

Media release



8 August 2019

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AMP announces A\$650 million capital raising

AMP Limited (ASX: AMP) (“AMP” or the “Company”) today announces the launch of a capital raising, comprising:

- A fully underwritten A\$650 million Institutional Placement (“Placement”); and
- A non-underwritten Share Purchase Plan (“SPP”)¹,
(together, the “Capital Raising”)

Rationale and use of proceeds

AMP today announced its 1H 19 results and provided an update on its new strategy, which sets out a three-year plan to create a simpler, client-focused business that is higher growth and higher return.

The strategy includes plans to:

- Divest majority ownership in AMP Life to release capital and further localise New Zealand wealth management, exploring options to divest.
- Reinvent wealth management in Australia, helping clients realise their ambitions.
 - Grow contemporary solutions in Australian wealth management and further integrate AMP Bank solutions with wealth management
 - Fix legacy issues in Australian wealth management including reshaping aligned advice and simplifying super
- Grow AMP Capital through differentiated capabilities such as real assets and public markets, pursue international growth opportunities
- Transform AMP culture to be client led, entrepreneurial, and accountable, with effective management of financial and non-financial risk.

The strategy will be supported by a focussed and disciplined A\$1.0 billion – A\$1.3 billion program to invest in transformation.

- Investing in growth (A\$350–A\$450 million investment).
- Realising cost improvement (A\$350–A\$450 million investment).
 - Delivery of A\$300 million annual run-rate cost savings by FY 22.
- Tackling legacy issues by de-risking the business (A\$300–A\$400 million investment).

AMP also today announced it has reached revised terms with Resolution Life for the sale of AMP Life. The revised agreement provides greater certainty of execution and delivers an implied value of A\$3.0 billion. The consideration comprises A\$2.5 billion in cash and an A\$500m equity interest (expected to be around 20 per cent) in the new Australian-domiciled, Resolution Life controlled

¹ AMP may, in its absolute discretion, cap or apply a scale-back on the SPP

holding company which will become the owner of AMP Life. The sale is now expected to complete in 1H 20.

AMP intends to commence the implementation of its new strategy immediately, including investments to reposition and de-risk its core businesses and realise targeted cost savings.

Accordingly, AMP has today announced it is raising A\$650 million via a fully underwritten Placement to institutional investors combined with a separate non-underwritten SPP for eligible shareholders in Australia and New Zealand. Proceeds are expected to provide AMP the balance sheet strength to complete the separation of AMP Life, commence the implementation of the new strategy immediately and continue to grow its core businesses prior to the completion of the AMP Life sale.

The strategic initiatives are also expected to be funded by the net proceeds from the sale of AMP Life. Beyond this, AMP will assess all capital management options with the intent of returning the excess above target surplus to shareholders, subject to unforeseen circumstances.

Institutional Placement

The fully underwritten Placement of fully paid ordinary shares ("**New Shares**") to sophisticated and institutional shareholders and investors in Australia and in certain overseas jurisdictions will raise A\$650 million².

The final Placement price ("**Offer Price**") will be determined via an institutional bookbuild, subject to an underwritten floor price of A\$1.50 per New Share ("**Floor Price**"), representing a:

- 13.3% discount to the last close price on ASX of A\$1.73 on Wednesday, 7 August 2019; and
- 15.7% discount to the 5-day VWAP on ASX of A\$1.78 to the close of trade on Wednesday, 7 August 2019.

The Placement will represent approximately 433.3 million New Shares at the Floor Price, representing approximately 14.7% of AMP's existing issued capital.

New Shares issued under the Placement will rank equally with existing AMP shares and are expected to settle on Tuesday, 13 August 2019 and be issued, and commence trading on ASX, on the following business day, Wednesday, 14 August 2019.

The Placement is fully underwritten by Credit Suisse (Australia) Limited and UBS AG, Australia Branch (**together the "Joint Lead Managers"**).

Share Purchase Plan

Under the SPP each eligible AMP shareholder (who is registered as an AMP shareholder) at 7.00pm (AEST) on Wednesday, 7 August 2019 (and resident in Australia or New Zealand) will have the opportunity to subscribe for up to A\$15,000 of New Shares without incurring brokerage or

² This means that approximately 433.3 million New Shares may be issued under the Institutional Placement (however, may be more or less) which is within AMP's Placement capacity meaning shareholder approval is not required

transaction costs. AMP retains the absolute discretion to cap the amount to be raised under the SPP, including applying a scale-back³.

An SPP booklet with further details on the SPP is expected to be despatched to eligible shareholders on Friday, 16 August 2019.

The issue price of the New Shares under the SPP will be the lesser of:

- The final Offer Price under the Placement; and
- The volume-weighted average price of AMP shares traded on the ASX during the 5 trading days up to, and including, the day on which the SPP is scheduled to close (currently Thursday, 5 September 2019) less a 2.50% discount, rounded down to the nearest cent.

Full details of the SPP will be in the SPP booklet.

New Shares issued under the SPP will rank equally with existing AMP shares from their date of issue.

Key dates

Dates are subject to change without notice	Date (2019) ⁴
Record Date for the Share Purchase Plan	7.00pm AEST, Wednesday, 7 August 2019
Trading halt and Placement announced	Thursday, 8 August 2019
Placement bookbuild	Thursday, 8 August 2019
Placement completion announcement	Friday, 9 August 2019
Trading halt lifted	Friday, 9 August 2019
Settlement of New Shares to be issued under Placement	Tuesday, 13 August 2019
Allotment and commencement of trading of New Shares issued under the Placement	Wednesday, 14 August 2019
SPP offer opening date and despatch of SPP booklet	Friday, 16 August 2019
SPP offer closing date	Thursday, 5 September 2019
SPP allotment date	Friday, 13 September 2019

³ See footnote 1

⁴ The above timetable is indicative only and subject to change. The commencement and quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, AMP, with the consent of the Joint Leader Managers, reserves the right to amend this timetable at any time, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

Holding statements will be despatched to Shareholders

Tuesday, 17 September 2019

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IMPORTANT NOTICE

SUMMARY INFORMATION

This announcement has been prepared by AMP Limited (ABN 49 079 354 519) (“AMP”). It is an announcement of general background information about AMP’s activities current at the date of this announcement, which may be subject to change. The information is in a summary form and does not purport to be complete, comprehensive or to comprise all the information which a securityholder or potential investor in AMP may require in order to determine whether to deal in AMP securities, nor does it contain all the information which would be required in a disclosure document prepared in accordance with the Corporations Act 2001 (Cth) (“Corporations Act”). It is to be read in conjunction with AMP’s other announcements released to the Australian Securities Exchange (available at www.asx.com.au).

Nothing contained in this announcement constitutes financial product, investment, legal, tax or other advice or any recommendation. It does not take into account the investment objectives, financial situation or needs of any particular investor. The appropriateness of the information in this announcement should be considered by you having regard to your own investment objectives, financial situation and needs and with your own professional advice, when deciding if an investment is appropriate.

FORWARD-LOOKING STATEMENTS

This announcement contains forward looking statements, including statements regarding the financial condition, results of operations and business of AMP, the outcome of the capital raising, the sale of AMP Life and the implementation of AMP’s announced strategy. These statements relate to expectations, beliefs, intentions or strategies regarding the future. Forward looking statements may be identified by the use of words like ‘anticipate’, ‘believe’, ‘aim’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘plan’, ‘project’, ‘will’, ‘should’, ‘seek’ and similar expressions.

Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, as well as statements about market and industry trends, which are based on interpretations of current market conditions. The forward-looking statements reflect views and assumptions with respect to future events as of the date of this announcement. However, they are not guarantees of future performance. They involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of AMP and its related bodies corporate and affiliates and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management, and may involve significant elements of subjective judgement and assumptions as to future events that may or may not be correct. Forward-looking statements speak only as of the date of this announcement and there can be no assurance that actual outcomes will not differ materially. Past performance is not indicative of future performance. Refer to the ‘Key risks’ on pages 8 to 26 of the investor presentation titled “Capital raising” dated 8 August 2019 (“Investor Presentation”) for a summary of certain risk factors that may affect AMP.

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. Readers are cautioned not to place undue reliance on the forward-looking statements, which are based only on information currently available to AMP. Except as required by applicable laws or regulations, AMP does not undertake to publicly update or revise the forward-looking statements or other statements in this announcement, whether as a result of new information or future events or circumstances.

FINANCIAL DATA AND ROUNDING

All dollar values are in Australian dollars (\$) and financial data is presented as at 30 June 2019 unless stated otherwise. A number of figures, amounts, percentages estimates, calculations of value and other fractions used in this announcement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this announcement.

NOT AN OFFER

This announcement should not be considered as investment advice. The information contained in this announcement is for information purposes only and nothing in this announcement should be read or understood as an offer, invitation, solicitation, inducement or recommendation to subscribe, buy or sell AMP securities in any jurisdiction, or be treated or relied on as advice by AMP.

This announcement will not form any part of any contract or commitment for the acquisition of AMP securities. This announcement is not a prospectus or other offering document under Australian law or any law. It will not be lodged with the Australian Securities and Investments Commission.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This announcement may not be distributed or released in the United States or to any person acting for the account or benefit of a person in the United States. This announcement does not constitute an offer to sell, or a solicitation of any offer to buy, any securities in the United States or any other jurisdiction in which that offer would be illegal.

None of the AMP securities to be issued in the capital raising have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the **"U.S. Securities Act"**), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. In addition, the AMP securities to be offered and sold under the SPP (as defined on page 3 of this announcement) may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Each institution that reviews the information contained in this announcement that is in the United States, or that is acting for the account or benefit of a person in the United States, will be deemed to represent (x) that each relevant institution or person is either (1) a "qualified institutional buyer" within the meaning of Rule 144A of the U.S. Securities Act or (2) a dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not "U.S. persons" (as defined in Rule 902(k) of the U.S. Securities Act) for which they have, and are exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S and (y) and agree that it will not forward or deliver this announcement, electronically or otherwise, to any other person.

The release, publication or distribution of this announcement (including an electronic copy) outside Australia or New Zealand may be restricted by law. If you come into possession of this announcement, you should observe restrictions and should seek your own advice on restrictions. Any

non-compliance with these restrictions may contravene applicable securities laws. Refer to the 'International offer restrictions' on pages 28 to 34 of the presentation titled Capital Raising.

DISCLAIMER

To the maximum extent permitted by law, AMP, the underwriters and their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, agents and advisers (together, the "Beneficiaries") exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, losses, damage or costs incurred by you as a result of your participation in, or failure to participate in, the capital raising or the information in this announcement being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise;
- any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions; and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this announcement or that this announcement contains all material information about AMP or which a prospective investor or purchaser may require in evaluating a possible investment in AMP or acquisition of securities in AMP, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

The underwriters and their respective Beneficiaries have not independently verified any of the information in this announcement and take no responsibility for any part of this announcement or the capital raising.

The underwriters and their respective Beneficiaries have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this announcement. The underwriters and their Beneficiaries make no recommendations as to whether you or your related parties should participate in the capital raising nor do they make any representations or warranties to you concerning the capital raising. None of the underwriters nor their Beneficiaries makes or purports to make any statements in this announcement and there is no statement in this announcement which is based on any statement by any of them. You represent, warrant and agree that you have not relied on any statements made by the underwriters or their Beneficiaries in relation to the capital raising and you further expressly disclaim that you are in a fiduciary relationship with any of them.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the capital raising is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of AMP and the underwriters; and
- each of AMP and the underwriters and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The underwriters may have interests in the securities of AMP, including by providing investment banking services to AMP. Further, the underwriters may act as market maker or buy or sell those

securities or associated derivatives as principal or agent. The underwriters may receive fees for acting in their capacity as joint lead managers and underwriters to the capital raising.

Statements made in this announcement are made only as at the date of this announcement. The information in this announcement remains subject to change without notice. AMP may in its absolute discretion, but without being under any obligation to do so, update or supplement this announcement. Any further information will be provided subject to the terms and conditions contained in this Important Notice.

AMP reserves the right to withdraw the capital raising or vary the timetable for the capital raising without notice.

In consideration for being given access to this announcement, you confirm, acknowledge and agree to the matters set out in this Important Notice and any modifications notified to you.