-	-	-	**-**
Segment result after income tax attributable to shareholders of AMP Limited[3]	**328**	**58**	**30**	**(69)**	**-**	**347**

30 June 2005 BUSINESS SEGMENTS	AMP Financial Services $m	AMP Capital Investors $m	General Insurance $m	Other $m	Elimin-ations $m	Total $m
Total revenue[1][2]	**4,382**	**210**	**72**	**365**	**(484)**	**4,545**
Segment result	636	69	27	(42)	-	**690**
Income tax (expense) credit	(291)	(20)	9	4	-	**(298)**
Segment result after income tax	**345**	**49**	**36**	**(38)**	**-**	**392**
Attributable to minority interests	-	-	-	-	-	**-**
Segment result after income tax attributable to shareholders of AMP Limited[3]	**345**	**49**	**36**	**(38)**	**-**	**392**

Footnote:

(1) Segment revenue is the aggregate of insurance premium and related revenue, fee revenue and other revenue and investment gains and losses as detailed in Note 3.

(2) Segment revenue includes operating revenue activity between segments. These transactions are priced on an arm's length basis and are eliminated on consolidation.

(3) Other includes the impact of accounting mismatches. See the income statement footnotes and Note 1(c) for further information on accounting mismatches.

Business segment information

AMP Financial Services (AFS) - provides financial planning, investment services, superannuation, mortgage and savings products (provided by AMP Bank) and life insurance products in Australia and New Zealand. The AFS segment also includes investments of the life statutory funds which include controlling equity interests in trusts and companies which conduct investment activities and operating businesses. The individual assets, liabilities, revenues and expenses of those operating businesses are recognised in the AFS segment.

AMP Capital Investors (AMPCI) - provides investment management services in Australia, New Zealand and Asia including private capital and property portfolios and socially responsible investments.

General Insurance - comprises reinsurance and corporate insurance operations in run-off.

Other - includes the provision of support services to the business units, corporate funding and investment of shareholder capital not allocated to reportable segments.

Notes to the financial statements

for the half year ended 30 June 2006

3. INCOME

	Consolidated	
	30 Jun 2006 $m	30 Jun 2005 $m
(a) Insurance premium and related revenue		
Life insurance contract premium and related revenue	444	444
General insurance contract premium and related revenue	14	6
Total insurance premium and related revenue	**458**	**450**
(b) Fee revenue		
Investment management and origination fees	556	454
Financial advisory fees	46	28
Banking business fees	12	6
Other fees	1	3
Total fee revenue	**615**	**491**
(c) Other revenue		
Defined benefit fund income	2	2
Other revenue[1]	118	130
Total other revenue	**120**	**132**
(d) Investment gains and losses		
Interest	746	750
Dividends and distributions		
- associated entities	149	108
- other entities	1,141	918
Net rents	257	286
Net realised and unrealised gains and losses	2,199	1,396
Other investment income	11	14
Total investment gains and losses	**4,503**	**3,472**

Footnote:

(1) Other revenue includes trading revenue of operating businesses in which the life statutory funds hold a controlling equity interest.

Notes to the financial statements
for the half year ended 30 June 2006

4. EXPENSES

	Consolidated	
	30 Jun 2006 $m	30 Jun 2005 $m
(a) Insurance claims and related expenses		
Life insurance contract claims and related expenses	(626)	(755)
General insurance contract claims and related expenses	(3)	(33)
Total insurance claims and related expenses	**(629)**	**(788)**
(b) Operating expenses		
Commission expense	(203)	(151)
Investment management expenses	(83)	(52)
Fee expense on banking business	(6)	(5)
Fees and commission expenses	**(292)**	**(208)**
Wages and salaries	(248)	(206)
Contributions to defined contribution funds	(19)	(16)
Defined benefit fund expense	(1)	(2)
Share based payments expense	(5)	(4)
Other staff costs	(10)	(9)
Staff and related expenses	**(283)**	**(237)**
Occupancy and property maintenance expenses	(78)	(78)
Information technology and communication	(62)	(54)
Professional fees	(35)	(24)
Advertising and marketing	(14)	(10)
Travel and entertainment	(10)	(9)
Other expenses[1]	(115)	(165)
Other operating expenses	**(314)**	**(340)**
Total operating expenses	**(889)**	**(785)**
(c) Finance costs		
Interest expense on borrowings and subordinated debt	(238)	(228)
Other finance costs	(70)	(21)
Total finance costs	**(308)**	**(249)**

Footnote:

(1) Other expenses includes trading expenses of operating businesses in which the life statutory funds hold a controlling equity interest.

Notes to the financial statements

for the half year ended 30 June 2006

5. INCOME TAX

	Consolidated 30 Jun 2006 $m	Consolidated 30 Jun 2005 $m
(a) Analysis of income tax (expense) credit		
Current tax	(147)	(162)
(Decrease) increase in deferred tax assets	56	37
Decrease (increase) in deferred tax liabilities	(231)	(166)
Over provided in previous years	(6)	(7)
Income tax (expense) credit	**(328)**	**(298)**

(b) Relationship between income tax expense and accounting profit

The table below provides a reconciliation of differences between prima facie tax calculated as 30% of the profit before income tax for the period and the actual income tax expense recognised in the income statement for the period.

The income tax expense amount reflects the impact of both income tax attributable to shareholders as well as income tax attributable to policyholders.

In respect of income tax expense attributable to shareholders, the tax rate which applies in both 2006 and 2005 is 30% for Australia and 33% for New Zealand. There are certain differences between the amounts of income and expenses recognised in the Financial Report and the amounts recognised for income tax purposes.

Income tax attributable to policyholders is based on investment income allocated to policyholders less expenses deductible against that investment income. The impact of the tax is charged against life insurance contract liabilities and investment contract liabilities. A number of different tax rate regimes apply to policyholders. In Australia, certain classes of policyholder life insurance income and superannuation earnings are taxed at 15%, and certain classes of income on some annuity business are tax exempt. Rates applicable to New Zealand life insurance business range between 30–33%.

	Consolidated 30 Jun 2006 $m	Consolidated 30 Jun 2005 $m
Profit before income tax	675	690
Policyholder tax recognised as a charge to policyholders in determining profit before income tax	(205)	(209)
Profit before income tax excluding tax charged to policyholders	**470**	**481**
Prima facie tax at the rate of 30% (2005: 30%)	(141)	(144)
Tax effect of differences between amounts of income and expense recognised for accounting and the amounts deductible (taxable) in calculating taxable income:		
Shareholder impact of par-business tax treatment	(9)	(7)
Non-deductible expenses	(9)	(5)
Non-taxable income	2	2
Transitional tax relief on fees from life statutory funds	-	31
Tax offsets and credits	2	9
Other items	9	6
Over (under) provided in previous years after excluding amounts attributable to policyholders	9	4
Benefit arising from previously unrecognised tax losses	15	17
Difference in overseas tax rates	(1)	(2)
Income tax expense attributable to shareholders	(123)	(89)
Income tax expense attributable to policyholders	(205)	(209)
Income tax (expense) credit per income statement	**(328)**	**(298)**

Notes to the financial statements

for the half year ended 30 June 2006

5. INCOME TAX (continued)

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
(c) Analysis of deferred tax assets		
Expenditure deductible in future years	114	125
Unrealised movements on borrowings and derivatives	24	20
General insurance claims costs	30	31
Losses available for offset against future taxable income	34	42
Accelerated depreciation for accounting purposes	10	9
Other	48	39
Total deferred tax assets	**260**	**266**
(d) Analysis of deferred tax liabilities		
Unrealised investment gains	1,770	1,545
Unrealised movements on borrowings and derivatives	43	30
Other	22	24
Total deferred tax liabilities	**1,835**	**1,599**
(e) Unused tax losses and deductible temporary differences not recognised		
Revenue losses	264	246
Capital losses	602	564

Notes to the financial statements

for the half year ended 30 June 2006

6. EQUITY, DEBT AND PROPERTY SECURITIES AND OTHER FINANCIAL ASSETS

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
Equity securities		
Directly held		
- associated entities	504	366
- other entities	36,253	32,692
Held via unit trusts		
- associated entities	3,348	3,855
- other entities	609	1,269
Total equity securities	**40,714**	**38,182**
Debt securities(1)		
Interest bearing securities directly held	18,029	19,039
Interest bearing securities held via unit trusts		
- associated entities	126	79
- other entities	6,380	4,444
Secured loans		
- associated entities	1	1
- other entities(1)	7,017	6,712
Unsecured loans		
- associated entities	1	-
- other entities	335	531
Convertible notes	17	39
Total debt securities(2)	**31,906**	**30,845**
Property securities		
Held via unit trusts		
- associated entities	2,233	2,148
- other entities	3,346	2,899
Total property securities(3)	**5,579**	**5,047**
Other financial assets		
Cash securities held via unit trusts	1,784	1,070
Other financial assets(4)	791	852
Total other financial assets	**2,575**	**1,922**

Footnote:

(1) All debt securities are recorded at fair value, with the exception of $6,825m (2005: $6,430m) of secured loans held by banking operations which are recorded at amortised cost.

(2) Total debt securities includes $4,670m (2005: $4,469m) of debt securities in consolidated securitisation vehicles.

(3) In some cases, comparative information in relation to the analysis of underlying investments between property securities and investment property (Note 7) has been reclassified to be consistent with current period disclosure.

(4) The other category includes derivative financial assets and investment held via vehicles such as joint ventures and partnerships.

Notes to the financial statements
for the half year ended 30 June 2006

7. INVESTMENT PROPERTY

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
Investment property		
Directly held	6,489	5,766
Total investment property[1]	**6,489**	**5,766**
Movements in investment property		
Balance at the beginning of the period	5,766	6,032
Additions		
- through direct acquisition	168	212
- subsequent expenditure recognised in carrying amount	61	138
Acquisitions through business combinations	205	-
Disposals[2]	-	(1,052)
Net gains (losses) from fair value adjustments	307	433
Foreign currency exchange differences	(18)	3
Balance at the end of the period	**6,489**	**5,766**

Footnote:

(1) In some cases, comparative information in relation to the analysis of underlying investments between investment property and property securities (Note 6) has been reclassified to be consistent with current period disclosure.

(2) Disposals includes amounts for investment entities in which the life statutory funds held a controlling interest and which ceased being controlled entities during the year.

Notes to the financial statements

for the half year ended 30 June 2006

8. PROPERTY, PLANT AND EQUIPMENT

30 June 2006	Owner occupied property $m	Leasehold improvements $m	Plant & equipment $m	Total $m
Property, plant and equipment				
Gross carrying amount	278	63	224	565
Less: accumulated depreciation and impairment losses	-	(32)	(114)	(146)
Property, plant and equipment at written down value	**278**	**31**	**110**	**419**
Movements in property, plant and equipment				
Balance at the beginning of the period	261	34	41	336
Additions				
- through direct acquisitions	-	1	19	20
- subsequent expenditure recognised in carrying amount	1	-	-	1
Acquisitions through business combinations	-	-	57	57
Disposals	-	-	(1)	(1)
Increases (decreases) from revaluations and impairment losses recognised directly in equity	17	-	-	17
Depreciation expense for the period	(1)	(4)	(5)	(10)
Foreign currency exchange differences	-	-	(1)	(1)
Balance at the end of the period	**278**	**31**	**110**	**419**

31 December 2005	Owner Occupied Property $m	Leasehold Improvements $m	Plant & Equipment $m	Total $m
Property, plant and equipment				
Gross carrying amount	261	83	95	439
Less: accumulated depreciation and impairment losses	-	(49)	(54)	(103)
Property, plant and equipment at written down value	**261**	**34**	**41**	**336**
Movements in property, plant and equipment				
Balance at the beginning of the period	232	34	46	312
Additions				
- through direct acquisitions	-	9	16	25
- subsequent expenditure recognised in carrying amount	3	-	-	3
Disposals	-	(2)	(9)	(11)
Increases (decreases) from revaluations and impairment losses recognised directly in equity	26	-	-	26
Impairment losses reversed in profit	1	-	-	1
Depreciation expense for the period	(1)	(7)	(12)	(20)
Balance at the end of the period	**261**	**34**	**41**	**336**

Notes to the financial statements

for the half year ended 30 June 2006

9. BORROWINGS

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
Bank overdrafts	127	78
Bank loans	154	108
Bonds and notes[(1)]	7,471	6,925
Deposits[(2)]	2,022	1,970
Other loans	2	9
Total borrowings[(3)(4)]	**9,776**	**9,090**

Footnote:

(1) The AMP group uses interest rate swaps and cross currency swaps to manage interest rate and currency risk inherent in certain debt issues. The group continued to achieve hedge accounting for the current period resulting in the carrying value of bonds and notes being $59m lower (2005: $36m lower) reflecting changes in fair value of the underlying hedged item for the period that the effective hedge relationships were in place.

(2) Deposits is mainly comprised of at call cash on deposit and term deposits at variable interest rates within the AMP group's banking operations.

(3) Borrowings includes amounts to fund:

i) AMP Bank and operating businesses in which the life statutory funds hold a controlling equity interest – borrowings of $8,846m (2005: $8,198m).

ii) Corporate activities of AMP – borrowings of $930m (2005: $892m).

(4) Total borrowings include $4,740m (2005: $4,601m) of debt in consolidated securitisation vehicles.

Notes to the financial statements
for the half year ended 30 June 2006

10. SUBORDINATED DEBT

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
Subordinated Floating Rate Note (3 month BBSW + 0.56% maturing in April 2009)	100	100
7.125% GBP Subordinated Guaranteed Step-Up Bonds (maturing 2019)	251	241
6.875% GBP Subordinated Guaranteed Bonds (maturing 2022)	88	87
Total subordinated debt(1) (2)	**439**	**428**

Footnote:

(1) The AMP group uses interest rate swaps and cross currency swaps to manage interest rate and currenct risk inherent in certain debt issues. The group continued to achieve hedge accounting for the current period resulting in the carrying value of subordinated debt being $6m lower (2005: $4m higher) reflecting changes in fair value of the underlying hedged item for the period that the effective hedge relationships were in place.

(2) Subordinated debt includes amounts to fund:
i) AMP Bank – subordinated debt of $100m (2005: $100m).
ii) Corporate activities of AMP – subordinated debt of $339m (2005: $328m).

Notes to the financial statements
for the half year ended 30 June 2006

11. DIVIDENDS

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
Final dividends paid		
2005 paid in 2006: 18 cents per ordinary share franked to 75% (2004 paid in 2005: 14 cents per ordinary share franked to 75%)	337	260
Interim dividends paid		
2005: 14 cents per ordinary share franked to 75%	n/a	262
Total dividends paid(1)(2)	**337**	**522**
Interim dividends proposed but not recognised		
2006: 19 cents per ordinary share franked to 85%(3)	356	n/a

Footnote:

(1) Total dividends paid includes dividends paid on "treasury shares". See Note 13 for further information regarding the impact of "treasury shares" on dividends paid and retained profits.

(2) All dividends are franked at a tax rate of 30%.

(3) As AMP has consolidated negative retained earnings (consisting of retained earnings and the Demerger loss reserve), it is required to obtain approval from APRA under APRA's prudential standards prior to the payment of dividends. APRA approval has been granted for the payment of the interim dividend proposed.

Notes to the financial statements

for the half year ended 30 June 2006

12. CONTRIBUTED EQUITY

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
Movements in issued capital		
Balance at the beginning of the period	4,959	5,636
Reduction in share capital through Capital return(1)	(750)	(746)
4,957,739 (2005: 9,735,714) shares issued under Dividend Reinvestment Plan(2)	44	69
1,304 (2005: 7,623) shares issued to former members of the AMP Society(3)	-	-
Balance at the end of the period	**4,253**	**4,959**
Total issued capital		
1,874,851,050 (2005: 1,869,892,007) ordinary shares fully paid	**4,253**	**4,959**
Movements in "treasury shares"(4)		
Balance at the beginning of the period	(210)	(220)
Decrease (increase) in cost of "treasury shares" due to sales and purchases	27	(3)
Decrease in cost of "treasury shares" due to capital return	11	13
Balance at the end of the period	**(172)**	**(210)**
Total contributed equity		
1,848,580,328 (2005: 1,839,095,014) ordinary shares fully paid(4)	**4,081**	**4,749**

Ordinary shares have the right to receive dividends as declared and, in the event of the w inding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares have no par value.

Footnote:

(1) On 16 February 2006, AMP announced a capital return of 40 cents per share to the shareholders of AMP Limited. The capital return was approved by shareholders at the annual general meeting on 18 May 2006. The record date for determining entitlement to the capital return was 25 May 2006 and payment was made on 19 June 2006.
On 17 February 2005, AMP announced a capital return of 40 cents per share to the shareholders of AMP Limited. The capital return was approved by shareholders at the annual general meeting on 19 May 2005. The record date for determining entitlement to the capital return was 26 May 2005 and payment was made on 16 June 2005.

(2) Under the terms of the Dividend Reinvestment Plan, shareholders may elect to have part of their dividend entitlements satisfied by the issue of new shares rather than being paid in cash. Shares were issued under the Dividend Reinvestment Plan for the 2005 final dividend (paid in April 2006) at $8.78 per share, the 2005 interim dividend (paid in October 2005) at $7.30 per share, and the 2004 final dividend (paid in April 2005) at $6.91 per share.

(3) The former members of AMP Society exchanged their membership rights for shares in AMP Limited on demutualisation. 1,043,354,546 (2005: 1,043,353,242) shares have been issued to former members at an issue price of $3.00 per share. Ongoing minor adjustments represent shares issued to former members out of the Capital reserve (see note 13).

(4) Of the ordinary shares on issue, AMP Life Limited (a wholly owned controlled entity) holds 26,270,722 (2005: 30,796,993) shares in AMP Limited on behalf of policyholders. ASIC has granted relief from restrictions in the Corporations Act 2001 to allow AMP Life Limited to hold and trade shares in AMP Limited as part of the policyholder funds' investment activities. The cost of the investment in these "treasury shares" is reflected as a deduction from total contributed equity. The cost of "treasury shares" held is impacted by sales and purchases of the shares by the life statutory funds during the period ($27m decrease in cost, June 2005: $8m increase in cost) and any capital returns on "treasury shares".

Notes to the financial statements

for the half year ended 30 June 2006

13. RESERVES AND RETAINED EARNINGS

	Consolidated	
	30 Jun 2006 $m	31 Dec 2005 $m
Capital reserve[1]		
Balance at the beginning of the period	510	510
Movements during the period	-	-
Balance at the end of the period	**510**	**510**
Equity contribution reserve[2]		
Balance at the beginning of the period	1,019	1,019
Movements during the period	-	-
Balance at the end of the period	**1,019**	**1,019**
Share based payments reserve[3]		
Balance at the beginning of the period	19	13
Expense during the period	5	9
Share purchases	(1)	(3)
Balance at the end of the period	**23**	**19**
Cash flow hedges reserve[4]		
Balance at the beginning of the period	3	3
Gains from changes in fair value	9	1
Transferred to income statement	-	(1)
Balance at the end of the period	**12**	**3**
Owner occupied property revaluation reserve[5]		
Balance at the beginning of the period	26	-
Revaluations during the period	17	26
Balance at the end of the period	**43**	**26**
Foreign currency translation reserve[6]		
Balance at the beginning of the period	6	5
Net translation adjustment on self sustaining foreign operations	(30)	1
Balance at the end of the period	**(24)**	**6**
Demerger loss reserve[7]		
Balance at the beginning of the period	(3,585)	(3,585)
Movements during the period	-	-
Balance at the end of the period	**(3,585)**	**(3,585)**
Total reserves	**(2,002)**	**(2,002)**

Notes to the financial statements

for the half year ended 30 June 2006

13. RESERVES AND RETAINED EARNINGS (continued)

	Note	Consolidated 30 Jun 2006 $m	Consolidated 31 Dec 2005 $m
Retained earnings			
Balance at the beginning of the period		63	(240)
Net profit after accounting mismatches		347	790
Defined benefit fund actuarial gains and losses[8]		15	19
Gain (loss) on sale of "treasury shares" recognised directly in retained earnings		10	7
Dividends paid[9]	11	(337)	(522)
Less: dividends paid on "treasury shares"[9]		5	9
Balance at the end of the period		**103**	**63**

Footnote:

(1) The Capital reserve is the balance remaining from the amount capitalised in 1998 on the demutualisation of AMP Society after allotting shares to former members under the terms of the demutualisation. Minor adjustments are made from time to time which involve the issue of further shares to former members.

(2) The Equity contribution reserve recognises the additional loss on the demerger of AMP's UK operations in December 2003. The additional loss is the difference between; the pro-forma loss on demerger based upon directors' valuation of the UK operations and the estimated net assets to be demerged, and the market based fair value of the UK operations based upon the share price of the restructured UK operations on listing and the actual net assets of the UK operations on demerger.

(3) The Share based payments reserve represents the cumulative expense recognised in relation to equity settled share based payments less the cost of shares purchased and transferred to share based payments recipients upon vesting.

(4) The Cash flow hedges reserve represents the cumulative impact of changes in the fair value of derivatives designated as cash flow hedges.

(5) The Owner occupied property revaluation reserve represents cumulative valuation gains and losses on owner occupied property required to be recognised in equity.

(6) Exchange differences arising on translation of foreign controlled entities within the AMP group are taken to the Foreign currency translation reserve.

(7) The Demerger loss reserve represents the transfer from Shareholders' retained earnings of the total loss on demerger.

(8) As explained in Note 1, the adoption of the revised AASB 119 has resulted in actuarial gains and losses on employer sponsored defined benefit funds now being recognised directly in retained earnings. Previously, these amounts were recognised in the income statement.

(9) Dividends paid includes the dividends paid on "treasury shares". Dividends paid on "treasury shares" are required to be excluded from the consolidated financial statements by adjusting retained earnings.

Notes to the financial statements

for the half year ended 30 June 2006

14. CONTINGENT LIABILITIES

As at the date of this report, there have been no material changes in contingent liabilities since those reported in the 2005 Annual Financial Report except that the claim brought by IFMN, an investor in Australian Energy Fund No. 2 (AEF2), against AMP Capital Investors Ltd (AMPCI) and AMP Investment Services Pty Ltd (AMPIS) which arose from the restructure of an asset held by AEF2 reported in the 2005 Annual Financial Report has been settled on confidential terms with no material impact.

Notes to the financial statements
for the half year ended 30 June 2006

15. EVENTS OCCURRING AFTER REPORTING DATE

At the date of this report, the directors are not aware of any matter or circumstance that has arisen since the end of the period which has significantly affected or may significantly affect the operations of the consolidated entity, the results of its operations or its state of affairs, which is not already reflected in this report other than the following:

Dividends
Since 30 June 2006, AMP has proposed an interim dividend on ordinary shares.

Directors' declaration

for the half year ended 30 June 2006

In accordance with a resolution of the directors of AMP Limited, the directors declare that:

(a) The financial statements and the notes to the financial statements comply with the accounting standards;

(b) The financial statements and notes give a true and fair view of the financial position and performance of the consolidated entity for the half year ended 30 June 2006; and

(c) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

PETER MASON
CHAIRMAN

ANDREW MOHL
MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Sydney, 24 August 2006

Independent review report

Independent review report to members of AMP Limited

Scope

The financial report and directors' responsibility
The financial report comprises the balance sheet, income statement, cash flow statement, statement of recognised income and expenses and accompanying notes to the financial statements for the consolidated entity comprising both AMP Limited (the company) and the entities it controlled during the period, and the directors' declaration for the company, for the period ended 30 June 2006.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 134 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach
We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the Corporations Act 2001, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included by reference in the Directors' Report. In addition to our review of the financial report, we were engaged to undertake other non-audit services. The provision of these services has not impaired our independence.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising AMP Limited and the entities it controlled during the period is not in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the consolidated entity at 30 June 2006 and of its performance for the period ended on that date; and

  (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Ernst & Young

Brian Long
Partner
Sydney
24 August 2006