

6 November 2013

Manager
ASX Market Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Manager
Market Information Services Section
New Zealand Stock Exchange
Level 24, NZX Centre, 11 Cable Street
Wellington, New Zealand

Announcement No: 36/2013
AMP Limited (ASX/NZX/SGX: AMP)
(also for release to AMP Group Finance Services Limited (ASX: AQNHA / NZX: AQN010 / SGX:))

AMP announces launch of AMP Subordinated Notes 2 Offer

Please refer to the attached documents. 

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Public Affairs

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AMP announces launch of AMP Subordinated Notes 2 Offer

AMP Limited today announced the launch of new, subordinated and unsecured debt securities called AMP Subordinated Notes 2 (AMP Notes 2).

AMP Limited is issuing AMP Notes 2 to raise term subordinated debt, a substantial part of which it expects to use to fund Tier 2 Capital of one or more regulated entities within the AMP group. The remaining proceeds from the AMP Notes 2 Offer will be used for general corporate, funding and capital management purposes.

AMP is looking to raise A\$200 million through the issue of AMP Notes 2 with the ability to raise a higher or lower amount.

AMP Notes 2 will be Australian dollar securities listed on the Australian Stock Exchange and are expected to begin trading on 19 December 2013.

AMP Chief Financial Officer Colin Storrie said: "The funds raised will optimise the efficiency of AMP's balance sheet while increasing the company's flexibility to meet general funding requirements and support the refinancing of subordinated debt of AMP group. This includes the AMP subordinated notes issued in 2009, known as AMP Notes."

The AMP Notes 2 Offer is expected to open on 14 November 2013 to eligible AMP Notes holders¹ via a reinvestment offer, and also to securityholders, institutional investors, clients of syndicate brokers and members of the public that satisfy requirements set out in the prospectus.

The minimum investment is 50 AMP Notes 2 (A\$5,000), and in multiples of 10 AMP Notes 2 (A\$1,000) after that, other than for eligible AMP Notes holders.

The key features of AMP Notes 2 include:

- AMP Notes 2 are new, subordinated and unsecured debt securities being issued by AMP.
- Holders of AMP Notes 2 will receive floating rate interest payments to be paid quarterly in arrear subject to AMP Limited being solvent both at the time that payment is made and immediately after making the payment (the solvency condition). Interest payments will not have any franking credits attached to them.

¹ A registered holder of A\$ AMP Notes at 7.00pm (Sydney time) on 4 November 2013, and shown on the register as having an address in Australia who is not in the United States, or acting as a nominee for a person in the United States, or otherwise prevented from receiving the reinvestment offer or AMP Notes 2 under the laws of any jurisdiction as determined by AMP.

AMP Limited

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- The interest rate will be calculated on a quarterly basis as the sum of the market rate plus the margin.
- The margin will be determined under the bookbuild, and is expected to be in the range of 2.65 per cent and 2.85 per cent per annum.
- AMP Limited will redeem AMP Notes 2 on the maturity date of 18 December 2023, provided the solvency condition is satisfied and AMP Notes 2 are still on issue and have not been redeemed earlier or, on account of a non-viability trigger event, converted or written-off.
- If APRA determines that AMP Limited is or would become non-viable, AMP Limited may be required to convert some or all of AMP Notes 2 into AMP ordinary shares (or where AMP Limited is unable to do so, those AMP Notes 2 will be written-off and the rights attaching to them will be terminated).
- AMP Notes 2 may be redeemed prior to the maturity date at AMP Limited's option on 18 December 2018 (or any subsequent interest payment date) or if a tax event or regulatory event occurs, in each case subject to the prior written approval of APRA (which is at its discretion and may not be given).

Holders of AMP Notes should note:

- Under the reinvestment offer, eligible A\$ AMP Notes holders have the opportunity to sell their A\$ AMP Notes to AMP to fund a subscription for AMP Notes 2.
- This means that A\$ AMP Notes holders will receive A\$100 per A\$ AMP Note sold to AMP (which is directed towards reinvestment in AMP Notes 2) plus an amount representing the accrued and unpaid interest up to the day before the issue date of AMP Notes 2 (which is paid in cash).

It is AMP Group Finance Services Limited's current intention that A\$ AMP Notes not sold to AMP under the reinvestment offer and NZ\$ AMP Notes will, subject to APRA's approval, be redeemed for cash on the step-up date (15 May 2014).

The AMP Notes 2 offer is being made under a prospectus lodged with the Australian Securities and Investments Commission. Investors should read the prospectus in full before deciding to invest in AMP Notes 2.


There are risks associated in an investment in AMP Notes 2. It is important that investors read the prospectus (see details below) for a full description of the risks associated with an investment in AMP Notes 2 and AMP's business before making a decision to invest in AMP Notes 2. They are not guaranteed by, nor are they deposit or policy liabilities of, any member of the AMP group.

Interested investors can access the prospectus online at ampnotes2.com.au or by requesting a prospectus by calling the numbers set out below.

A replacement prospectus, which will include the margin and application forms, is expected to be available on 14 November 2013.

Anyone wishing to acquire AMP Notes 2 will need to complete an application form included in, or accompanying, the replacement prospectus. The offer is expected to close on 9 December 2013.

UBS AG, Australia Branch has been appointed as structuring adviser and joint lead manager.

Commonwealth Bank of Australia and J.P. Morgan Australia Limited have been appointed joint lead managers. Co-managers for the offer are Bell Potter Securities and Ord Minnett Limited. 

For more information contact:

AMP Notes 2 information line
 1300 338 164 (within Australia)
 0800 444 152 (within New Zealand)
 +61 3 9415 4018 (outside Australia and New Zealand)

Monday to Friday—8.30am to 5.30pm (Sydney time)

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More information about the Offer

The Offer comprises:

- Reinvestment Offer – to eligible AMP Notes holders
- Securityholder Offer – to eligible AMP securityholders
- Broker Firm Offer – to Australian resident retail and high net worth clients of the syndicate brokers
- General Offer – to members of the general public who are resident in Australia, and
- Institutional Offer – to certain institutional investors invited to bid for AMP Notes 2 under the bookbuild.

Key dates for the Offer

	Date
Record date for determining eligible securityholders (7.00pm Sydney time)	4 November 2013
Lodgement of the prospectus with ASIC	6 November 2013
Bookbuild	13 November 2013
Announcement of the margin	13 November 2013
Lodgement of the replacement prospectus with ASIC	14 November 2013
Opening date for the Offer	14 November 2013
Closing date for the Offer (5.00pm Sydney time)	9 December 2013
Issue date of AMP Notes 2	18 December 2013
AMP Notes 2 commence trading on ASX (deferred settlement basis)	19 December 2013
Holding statements for AMP Notes 2 dispatched by	24 December 2013
AMP Notes 2 commence trading on ASX (normal settlement basis)	27 December 2013
Key dates for AMP Notes 2	Date
Record date for first interest payment	10 March 2014

First interest payment date ²	18 March 2014
First date on which AMP may redeem the AMP Notes 2 (at its discretion) ³	18 December 2018
Maturity date ⁴	18 December 2023
Key dates for eligible AMP Notes holders	Date
Reinvestment record date for determining eligible AMP Notes holders for reinvestment offer (7.00pm Sydney time)	4 November 2013
Opening date for the reinvestment offer	14 November 2013
Closing date for the reinvestment offer (5.00pm Sydney time)	9 December 2013
Reinvestment date and payment date for accrued interest amount	18 December 2013
Step-up date (AMP Notes)	15 May 2014
Maturity date (AMP Notes)	1 April 2019

Dates are subject to change

These dates are indicative only and may change without notice.

AMP and the joint lead managers may agree to vary the timetable, including extending any closing date, closing the Offer early without notice or accepting late applications, whether generally or in particular cases, or withdrawing the Offer at any time before AMP Notes 2 are issued, at their discretion.

Disclaimer

This announcement does not constitute an offer of any securities (including AMP Notes 2) for sale or issue. No action has been taken to register or qualify AMP Notes 2 or the Offer or to otherwise permit a public offering of AMP Notes 2 outside Australia. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any US Person (as defined in Regulation S of the US Securities Act). Any securities described in this announcement have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

² Interest is payable quarterly in arrear, subject to satisfaction of the solvency condition and provided that AMP Notes 2 are still on issue at the time and have not been redeemed earlier or, on account of a non-viability trigger event, converted or written-off.

³ APRA must provide its prior written approval for any such redemption. There can be no certainty that APRA will provide its approval.

⁴ The face value is repayable subject to satisfaction of the solvency condition and provided that AMP Notes 2 are still on issue at the time and have not been redeemed earlier or, on account of a non-viability trigger event, converted or written-off.