ASX Announcement

1 September 2006

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: 45/06

Part One: AMP launches brokerage-free share sale facility

Part Two: AMP Share Sale Facility terms

Part Three: Sample sale instruction form

1 September 2006

AMP launches brokerage-free share sale facility

AMP Limited has established a share sale facility that offers Australian shareholders who hold small parcels of AMP shares the opportunity to sell free of brokerage.

The facility is entirely voluntary and available to Australian shareholders who hold 400 or less AMP shares at 18 August 2006. It will be open for a limited time from Monday 4 September to Thursday 28 September 2006.

Around 350,000 Australian shareholders will receive information about the offer in the next week.

AMP Chief Executive Officer Andrew Mohl said repeated unsolicited offers to AMP shareholders from companies associated with David Tweed prompted the establishment of this facility.

"This facility will enable us to protect our 'mums and dads' shareholders from sharemarket opportunists and provide a simple, brokerage-free facility for selling small parcels of shares," Mr Mohl said.

"For some shareholders, selling their shares is a difficult process that involves transaction costs and the inconvenience involved in establishing a broker account to facilitate a single sale.

"More than 70 per cent of our retail shareholders have held their shares since demutualisation. While we hope most remain on the AMP register for many years to come, this facility will make it easy if they do want to sell."

Shareholders who choose to use the facility will pay no fees or transaction costs but will be responsible for any tax consequences arising from the sale of shares.

Shareholders with between 101 and 400 shares can sell part of their holding, however must maintain a minimum shareholding of 58 shares (equivalent to a minimum shareholding of around $500). Those with 100 shares or less who participate in the facility must sell their entire holding.

Ord Minnett Limited has been appointed to manage the share sale facility process.

The share price that AMP shareholders receive will be the average of the daily volume weighted average price per share of all AMP shares sold on the Australian Stock Exchange during the sale period. The sale period commences on Wednesday 4 October and concludes Thursday 12 October 2006.

Shareholders will receive proceeds by post or direct credit within 10 business days after the close of the sale period. Those who sell their shares using the facility will also receive the interim dividend, to be paid on 24 October 2006.

Media inquiries
Tanny Tsanis
Ph: +61 2 9257 2700
0434 073 890

Karyn Munsie
Ph: +61 2 9257 9870
0421 050 430

Shareholder inquiries
Computershare
1300 654 442

information about the share sale facility

4 – 28 September 2006

Message from Peter Mason, Chairman

AMP Share Sale Facility
Limited offer closes Thursday 28 September 2006

AMP has established a Share Sale Facility that offers shareholders who hold small parcels of shares the opportunity to sell those shares with no brokerage fees.

This Sale Facility will ensure shareholders who wish to sell small parcels of shares receive market value.

If you wish to keep your shares, you do not need to do anything. However, if you would like to use the Sale Facility, please read the enclosed information carefully. AMP does not make any recommendation or give any advice to you regarding whether to participate in the Sale Facility. If you are in any doubt about what to do, you should consult your own professional adviser.

The Sale Facility will be open from **Monday 4 September to Thursday 28 September 2006**. If you want to participate, Computershare Investor Services Pty Limited must receive your completed Sale Instruction Form by 5.00pm (Melbourne time) on **Thursday 28 September 2006**.

Shareholders who sell their shares using the Sale Facility will also receive the interim dividend, to be paid on 24 October 2006.

Full details of the Sale Facility follow. Also enclosed in this pack is your personalised Sale Instruction Form.

If you have any questions, please contact the AMP Securities Registry on 1300 654 442 between the hours of 8:30am and 5:30pm Monday to Friday Eastern Australian time.

Peter Mason

Peter Mason, Chairman

Terms and Conditions of the AMP Share Sale Facility

1 Why is AMP offering the Facility?

For some shareholders in AMP Limited ABN 49 079 354 519 (**AMP**), transaction costs and the inconvenience involved in establishing a broker account to facilitate a single sale, makes it difficult to sell their shares.

The AMP Share Sale Facility (the **Facility**) represents an opportunity for you to realise the market value for your ordinary shares in AMP (**Shares**) as at the time of their sale, as well as receiving your sale proceeds in a lump sum, rather than in instalments over time.

2 What is the AMP Share Sale Facility?

The Facility provides eligible shareholders with an easy and convenient way to sell their holding of Shares without incurring brokerage.

Sale proceeds – 2 examples

You hold 400 Shares
If these Shares were sold through the Facility and the Sale Price was the same as the closing price on ASX on 18 August 2006, you would receive \$3,604.00* – calculated as 400 Shares multiplied by \$9.01.*

You hold 100 Shares
If these Shares were sold through the Facility and the Sale Price was the same as the closing price on ASX on 18 August 2006, you would receive \$901.00* – calculated as 100 Shares multiplied by \$9.01.*

Your sale proceeds should be received within 10 business days after the close of the Sale Period, that is, by Thursday, 26 October 2006.

* The price of Shares is subject to change from time to time, and the sale proceeds that would be paid to you will depend on the market price during the Sale Period.

The Facility is entirely voluntary. You do not need to sell any of your Shares.

If you are in any doubt about whether to use the Facility, you should consult your own professional adviser.

3 Who can use the Facility?

You are an eligible shareholder and able to use the Facility if:

- you owned 400 or less Shares as at 7:00pm (Sydney time) on 18 August 2006;
- you wish to sell all or some of your Shares;
- your address shown on the AMP Share Register is in Australia; and
- your Sale Instruction Form is received by Computershare Investor Services Pty Limited (**Computershare**) by 5:00pm (Melbourne time) on Thursday 28 September 2006. This date applies to you whether you are issuer sponsored or broker sponsored. (If you are broker sponsored, see section 4 below.)

4 How do I use the Facility?

If you are an eligible shareholder and you wish to use the Facility:

- *read* these Terms and Conditions;
- *ensure* that your name and address on the Sale Instruction Form are correct; and
- *complete, sign and return* the Sale Instruction Form in accordance with the instructions on that form (broker sponsored holders need to return their Sale Instruction Form via their sponsoring broker), so that it is received by Computershare by 5:00pm (Melbourne time) on 28 September 2006.

Sale Instruction Forms returned by email or facsimile or which have been copied will not be accepted unless otherwise determined by AMP.

If your Shares are broker sponsored, your Sale Instruction Form will need to be stamped by your sponsoring broker before it is sent to Computershare. If this does not occur (for example, if your broker has security over your Shares), you will not be able to participate in the Facility.

Returning Sale Instruction Forms – Issuer sponsored holdings

By mail
In Australia – use the reply paid envelope or mail to:
AMP Securities Registry
GPO Box 2980, MELBOURNE VIC 3001

In person
Deliver to:
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067

Returning Sale Instruction Forms – CHESS/Broker sponsored holdings

By mail
To your broker

In person
Have the Sale Instruction Form stamped by your broker and then deliver to:
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067

5 How long is the Facility open?

The Facility will be open from Monday 4 September 2006 until Thursday 28 September 2006.

AMP may extend or shorten this period or any other period in the Facility, or suspend, reinstate or terminate any part of or all of the Facility as and when it wishes. If it does so, it will make an announcement to the Australian Stock Exchange (**ASX**) and on its website at www.amp.com.au/shareholdercentre either before or as soon as practicable after doing so. If the Facility is suspended or reinstated, AMP may deal with unprocessed Sale Instruction Forms as it sees fit.

6 What are the costs of using the Facility?

You will pay no fees or transaction costs if you use the Facility. However, any tax consequences arising from the sale of your Shares are your responsibility. See section 14 for more information on possible tax consequences.

7 Can I sell some but not all of my Shares?

For shareholders with 100 Shares or less as at 18 August 2006, if you choose to participate in the Facility, you must sell all of your Shares as shown on the Sale Instruction Form.

For shareholders with between 101 and 400 Shares as at 18 August 2006, if you choose to participate in the Facility, you may elect to sell all or only some of your Shares. However, if you elect to sell only some of your Shares, you may not reduce your holding to less than 58 Shares.

8 Can I still use the Facility if my shareholding changes?

Once you have returned your Sale Instruction Form, you may not sell any of your Shares other than through the Facility. However, if your holding of Shares increases or reduces, you may still be able to use the Facility. The Facility will apply to all of your Shares at the time your Sale Instruction Form is processed by Computershare, and not just your holding as at 18 August 2006. This means that if you acquire more Shares after 18 August 2006 and use the Facility:

- If you held 100 Shares or less as at 18 August 2006, those additional Shares, as well as your original holding, will be sold through the Facility.
- If you held between 101 and 400 Shares as at 18 August 2006, only the number of Shares you have elected in your Sale Instruction Form will be sold through the Facility.
- If your holding exceeds 400 Shares at the time your Sale Instruction Form is processed, you will not be able to use the Facility, and your Shares will not be sold.

9 Can I withdraw my Sale Instruction Form?

No. Once you have returned your Sale Instruction Form to Computershare, you cannot withdraw your Sale Instruction Form and you are irrevocably bound to sell your Shares through the Facility.

10 How and when will my Shares be sold?

If you use the Facility, you irrevocably appoint Ord Minnett Limited (Broker) as an execution

only broker to sell on your behalf the number of your Shares that you specify in your Sale Instruction Form in accordance with these Terms and Conditions and any associated documents provided or made available to you by AMP.
If you use the Facility, you cannot specify the date on which your Shares will be sold. The Broker will sell your Shares in the ordinary course of trading on the ASX during the period commencing on Wednesday 4 October 2006 and ending on Thursday 12 October 2006 (**Sale Period**) or by crossings or special crossings conducted within 7 days after the close of the Sale Period to facilitate the purchase of Shares on behalf of other shareholders pursuant to the AMP Dividend Reinvestment Plan.

If you use the Facility, you irrevocably appoint and authorise AMP as your agent to do all things and execute all documents (including to effect any holding adjustment, securities transformation and other transmission or transaction in relation to your holding of Shares), to facilitate the sale of all of those Shares through the Facility.

11 What price will I receive?

If you use the Facility, you cannot specify the price at which your Shares will be sold. The price payable for each of your Shares sold through the Facility (**Sale Price**) will be the arithmetic average of the daily volume weighted average price per share of all AMP shares sold on ASX during the Sale Period excluding any transactions defined in the ASX Market Rules as special crossings, crossings prior to the commencement of normal trading, overnight trades, crossings during the closing phase and the after hours adjust phase, any overseas trades or trades pursuant to the exercise of options over shares, and excluding other trades the directors of AMP consider not to be fairly reflective of natural supply and demand.

The Sale Price will be the same amount as the price at which shares in AMP will be acquired under the AMP Dividend Reinvestment Plan.

The Sale Price will be calculated by the Broker and may not be challenged in the absence of manifest error. Your sale proceeds will be equal to the Sale Price multiplied by the number of your Shares sold through the Facility, rounded up to the nearest cent.

You should note that the Sale Price may be different to the price for Shares on ASX on the day that your Sale Instruction Form is returned or on any other day (including the day on which your Shares are sold), and may not be the best price obtainable on the day on which your Shares are sold. The price of Shares can be found from a number of sources including daily newspapers and the AMP website at www.amp.com.au/shareholdercentre. The closing price of Shares on ASX on 18 August 2006 was $9.01.

12 How and when will I receive the proceeds from the sale of my Shares?

If you use the Facility, your sale proceeds will be paid to you in the same manner that you are paid dividends, being:

- direct credit; or
- cheque (in Australian dollars, sent to your address as shown on the AMP Share Register and made payable to the name(s) on the Share Register). Payment by cheque is at your risk.

Payment will be credited or posted within 10 business days after the close of the Sale Period.

Computershare will notify you, by way of a transaction confirmation note issued on behalf of the Broker and sent to your address in the AMP Share Register, of the number of your Shares sold through the Facility and the Sale Price for those Shares.

You will not receive interest on any proceeds of the sale of your Shares.

13 How does selling my Shares through the Facility compare with selling them through my broker on ASX?

If you are thinking of selling your Shares prior to the Facility closing, then you can do this using the Facility or through your broker on ASX. Some different features of each method are outlined on the next page.

Selling Shares through the Facility compared with a broker

Number of Shares that can be sold

Under the Facility	With a broker
Under the Facility you must sell all of your Shares if you hold 100 Shares or less as at the time when your Sale Instruction Form is processed by Computershare. If you hold more than 100 Shares at that time, you may elect to sell all or only some of your Shares. However, if you elect to sell only some of your Shares, you may not reduce your holding to less than 58 Shares.	With a broker, you can sell any portion of your holding of Shares.

Procedure for the sale

Under the Facility	With a broker
Under the Facility, you participate by completing, signing and returning the Sale Instruction Form.	To sell via a broker on ASX, you must first appoint a broker to represent you and open an account.

Costs of the sale

Under the Facility	With a broker
Under the Facility, you pay no fees or transaction costs.	With a broker, you will pay brokerage and applicable GST.

Price for each Share sold

Under the Facility	With a broker
Under the Facility, you will receive the Sale Price. You cannot set a sale price.	With a broker, unless you set a minimum price, you will receive the market price at the time your transaction request is acted upon - that price may be higher or lower than the Sale Price under the Facility.

Date on which the sale occurs

Under the Facility	With a broker
Under the Facility, your Shares will be sold during the Sale Period.	With a broker, you can control the date on which your sale occurs through giving specific instructions to your broker.

14 What are the Australian tax consequences if I sell my Shares?

The following is a general description of the Australian tax implications of selling Shares through the Facility if you are an Australian resident individual and hold Shares on capital account (ie. as a long term investment). However, tax law is complex and its operation depends upon your particular circumstances. You should consult your tax adviser before using the Facility.

You may be required to pay tax on the sale of your Shares. Whether you will be required to do this, and how much you must pay, depends on when and how you acquired your Shares and how much you paid for them:

- Tax will generally be payable on the sale of your Shares if the Sale Price exceeds the cost base for your Shares (this is generally the cost of acquisition). Australian resident individuals or trusts (other than superannuation funds) who sell Shares which they have held for at least 12 months would only be taxed (at their marginal tax rate) on 50% of the capital gain (after deducting any available capital losses) realised by their sale. (If the Shares have been held since before 11:45am 21 September 1999, you may choose to use indexation of the cost base in calculating the capital gain, instead of applying the 50% discount to the unindexed gain).
- This concessional capital gains tax treatment would not apply to an individual shareholder who buys and sells shares in the ordinary course of business (for example, a share trader) or to a shareholder that is a company. A shareholder which is a qualifying superannuation entity is generally entitled to a capital gains tax discount of one third, instead of 50% of the gain.
- Australian residents who choose to sell their Shares before they have held them for at least 12 months, will not be eligible for concessional capital gains tax treatment.
- If the Sale Price is less than the amount you paid to acquire a Share sold through the Facility, you will realise a capital loss. It can offset capital gains you make on the sale of other shares or assets (in the same or later years), but is not deductible against your income.
- A capital loss available to you from sale of other assets may be deducted from a gain on sale of your Shares. In cases where tax is payable on 50% of a gain, the gain is first reduced by the loss before being reduced by 50%.

15 Will I still receive the 2006 interim AMP dividend?

If you choose to sell some or all of your Shares through the Facility, you will still be entitled to receive the 2006 interim AMP dividend due to be paid on 24 October 2006 in respect of those Shares.

16 What happens if I am a participant in the AMP Dividend Reinvestment Plan?

If you are a participant in the AMP Dividend Reinvestment Plan (**DRP**), by signing and returning a Sale Instruction Form:

- you will be taken to have chosen to have withdrawn your participation from the DRP in respect of the Shares which you have elected to sell through the Facility;
- you will continue to participate in the DRP in respect of any remaining Shares.

17 Financial Services Guides

The Broker is the holder of an Australian financial services licence (Licence No. 237121). Computershare is an Authorised Representative (No. 268511) of Computershare Clearing Pty Ltd (the holder of an Australian financial services licence (Licence No. 234715)). If you use the Facility, you appoint AMP as your agent to receive Financial Services Guides (and any update of those documents) from the Broker and from Computershare. The Broker and Computershare have each provided a Financial Services Guide to AMP and will provide any updates to AMP. AMP will post the Financial Services Guides (and any updates) on its website at www.amp.com.au/shareholdercentre along with the other Facility documents and any new information in relation to the Facility AMP, the Broker or Computershare wishes to make available.

The Broker is not an authorised deposit-taking institution under the *Banking Act 1959* (Cth).

18 Additional terms of the Facility

- AMP may (but is not obliged to) accept a Sale Instruction Form as valid even if it is late, incomplete or otherwise defective. AMP reserves the right to reject or not process any Sale Instruction Form, whether completed correctly or not. AMP (or any agent of AMP acting on its instructions) may correct any error in, or omission from, a Sale Instruction Form and complete the Sale Instruction Form by the insertion of any missing details. Despite any other provision in these Terms and Conditions, none of AMP, Computershare or the Broker is under any obligation to accept any Sale Instruction Form, whether completed correctly or not.
- None of AMP, the Broker, Computershare and any other person involved in the Facility are giving, or are obliged to give, any investment or other advice, or are making any securities recommendation, to you in respect of the Facility. This document and the Sale Instruction Form do not constitute advice or a recommendation by any of AMP, the Broker or Computershare to buy, sell or hold securities in AMP, nor that the Facility or any other facility is the best way to sell your Shares.
- Any decision to sell Shares through the Facility must be made after considering your own objectives, financial situation and needs, your own assessment of AMP and your own analysis of the Facility Terms and Conditions. If you are unsure of what action to take, you should consult your own professional adviser.
- AMP, the Broker and Computershare may appoint agents and delegates to perform any of their obligations, or exercise any of their powers or discretions, in relation to the Facility.
- By signing and returning a Sale Instruction Form, you acknowledge that you have read and agree to the Terms and Conditions of the Facility and you give the acknowledgements, warranties and undertakings set out on the Sale Instruction Form.
- The Terms and Conditions of the Facility may be changed by AMP by giving notice to ASX, but no such change will apply to any completed sale of Shares through the Facility. Each eligible shareholder is bound by any such change whether or not they receive notice of the change.
- The terms of the Facility are governed by the laws in force in New South Wales.
- Personal information may be collected on the Sale Instruction Form by AMP, the Broker and/or Computershare for the purpose of the administration of, and the sale of Shares by the Broker as broker through, the Facility. That information may be used by each of them and may be disclosed by each of them to each other, to their respective related bodies corporate, to external service companies such as mail service providers for those purposes, or as otherwise required or permitted by law. Please contact AMP, the Broker or Computershare for details of your personal information held by it or contact the AMP Securities Registry Call Centre (see contact details in section 19) to correct inaccurate or out of date information.
- By signing and returning a Sale Instruction Form, you acknowledge that any cheque and transaction confirmation statement posted to you under the Facility will be posted at your risk to your address as shown on AMP's Share Register.
- By signing and returning a Sale Instruction Form, you acknowledge that none of AMP, Computershare, the Broker, nor any other party involved in the Facility has any liability to you other than for the payment of any sale proceeds determined and payable in accordance with these Terms and Conditions.
- By signing and returning a Sale Instruction Form, you warrant that at the time of signing and returning that form you are the registered holder of the Shares specified in that form and that any buyer of those Shares through the Facility will acquire good title to those Shares free from all mortgages, charges or other encumbrances (whether legal or equitable) of any kind and from any third party rights.

19 Further information on the Facility

For further information on the Facility, call the AMP Securities Registry on 1300 654 442.

Need help?
Contact AMP Securities Registry
GPO Box 2980, Melbourne VIC 3001
Phone 1300 654 442
Fax 1300 301 721
Email
ampservices@computershare.com.au
Internet
www.amp.com.au/shareholdercentre

A

Shareholder Reference Number (SRN)

Use a black pen.
Print in CAPITAL letters inside the grey areas.

A B C	1 2 3

Issuer Sponsored Sale Instruction Form

Important: Please complete this form to participate in the AMP Share Sale Facility (Facility) and sell ALL or only SOME of your shares in AMP Limited (AMP).
This form must be completed and received by no later than 5:00pm (Melbourne time) on Thursday, 28 September 2006.

B

The number of AMP shares you held at Friday, 18 August 2006 (Record Date)

You have the option to sell ALL or only SOME of your AMP shares. If you want to sell only some of your AMP shares you must not reduce your holding to less than 50 shares. Please write the number of shares you want to sell in this box →

C

Daytime contact details

Please provide your daytime telephone number in case we need to contact you about this form.

Daytime Phone Number (please include area code where applicable)

D

Sign Below - You must complete this section.
(See over page for further information)

By signing and returning this form, I/we confirm that I/we wish to participate in the Facility and agree to the Terms and Conditions of the Facility.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Day / Month / Year

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Further information

If you want to participate in the AMP Share Facility to sell some or all of your AMP shares you must:

1. Read the terms and conditions of the Facility
2. Complete and return this form in the envelope provided (for Issuer Sponsored Holders) or to your Sponsoring Broker (for Broker Sponsored Holders)

If you have any questions regarding the Facility, please contact your professional advisor or the AMP Securities Registry.

Signing the form

All registered owners must sign the Sale Instruction Form, as follows:

Individual	Where the holding is in one name, the securityholder must sign.
Joint Holding	Where the holding is in more than one name, all of the securityholders must sign.
Power of Attorney	To sign under Power of Attorney, you must have already lodged this document with the Registry. If you have not previously lodged this document for notation, please attach a certified copy of the Power of Attorney to this form when you return it.
Deceased Estate	All executors must sign and, if not already noted by the Registry, a certified copy of Probate or Letters of Administration must accompany this form.
Companies	This form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

To lodge your Sale Instruction Form

Issuer Sponsored Sale Instruction Form

- You are Issuer Sponsored if your Shareholder Reference Number (SRN) begins with I.
- Your Sale Instruction Form must be received by Computershare Investor Services Pty Limited (Computershare or CIS) by 5.00pm (Melbourne time) on Thursday, 28 September 2006. Please use the reply paid envelope provided.
- Your form will only be accepted when it is received by Computershare.
- Forward your form in the envelope provided (AMP Securities Registry, Reply Paid 2980, Melbourne, Victoria 8060).

Broker Sponsored Sale Instruction Form

- You are Broker Sponsored if your Holder Identification Number (HIN) begins with X.
- Your form must be returned to your Broker for stamping before it can be lodged with Computershare. Please allow your Broker enough time to forward your form to Computershare by 5.00pm (Melbourne time) on Thursday, 28 September 2006.
- Your Sale Instruction Form will only be accepted when it is received by Computershare with your Broker Stamp.
- Do not send your form directly to Computershare.

Completed Sale Instruction forms can be sent to:

AMP Securities Registry GPO Box 2980 MELBOURNE VIC 3001	Or hand delivered to: Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street ABBOTSFORD VIC 3067