

Chairman's foreword



Welcome to AMP's 2007 Annual Report. This report provides you with AMP's full statutory accounts, along with the directors' remuneration and corporate governance reports.

Accompanying this report is the Shareholder Review, which provides a summary of AMP's 2007 financial performance and management commentary.

The Shareholder Review includes messages from me and from Chief Executive Officer, Craig Dunn, overviews of AMP's business units and information about the company's strategy and outlook.

2007 financial performance

AMP reported robust financial results in 2007. The company increased its underlying profit by 10 per cent to \$960 million and made good progress against its five key performance measures.

The board declared a final dividend of 24 cents per share. This includes two cents a share from proceeds of the sale of the Cobalt/Gordian business that was announced on 11 December 2007.

Added to the interim dividend of 22 cents per share, the final dividend brings the total dividend for 2007 to 46 cents per share, which is up six cents on the 2006 dividend.

Our dividend policy is to pay out 85 per cent of underlying profit, with a target of 85 per cent franking.

Outlook

AMP is a financially strong company with low debt, a strong balance sheet and a resilient business model.

Our strategic focus is on continuing to invest for growth, while prudently managing the business through volatile market conditions.

Our goal remains to double the value of an investment in AMP every five years, which will mean faster growth in some years than others.

While the outlook for 2008 is challenging and AMP is not immune to the impact of volatile financial markets, your board is confident of AMP's ability to prosper.

Peter Mason
Chairman

“The company increased its underlying profit by 10 per cent to \$960 million and made good progress against its five key performance measures.”

Peter Mason
Chairman