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AMP Limited (ASX/NZX: AMP)
(also for release to AMP Group Finance Services Limited (ASX:AQNHA; NZX: AQN010))

AMP proposed merger with AXA APH's Australian and New Zealand businesses

Please find attached supporting material:

- Media release
- Presentation

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Media release

15 November 2010

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AMP proposes merger with AXA APH's Australian and New Zealand businesses

AMP Limited (AMP) has today announced a proposal to merge its business with AXA Asia Pacific Holdings' (AXA APH) Australian and New Zealand businesses.

The proposed transaction is a joint proposal with AXA SA under which AXA SA would acquire 100 per cent of AXA APH's Asian business.

The independent directors of AXA APH have advised they are considering the proposal.

Under the proposal, AXA APH shareholders would receive the equivalent of A$6.43[1] per share, consisting of cash and AMP shares, as well as the receipt of AXA APH's 2010 final dividend of up to 9.25 cents per share.

The proposed transaction would deliver significant value to both AXA APH and AMP shareholders by creating a wealth management company with the scale and capability to offer greater competition in a fast changing and high growth market.

The key points of the proposal are:

- AXA APH minority shareholders would receive A$6.43[1] per share, comprised of 0.73 AMP shares for each AXA APH share and A$2.55 cash, as well as receiving AXA APH's 2010 final dividend.
- The value AXA APH shareholders receive would be protected against movements in the AMP share price down to a 10 day post-scheme VWAP of A$4.50. Any cost of downside protection would be met by AXA SA.
- AMP would issue 695 million new shares to AXA APH shareholders and pay A$455 million cash[2].
- The value of the AXA APH Australia and New Zealand businesses on a debt free basis would be A$4.15 billion based on AMP's 10 day VWAP of A$5.32, as at 12 November 2010. This represents a forward price to earnings multiple[3] of 16.0 times before expected synergies.

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[1] Based on AMP's 10 day volume-weighted average share price (VWAP) of A$5.32 as at 12 November 2010 and excluding AXA APH's 2010 final dividend of up to 9.25cps.
[2] This cash contribution would fall if AMP's 10 day post-scheme VWAP exceeds A$5.80.
[3] Based on purchase price of A$4.15b and FY 2011 analysts' consensus for operating earnings and investment income with estimated A$24m in corporate office overlay assumed to relate to the A&NZ business.

- AMP has assumed the same level of economic synergies (A$120 million per annum) and integration costs (A$285 million) as it did for its earlier proposals to merge with AXA APH.
- The proposed transaction is expected to be EPS neutral for AMP from 2012, (that is year 2 after acquisition) and accretive thereafter.
- AMP would issue A$600 million of subordinated debt, sub-underwritten by AXA SA to fund its cash contribution to the transaction and one half of the expected integration costs.
- AMP will not undertake a separate equity capital raising to fund this transaction.
- AMP intends to integrate AXA APH's Australian and New Zealand businesses with its own following any transaction.
- Two directors of AXA APH would be invited to join the board of the enlarged AMP Group.
- AXA SA would acquire AXA APH's Asian businesses, and following any transaction, would no longer be a shareholder of AXA APH.
- AXA SA's purchase price for the AXA APH Asian business would be A$10.4 billion[4].
- The proposed acquisition would be implemented by a scheme of arrangement to be voted on by AXA APH minority shareholders and would be subject to due diligence, execution of final transaction documents and further regulatory approvals.

In the event the proposed transaction proceeds, AXA APH shareholders would be offered downside price protection against negative movements in the AMP share price, with a total value of A$6.43 per AXA APH share (excluding AXA APH's 2010 final dividend) protected down to an AMP 10 day post-scheme VWAP of A$4.50.

If the AMP VWAP over 10 trading days immediately after the effective date of the scheme is higher than A$5.60, AXA APH minority shareholders would participate in 50 per cent of this upside. A summary of the downside protection and upside benefits is outlined below.

	AMP 10 day Post Scheme VWAP (A$)						
	4.50	**5.00**	**5.32**	**5.60**	**5.80**	**6.00**	**6.25**
AMP scrip (A$)	3.29	3.65	3.88	4.09	4.23	4.38	4.56
AMP cash (A$)	0.48	0.48	0.48	0.48	0.48	0.44	0.40
AXA SA cash (A$)	2.67	2.30	2.07	1.86	1.79	1.75	1.71
Offer value (A$)	6.43	6.43	6.43	6.43	6.50	6.58	6.67

The proposed merger is expected to be attractive to both AMP and AXA APH shareholders given the significant benefits and opportunities that would be derived from combining the two businesses.

The structure of the proposed transaction demonstrates AMP's continued financial discipline, including similar levels of EPS accretion to those anticipated under AMP and AXA SA's December 2009 proposal, while offering AXA APH shareholders fair value.

AMP Chairman Peter Mason said: "This proposal represents compelling value for AXA APH shareholders, who would receive a significant premium on the value of their shares along with the opportunity to participate in the ongoing earnings of a stronger and more competitive AMP. AMP shareholders will also benefit from their continued investment in a stronger AMP.

[4] Based on AMP's 10 day VWAP of A$5.32 on 12 November 2010 and based on A$9,834m equity value and A$592m debt.

“We encourage the AXA APH independent directors to endorse this proposal and recommend it to their minority shareholders.”

Following the merger, AMP would remain soundly capitalised and would maintain its policy of paying out 75-85 per cent of its underlying profit in dividends.

AMP Chief Executive Craig Dunn said: “This proposed merger clearly meets our stated M&A criteria. It makes economic sense, is an excellent strategic fit with our current business and has a risk profile we understand and are well-placed to manage.

“The combined businesses would see AMP become the leading wealth management company in one of the world’s most attractive wealth management markets which is expected to more than double over the next decade. AMP would hold the number one market position for risk insurance, retail superannuation and retirement income in Australia. In New Zealand AMP would be number one in the growing corporate superannuation market.

“AMP and AXA APH are natural partners to build a company that would have the scale and distribution to provide greater competition to the big banks in the wealth management market and create a much needed fifth pillar in the financial services landscape.

“We would use the strengths that both companies bring, including over 2,900 aligned financial planners and relationships with a further 6,500 independent financial advisers to build a financial services company with financial advice at its heart.

“This merger would accelerate our drive to broaden and diversify our distribution giving consumers greater choice in how they deal with us. AXA APH’s multi-brand distribution model would complement AMP’s existing range of planner models and would play a significant role in ensuring consumers have access to a planner model that best suits their needs.

“The management and employees of AXA APH have built a highly regarded and attractive contemporary business that, like AMP, values its relationships with both financial planners and clients. The ethos of AXA APH’s business has a strong cultural alignment with AMP.

“In addition to having an expanded planner footprint we are also looking forward to the opportunity to have a significant and ongoing presence in Melbourne,” Mr Dunn said.

Over the last year AMP has completed a major renovation of its Financial Services business in response to evolving consumer preferences and anticipated regulatory change.

“We have led the industry in delivering simpler, more affordable and contemporary products to our customers. We are now in an excellent position to execute the integration of the AXA APH and AMP businesses to maximise the synergies and deliver real benefits to shareholders of both companies.

“This proposal represents AMP’s determination to deliver long-term value to the shareholders in the merged business,” Mr Dunn said.

AMP has already received confirmation that the Australian Competition & Consumer Commission would not oppose the proposed transaction and has also received approval from the New Zealand Commerce Commission.

The proposal is still subject to satisfactory due diligence, execution of final transaction documents, approval by AXA APH minority shareholders and further regulatory approvals.

If this proposal is recommended it is expected that the proposal would be submitted to the AXA APH shareholders for their approval by the end of the first quarter of 2011.

AMP is being advised by UBS and Clayton Utz.

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AMP's proposal to merge with AXA Australia & New Zealand

Craig Dunn
Chief Executive Officer

15 Nov 2010

AMP & AXA SA confirm proposal for AXA Asia Pacific Holdings

- AMP and AXA SA's proposal offers AXA Asia Pacific Holdings (AXA APH) minority shareholders A$6.43 a share[1], via a scheme of arrangement
- Proposal delivers AXA APH minority shareholders benefits of scrip and cash, along with downside share price protection provided by AXA SA
- Proposal demonstrates AMP's continued financial discipline, while offering compelling value for AXA APH minority shareholders
- Combined group would create Australian financial services fifth pillar
- AXA APH independent directors are considering the proposal

1. Based on AMP's 10-day VWAP of A$5.32 on 12 Nov 2010 and excluding AXA APH final FY 10 dividend of up to 9.25cps.

Proposal terms and key metrics

- AXA APH minority shareholders would be offered per share[1]
  - 0.73 AMP shares
  - A$2.55 cash, plus the AXA APH final FY 10 dividend of up to 9.25 cents
- AMP would acquire AXA APH Australia and New Zealand business debt free for A$4.15b[1] using scrip (A$3.70b)[1] and cash (A$455m)[1]
  - Price to earnings multiple[2] of 16.0x, before synergies
  - Expected to be EPS neutral from FY 12 (ie year 2 after acquisition) and accretive thereafter – no material change to previous EPS assumptions (refer appendix)
  - Assuming same level of economic synergies (A$120m) and integration costs (A$285m) as in lapsed December proposal
  - No separate equity capital raising required to fund transaction
  - AMP additional contribution above lapsed December proposal fixed at 38m shares and a maximum of A$140m cash; AXA SA contributing additional A$456m[3] cash

1. Based on AMP's 10-day VWAP of A$5.32 on 12 Nov 2010. Cash amounts may vary based on AMP's 10-day post scheme VWAP.
2. Based on purchase price of A$4.15b and FY 11 analysts' consensus for A&NZ operating earnings and investment income with estimated A$24m in corporate office overlay assumed to relate to the A&NZ business.
3. Cash amount may vary based on AMP's 10-day post scheme VWAP.

Proposal metrics compare favourably

	Lapsed proposal 14 Dec 2009	New proposal[1] 15 Nov 2010	Change
AMP acquires AXA APH A&NZ debt free			
Cash (A$m)	315	455	+A$140m
Shares (m)	657	695	+38m shares
Total (A$m)	4,413	4,154	(A$259m)
AXA SA acquires AXA APH Asia business (A$m) (including Asian debt)	9,627	10,426[1,2]	+A$799m
Implied value of AXA APH (A$m)	14,040	14,579	+A$539m
Metrics of A&NZ transaction			
A&NZ share of total acquisition	31%	28%	
Forward price earnings multiple	18.6x	16.0x[3]	
Expected to be EPS neutral from FY12[4] and accretive thereafter	Yes	Yes	

Recent wealth management transactions[5]

Transaction	Forward price/earnings multiple
ING Australia & ANZ	13.3x
Promina & Suncorp	18.4x
Aviva & NAB	16.0x
Perennial Investment & IOOF	31.1x
Select Managed Funds & AUW	16.8x

NOTE: Numbers impacted by rounding
1. New proposal based on AMP's 10-day VWAP of A$5.32 on 12 Nov 2010.
2. Based on A$9,834m equity value and A$592m debt.
3. Based on FY 11 analysts' consensus for A&NZ operating earnings & investment income with estimated A$24m in corporate office overlay assumed to relate to the A&NZ business.
4. See appendix for EPS assumptions.
5. RBS Equities research, Sept 2010

Additional terms of proposal

- AXA APH shareholders would also receive AXA APH's final FY 10 dividend of up to 9.25cps but not AMP's final FY 10 dividend
- AXA APH would be offered two seats on the board of the combined entity
- AXA SA would acquire AXA APH's Asian businesses for A$10.4b[1]
- AXA APH debt of A$1.3b[2] would be assumed and retired by AXA SA
- AXA SA would sub-underwrite A$600m subordinated debt issued by AMP
  - Expected to qualify as Tier 2 regulatory capital
- Transaction would be subject to satisfactory due diligence, execution of final form agreements, court, regulatory and shareholder approvals
  - AMP has secured Australian and New Zealand competition regulator approvals

1. Based on AMP's 10-day VWAP of A$5.32 on 12 Nov 2010 and on A$9,834m equity value and A$592m debt.
2. As at 30 June 2010.

Proposal meets AMP's clear M&A criteria to drive value for AMP shareholders

AMP M&A criteria

Strategic

- Cements position as leading independent wealth management company, creating Australian financial services fifth pillar
- Accelerates growth profile
- Increases scale and strengthens competitiveness
- Broadens and deepens distribution footprint
- Enhances earnings potential and diversity
- Improves capacity to capitalise on changing consumer and regulatory environment
- Enhances capacity to execute two-box platform strategy for wealth management, serving mass market and HNW

Economic

- Generates value, with EPS expected to be neutral from FY12 (ie year 2 after acquisition)[1] and accretive thereafter
- Assumes same level of annual net synergy benefits (A$120m) and integration costs (A$285m) as previous proposals
- Scrip component ensures market and regulatory risks shared between AMP and AXA APH minority shareholders
- Maintains AMP capital and liquidity strengths by using A$600m subordinated debt issue to fund half the integration costs (A$145m) & AMP cash payment to AXA APH shareholders of A$455m
  - Balance of integration costs to be funded through existing capital resources and project savings during integration period
- Enables AMP to maintain dividend payout ratio at 75%-85% of underlying profit

Well understood risks

- Well understood core businesses in local markets
- Transaction subject to satisfactory due diligence
- Low execution risk, with competition regulator approvals secured in Australia & New Zealand
- Clear integration path would utilise strength of both businesses to build new market force

1. See appendix for assumptions.

Proposal delivers AXA APH minority shareholders benefits of scrip, with downside protection

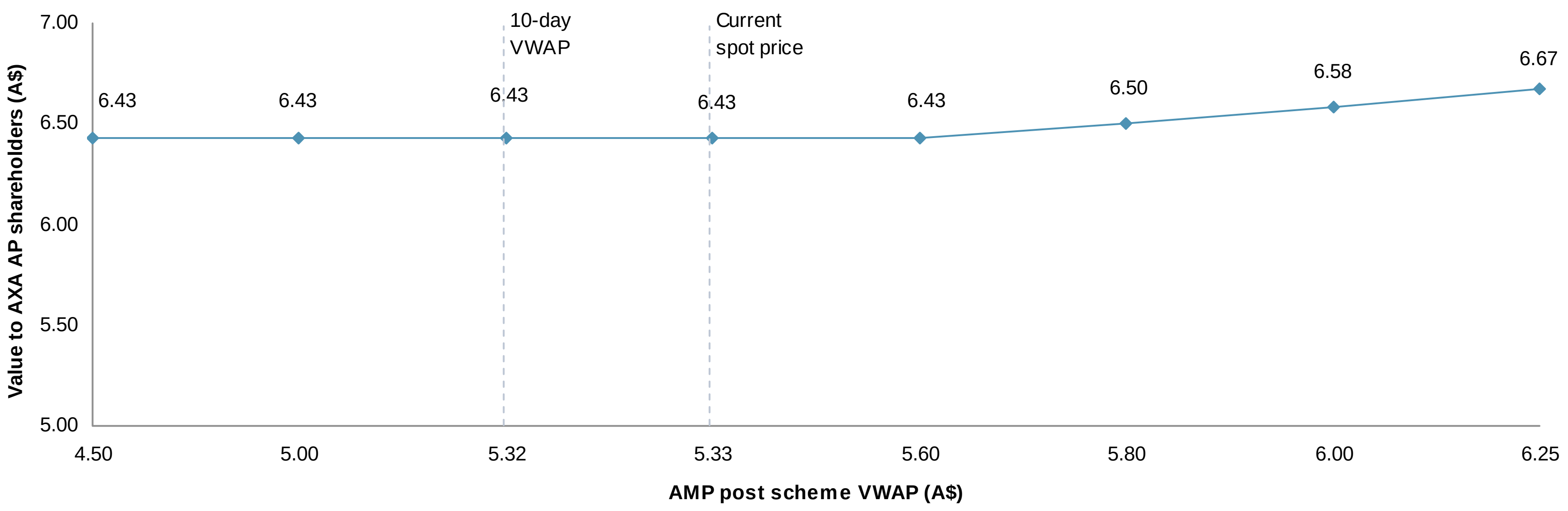
- AXA APH minority shareholders would receive cash and scrip[1], with downside share price protection and upside potential, plus
  - Exposure to high growth Australian wealth management market
  - Participation in Australia's largest wealth management company, including synergies of merged group
  - Benefits of AMP's historically higher dividend payout ratio and franking capacity
- Post acquisition, AXA APH minority shareholders would own 25% of AMP[2]

1. CGT scrip-for-scrip roll-over relief is expected to be available for AMP shares received by AXA APH minority shareholders.
2. Based on issuing 695.3m AMP shares to AXA APH minority shareholders.

Proposed structure offers downside protection and some upside potential

- Proposal value of A$6.43[1] per share maintained between AMP share price (post scheme VWAP[2]) of A$4.50 and A$5.60
- AXA APH minority shareholders would participate in 50% of upside of AMP share price (post scheme VWAP[2]) above A$5.60
  - AMP would share in 25% of upside above A$5.80

Price protected value (excluding AXA APH final FY10 dividend)

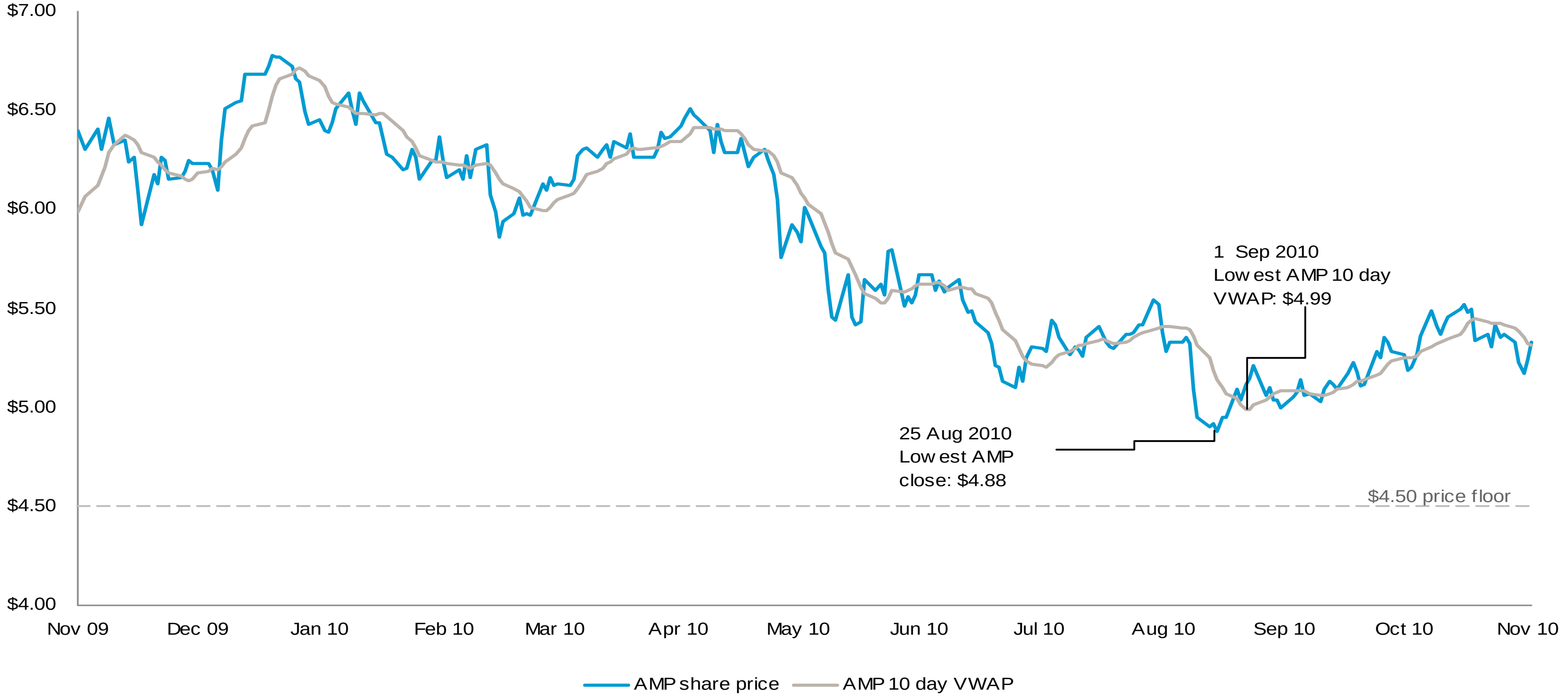


Note: chart not to scale
1. Excludes AXA APH final FY 10 dividend of up to 9.25 cents.
2. 10 trading days immediately after effective date of scheme (ex dividend).

Proposal structure provides high level of security

- Price protection creates stable proposal structure for AXA APH minority shareholders
- AMP share price has not closed below A$4.88 in past 12 months

AMP share price and 10-day VWAP over past 12 months



Mechanics of share price protection structure

	AMP 10 day Post Scheme VWAP (A$)						
	4.50	**5.00**	**5.32**	**5.60**	**5.80**	**6.00**	**6.25**
AMP scrip (A$)	3.29	3.65	3.88	4.09	4.23	4.38	4.56
AMP cash (A$)	0.48	0.48	0.48	0.48	0.48	0.44	0.40
AXA SA cash (A$)	2.67	2.30	2.07	1.86	1.79	1.75	1.71
Offer value (A$)	6.43	6.43	6.43	6.43	6.50	6.58	6.67

- To provide downside protection to AXA APH minority shareholders – and share some upside:
  - AMP's scrip contribution is fixed at 695m shares
  - AMP's cash contribution is fixed at a maximum of A$455m, although this will reduce if AMP's share price (10-day post scheme VWAP) is above A$5.80, when AMP receives 25% of upside
  - AXA SA's cash contribution will reduce if AMP's share price (10-day post scheme VWAP) is above A$5.32, to compensate AXA SA for bearing downside risk to A$4.50
    - From A$5.32-A$5.60, AXA SA receives 100% of upside
    - From A$5.60-A$5.80, AXA SA and AXA APH share equally in upside
    - From A$5.80, upside shared 50% AXA APH, 25% each AXA SA and AMP
  - AXA SA will top up proposal value with additional cash consideration if AMP's share price (10-day post scheme VWAP) moves below A$5.32, to a limit of A$4.50

NOTE: Numbers in table may not add to 'offer value' due to rounding.

Appendix

EPS calculation assumptions – no material change

- Expected EPS outcomes maintained because:
  - revised price based on lower relative multiple for AXA APH earnings
  - proposal funded by greater proportion of cash versus shares

	Lapsed proposal 14 Dec 2009	New proposal 15 Nov 2010
Assumed synergy benefits – after tax (A$m)	120	120
Rate of synergies assumed to be realised in year 2	60%	60%
Integration costs – after tax (A$m)	285	285
Subordinated debt issued by AMP (A$m)[1]	600	600
Number of AMP shares issued to minorities as part of transaction (m)	657	695

1. Assumes pre-tax interest rate of 6.8% under lapsed offer and 7.6% under new proposal.

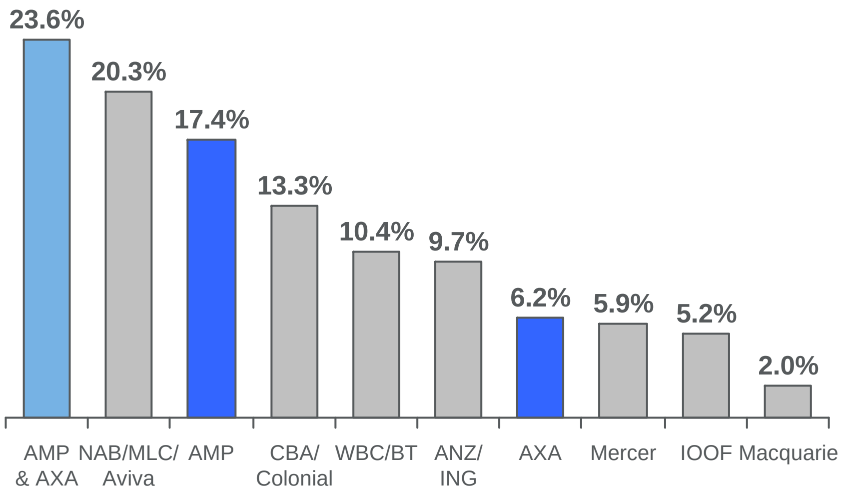
Summary and comparison of calculations

	Lapsed proposal 14 December 2009		New proposal 15 November 2010	
	A$ per share	A$m	A$ per share	A$m
0.6896 AMP shares per AXA APH share	4.30			
0.73 AMP shares per AXA APH share			3.88[1]	
Cash per AXA APH share	1.92		2.55	
Total consideration per AXA APH share	6.22		6.43	
Implied value of AXA APH equity		12,864		13,291[2]
Debt attributable to AXA APH A&NZ		675		696[3]
Debt attributable to AXA APH Asia		501		592[3]
Total AXA APH debt		1,176		1,288
Implied enterprise value for AXA APH		14,040		14,579
Transaction for AMP				
AMP acquires AXA APH A&NZ on debt-free basis		**4,413**		**4,154**
Acquisition funded through:				
Share issue	4.30	4,098	3.88	3,699[4]
Cash payment for remaining purchase price	0.33	315	0.48	455
Transaction for AXA SA				
Acquisition of 100% of AXA APH Asia equity		**9,125**		**9,834**
Acquisition funded through:				
Sale of 54% of AXA APH equity		6,936		7,167
Retirement of A&NZ debt		675		696
Cash payment for remaining purchase price	1.59	1,514	2.07	1,970
Total consideration to minority shareholders				
AMP shares	4.30	4,098	3.88	3,699
Cash	1.92	1,829	2.55	2,425
Total	6.22	5,927	**6.43**	**6,124**

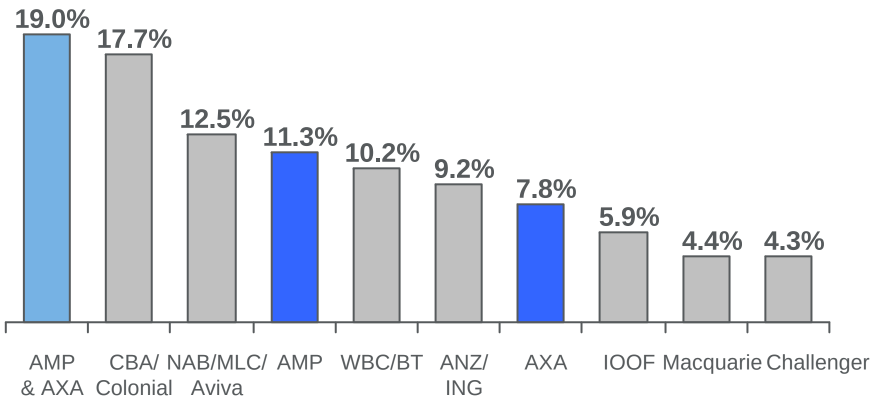
NOTE: Numbers impacted by rounding
1. Based on AMP's 10 day VWAP of A$5.32 on 12 Nov 2010.
2. Based on total AXA APH issued shares of 2,067m.
3. As at 30 June 2010.
4. Minority shares outstanding of 952m.

Combined AMP and AXA APH would lead market

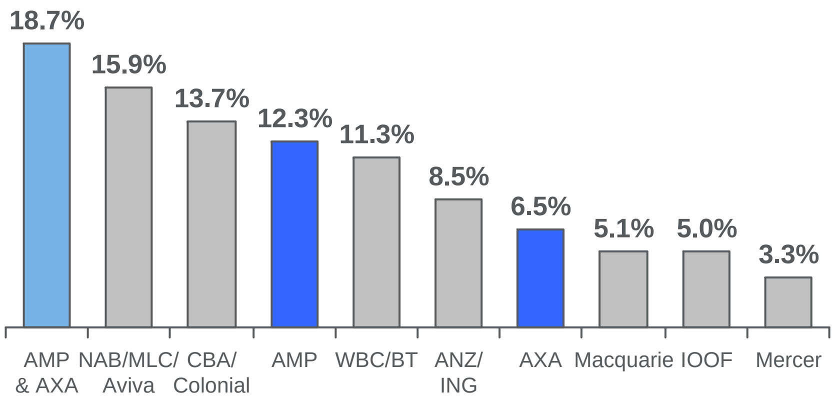
Market share - Australian retail superannuation market[1]
Total market: $235b



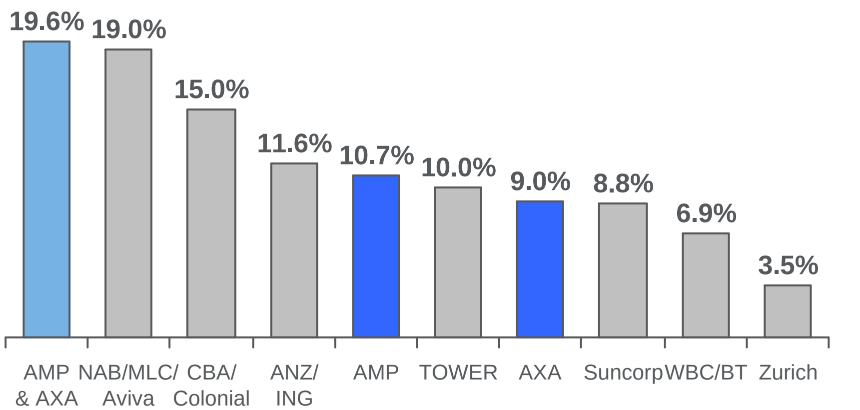
Market share - Australian retirement income market[1]
Total market: $102b



Market share - Retail managed funds (ex CMTs)[1]
Total market: $471b



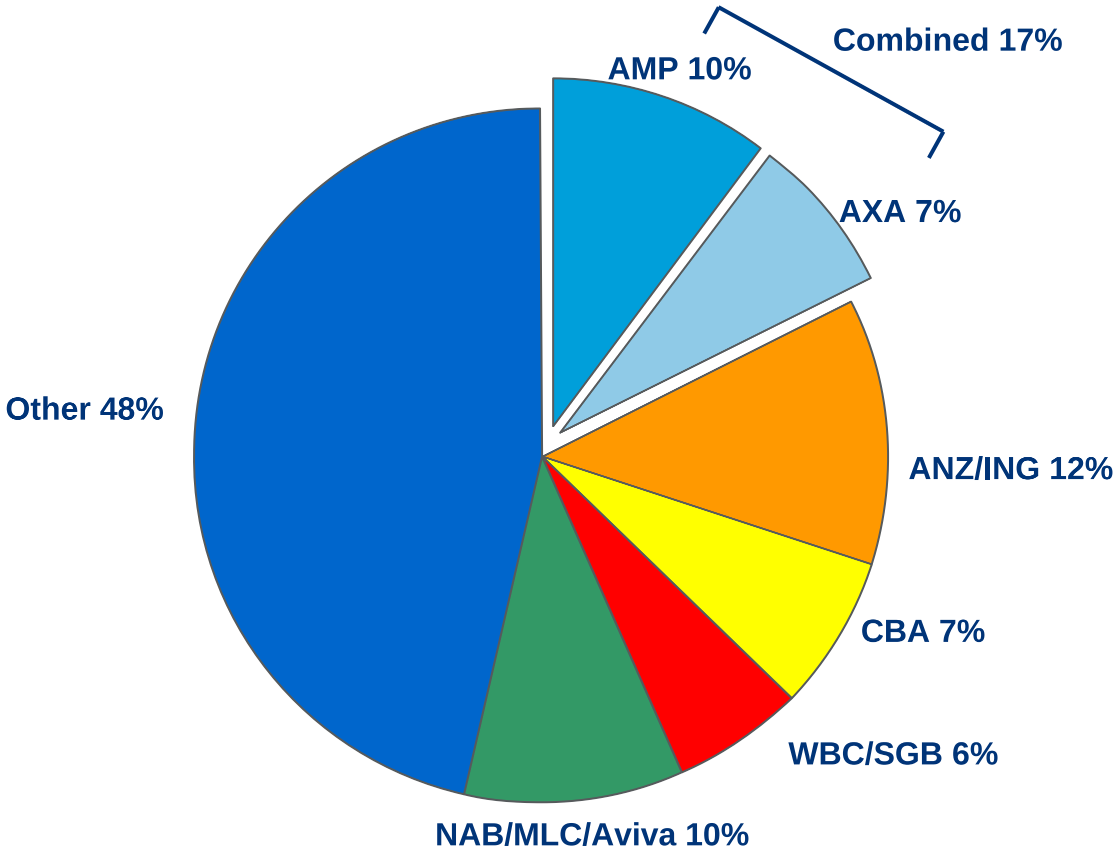
Market share - Individual risk[2]
Total market : $5.8b



NOTE: Numbers impacted by rounding
1. Plan for Life retail managed funds report, June 2010
2. Plan for Life detailed risk statistics, June 2010

Combined group would create leading financial advice footprint

Total number of Australian financial planners*



- AMP / AXA APH group would have 2,900+ aligned and owned financial planners in Australia – 17% of total planner market
- In addition, 6,500 IFA planners offer AXA products

* *Money Management*, July 2010; selection of prominent networks. Total estimated number of aligned financial planners in Australia was 17,369 as at March 2010.