



Kevin Keenan
Company Secretary

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22 December 2009

Australian Securities Exchange
Company Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

AXA Asia Pacific Holdings Limited

Please refer to the attached letter from our Chairman, Mr Rick Allert, to the Shareholders of AXA Asia Pacific Holdings Limited regarding the recommended agreement with National Australia Bank Limited ('NAB') and the rejection of the revised scheme proposal from AMP and AXA SA.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Kevin Keenan', with a long horizontal stroke extending to the right.

Kevin Keenan
Company Secretary

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Richard H Allert AO
Chairman

22 December 2009

Dear Shareholder

**AXA APH enters into conditional agreement with
National Australia Bank in relation to a scheme proposal**

Recently I wrote to you advising that a committee of the independent directors (**Independent Board Committee**) of AXA Asia Pacific Holdings Limited (**AXA APH**) had rejected a conditional scheme proposal received from AMP Limited (**AMP**) and AXA SA to acquire AXA APH.

Since then, there have been a number of developments and an important recommendation has been made by the Independent Board Committee.

On Saturday 11 December 2009, AMP and AXA SA submitted a revised conditional proposal to acquire AXA APH, which included an increased cash component to a fixed A\$1.92 and an unchanged AMP share component of 0.6896 AMP shares per AXA APH minority share. At the time, the AMP/AXA SA revised proposal was valued at A\$6.22 per AXA APH minority share.¹

On Wednesday 16 December 2009, we received an alternative proposal from National Australia Bank Limited (**NAB**). Under the NAB proposal, NAB proposed to take the place of AMP in the AMP/AXA SA revised proposal, but offered a higher price for AXA APH's Australian and New Zealand businesses and, therefore, AXA APH minority shares. NAB also proposed to offer AXA APH minority shareholders the choice between a full cash alternative of A\$6.43 per AXA APH share or 0.1745 NAB shares and A\$1.59 cash per AXA APH share. At the time, the cash / scrip offer under the NAB proposal was valued at A\$6.50 per AXA APH share.²

On Thursday 17 December 2009, after thorough and careful consideration, the Independent Board Committee rejected the AMP/AXA SA revised proposal and unanimously recommended the NAB proposal, in the absence of a superior proposal and subject to the review of an independent expert.

¹ Based on the volume weighted average price of AMP shares between 9 November and 10 December 2009 (inclusive) of A\$6.24.

² Based on the volume weighted average price of NAB shares between 3 December and 16 December 2009 (inclusive) of A\$28.16.

Share Registry

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452 Johnston Street Abbotsford 3067 GPO Box 1585 Melbourne Victoria 3001
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AXA Asia Pacific Holdings Limited ABN 78 069 123 011
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As part of this process, your Independent Board Committee considered a number of matters, including:

- the inherent value of AXA APH's strong businesses and outstanding growth prospects;
- the individual and relative value and terms of both proposals; and
- the alternative forms of consideration being offered under each proposal, in particular the greater flexibility and certainty provided by the full cash alternative under the NAB proposal compared to the lack of downside protection in the AMP/AXA SA revised proposal under which AXA APH minority shareholders were exposed to movements in the AMP share price for a number of months until implementation of the scheme.

It is important to understand that the NAB proposal is subject to a number of significant conditions. These include:

- completion of confirmatory due diligence by NAB;
- AXA SA agreeing to buy AXA APH's Asian assets essentially on the same financial terms as under their revised proposal with AMP; and
- entering into all the required legal documentation.


Whether and when these conditions are satisfied will depend, in part, on AXA SA's response to the NAB proposal and the terms of the exclusivity arrangements between AXA SA and AMP which are set out in their consortium deed released to the ASX on 10 November 2009. The Independent Board Committee understands these exclusivity arrangements will end on the earlier of: (i) 6 February 2010; or (ii) AMP terminating its discussions with AXA SA in relation to their combined proposal.

If final agreement is reached between NAB, AXA SA and AXA APH, you will be invited next year to vote on whether or not you wish to accept the NAB proposal, which will be determined by the decision of the AXA APH minority shareholders at a shareholder meeting. You will be provided a booklet of information at the time to help you consider this decision, including the opinion of an independent expert as to whether the NAB proposal is fair and reasonable and in your best interests.

At this stage, you do not need to do anything. We will update you when appropriate.

If you have any questions please call 1300 367 373. Please note the ASX releases we have made in relation to the above events can be accessed on the internet from AXA APH's website (www.axa-asiapacific.com.au) or from the ASX website (www.asx.com.au).

Yours sincerely,



Rick Allert
Chairman