



ASX Announcement

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Manager
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AMP Limited (ASX/NZX: AMP)
(also for release to AMP Group Finance Services Limited (ASX: AQNHA & NZX: ANQ010))

Part One: AMP delivers solid half year ~~A~~\$383 million underlying profit
AMP 2010 interim dividend information
AMP Limited Q2 cashflows & AUM

Part Two: Investor Presentation

Part Three: Investor Report

Part Four: Appendix 4D

Part Five: Directors' Report & Financial Report

AMP Limited

ABN 49 079 354 519

ASX Appendix 4D for the Half Year Ended 30 June 2010

The information contained in this document should be read in conjunction with the AMP Limited Directors' Report and Financial Report for the half year ended 30 June 2010 and the AMP Limited Annual Report for the year ended 31 December 2009 and any public announcements made by AMP Limited and its controlled entities during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX Listing Rules.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half year ended 30 June		% movement
	2010	2009	
Financial results	\$m	\$m	
Revenue from ordinary activities ⁽¹⁾	900	1,188	-24%
Profit from ordinary activities after tax attributable to members ⁽²⁾	425	362	17%
Net profit for the period attributable to members ⁽²⁾	425	362	17%
Net profit before accounting mismatches ⁽²⁾	395	330	20%

Notes

(1) Revenue from ordinary activities includes amounts attributable to shareholders, policyholders and external unitholders. The amount is the aggregate of premium and related revenue of \$530m (2009: \$510m), fee revenue of \$702m (2009: \$621m), other revenue of \$146m (2009: \$173m) and net investment losses of \$478m (2009: \$116m) as detailed in Note 3 and 4 of the AMP Limited Half year financial report.

(2) As explained further in Note 1(c) of the AMP Limited 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 net profit for the period attributable to members and increased volatility of the reported profit.

Dividends	Amount per security (cents)	Franked amount per security (cents)
Interim dividend (franked to 60% at a tax rate of 30%)		
- Interim dividend	15.00	9.00
The record date to determine entitlements to the interim dividend	10-Sep-2010	
The date the interim dividend is payable	15-Oct-2010	

AMP Limited offers a Dividend Reinvestment Plan under which shareholders who have a registered address in, and are residents of, Australia and New Zealand are invited to reinvest part of any dividends receivable in additional shares. The price of the shares issued under the plan is the weighted average price of the AMP shares over a designated period with a 1.5% discount as defined in the plan rules rounded down to the nearest one cent.

	30 June	
	2010	2009
Net tangible assets per ordinary share	A\$	A\$
Net tangible assets per ordinary share	0.90	0.67

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For the half year ended 30 June 2010

COMMENTARY

AMP is a leading wealth management company operating in Australia and New Zealand, with selected investment management activities in parts of Asia, and a growing banking business in Australia.

AMP Financial Services provides a range of financial products and services to customers in Australia and New Zealand. These products and services include financial planning advice, superannuation, retirement savings, investments, risk insurance and banking products. The products and services are primarily distributed through self-employed financial planners and advisers aligned with AMP Financial Services.

AMP Capital Investors manages investments across all the major asset classes including equities, fixed interest, infrastructure, property, diversified funds and multi-manager funds. AMP Capital Investors also provides commercial, industrial and retail property management services. It provides its services through in-house investment professionals and a network of investment partners. AMP Capital Investors has offices in Australia, New Zealand, Beijing, London, Mumbai, Singapore, Tokyo and New York.

AMP Bank is an important part of the AMP group. It offers a range of products, and is focused on broadening the group's customer base and channel access. At 30 June 2010, AMP Bank had over 100,000 customers with a mortgage portfolio of \$9.8 billion and a deposit book of \$4.3 billion.

AMP has over 3.8 million customers in Australia and New Zealand, around 3,700 employees, some 2,100 aligned financial planners, around 790,000 shareholders and \$111 billion of assets under management.

AMP is financially strong, with a low cost ratio and a disciplined, prudent approach to capital management. This business model is characterised by a pre-eminent brand; a relatively low-cost and scalable manufacturing platform; a large aligned planner channel; a broad-based asset management and packaging business; and cost and capital efficiency.

AMP's statutory profit attributable to shareholders of AMP Limited for the half year ended 30 June 2010 was \$425 million, compared to \$362 million for the previous corresponding period. Basic earnings per share for the half year ended 30 June 2010 on a statutory basis was 20.9 cents per share (1H09: 18.2 cents per share).

Underlying profit is AMP's preferred measure of profitability as it smoothes investment market volatility. Directors use underlying profit as the primary determinant of dividend decisions. Underlying profit increased 4% to \$383 million for the half year ended 30 June 2010 from \$367 million for the half year ended 30 June 2009. On an underlying basis, earnings per share were 18.6 cents per share (1H09: 18.3 cents per share).

AMP's performance against its four key performance measures was as follows:

- Underlying return on equity remains high at 27.4%, with a 4.2% reduction from 30 June 2009 driven by AMP's decision to hold higher capital in response to market volatility and until new prudential regulatory standards become clearer.
- Underlying profit \$383 million, up 4% on 1H09.
- 64% of managed funds met or exceeded the benchmark over the 12 months to 30 June 2010.
- Growth measures (compared to the previous corresponding period i.e. 6 months to 30 June 2009):
 - Net cash inflows into AMP Financial Services decreased to \$584 million from \$865million, and external net cash flows from AMP Capital Investors increased to \$1.9 billion from \$0.2 billion.
 - Value of risk new business decreased \$2m to \$45 million.

AMP experienced overall investment losses attributable to shareholders, policyholders, external unitholders and non-controlling interests for the half year ended 30 June 2010. The vast majority of investment returns are attributable to wealth management products where the shareholders are not directly exposed to changes in asset values.

Total AMP group assets under management were \$111 billion at 30 June 2010, a decrease of 1% from \$112 billion at 31 December 2009.

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Differences between underlying profit and statutory profit

The 30 June 2010 underlying profit of \$383 million excludes an investment income market adjustment loss of \$8 million. The underlying profit also excludes other items of \$3 million loss which include one off and non-recurring costs. Accounting mismatch gains of \$30 million and other timing differences gains of \$23 million are also excluded from underlying profit. A reconciliation between underlying profit and statutory profit is provided in Note 2(d) of the Financial Report.

Capital management

Equity and reserves of the group increased to \$2,798 million at 30 June 2010 from \$2,571 million at 31 December 2009. This was a result of additional share capital issued under the Dividend Reinvestment Plan, profits to 30 June 2010 and other movements in reserves and contributed equity, partially offset by dividends paid up to 30 June 2010.

AMP remains strongly capitalised, with \$1,413 million in regulatory capital resources above minimum regulatory requirements (MRR) at 30 June 2010 (\$1,242 million at 31 December 2009). This was 2.4 times MRR (2.2 times at 31 December 2009). The MRR coverage ratio varies throughout the year due to a range of factors, including investment market movements, dividend payments and statutory profits.

During the period, AMP's regulatory capital resources above MRR increased by \$171m largely due to profit for the period less final 2009 dividend payment net of the Dividend Reinvestment Plan.

AMP continues to take a prudent approach to capital management and has a bias towards holding more capital rather than less in light of continued market volatility, and until APRA's new prudential regulatory capital proposals become clearer.

AMP has declared an interim dividend of 15 cents per share, franked to 60%. This takes AMP's dividend payout ratio to 81% of underlying profit for the half year ended 30 June 2010. Directors use underlying profit as the primary determinant of dividend decisions. Future dividends are likely to be in the range of 75% to 85% of underlying profit.

AMP offers a dividend reinvestment plan (DRP) for shareholders. AMP will offer a discount of 1.5% to DRP participants. The DRP will not be underwritten and new shares will be issued.

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For the half year ended 30 June 2010

DETAILS OF MOVEMENTS IN CONTROLLED ENTITIES

The majority of investment assets held by AMP are in the Australian life insurance statutory funds. At any one time, the life insurance statutory funds hold investments in various vehicles, including entities in which AMP Group has a controlling interest. Most of the changes listed below are controlled entities of the life insurance statutory funds. Other changes include the formation, deregistration, purchase and sale of minor operating controlled entities.

Contributions to net profit after tax attributable to shareholders of AMP Limited from individual controlled entities gained or lost during the half year are not material.

Controlled entities gained during the half year ended 30 Jun 2010

Name of entity	Date control gained over entity
AMP Capital Investors (Hong Kong) Limited	17-Feb-10
Future Directions Private Equity Fund	15-Apr-10
Aggressive Enhanced Index Fund	15-Apr-10
Cautious Enhanced Index Fund	15-Apr-10
Moderately Aggressive Enhanced Fund	15-Apr-10
Moderately Conservative Fund	15-Apr-10
AMP Hillross Innisfail Pty Limited	21-Jun-10

Controlled entities disposed during the half year ended 30 Jun 2010

Name of entity	Date control over entity lost
Shanghai AMP Property Co Ltd	2-Apr-09
AMP Capital Investments Limited	5-Apr-09
AMP Custodial Investments No. 1 Limited	5-Apr-09
Diversified Fund Index Fund 6	5-Apr-09
AMPCI Asian Equities Growth Fund	5-Apr-09
Macquarie Life Australian Enhanced Equities Fund	5-Apr-09
Bolfend Pty Ltd	5-Apr-09

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DETAILS OF INVESTMENTS IN ASSOCIATED ENTITIES AND JOINT VENTURE ENTITIES

The majority of investment assets held by AMP are in the Australian life insurance statutory funds. At any one time, the Australian life insurance statutory funds hold investments in various vehicles, including associated entities. The returns on these investments are included within the total investment gains (losses) for the period. The majority of the gains and losses are attributable to policyholders. The ownership interests in significant associated investments are shown below.

Contributions to net profit after tax attributable to shareholders of AMP Limited from individual associated entities are not material.

	Ownership Interest	
	30 Jun 2010	31 Dec 2009
COMPANIES	%	%
Gove Aluminium Finance	30	30
Diversified commercial mortgage backed securities pty ltd	29	29
UNIT TRUSTS		
AMP Capital China Growth Fund	34	34
AMP Equity Trust	40	36
AMP Property Portfolio	38	38
AMP Small Company Trust Class C	42	37
AMP World Index Fund	46	31
Global Property Securities Fund	38	33
Infrastructure Equity Fund	28	29
Marrickville Metro Trust	50	50
Property Income Fund	38	27
Responsible Investment Leaders Balanced Fund	29	30
Southland Trust	50	50
Strategic Infrastructure Trust Europe 1	27	37
Strategic Infrastructure Trust Europe 2	27	37
Sugarland Shopping Centre Trust	50	50
Sustainable Future Australia Share Fund	46	47
Tea Tree Plaza Trust	50	50
Value Plus Australia Share Fund	26	25