



Group Corporate Affairs

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## ASX Announcement

*Melbourne, Friday 7<sup>th</sup> November 2003*

### **National comments on AMP's proposed de-merger**

The National has reviewed AMP's Explanatory Memorandum and is now in a position to respond to inquiries from shareholders, broking analysts and the media about AMP's proposed de-merger, National Chief Executive and Managing Director, Mr Cicutto said yesterday.

Mr Cicutto said AMP's proposed de-merger does not deliver a clean separation of its Australian and UK businesses because AMP will retain 15 per cent ownership of HHG plc.

"This de-merger proposal is different from the one announced by AMP in May", Mr Cicutto said. "In our view, there is no clear justification for a de-merger which retains significant linkages between its Australian and UK businesses.

"It is unclear what potential financial, regulatory and reputation risks and other obligations AMP may face as a result of its continuing exposure to the UK. Further, AMP may be required to increase its shareholding in HHG plc as a consequence of the proposed £100 million convertible loan note standby commitment."

Mr Cicutto said the National has always supported a clean de-merger. In the absence of a clean de-merger, the National will reluctantly support the proposed de-merger, and will consider participation in the rights issue to prevent dilution of its strategic stake in the company.

"We are cautious and disciplined," Mr Cicutto said. "We have demonstrated previously that we are prepared to hold a strategic position for some time."

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