



AMVESCAP

*Helping people worldwide  
build their financial security*

## **2006 Second Quarter Results**

Martin L. Flanagan, Chief Executive Officer

Loren M. Starr, Chief Financial Officer

**July 27, 2006**

# Forward-Looking Statements

This presentation may include statements that constitute “forward-looking statements” under the United States securities laws. Forward-looking statements include information concerning possible or assumed future results of our operations, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, assets under management, acquisition activities and the effect of completed acquisitions, debt levels and the ability to obtain additional financing or make payments on our debt, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, when used in this presentation, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would,” and any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, you should carefully consider the areas of risk described in our most recent Annual Report on Form 20-F, as filed with the United States Securities and Exchange Commission (“SEC”). You may obtain these reports from the SEC’s Web site at [www.sec.gov](http://www.sec.gov).

# Agenda

- Our Business Today
- Financial Results
- Questions and Answers
- Appendix

# Summary of Second Quarter 2006 Results

## AUM

- Ending AUM of \$413.8 billion, up \$2.9 billion since the end of 1Q06
- 2Q06 average AUM of \$414.6 billion, up \$13.3 billion since 1Q06

## Quarterly Flows

- Long term net flows of \$2.3 billion were positive for the second consecutive quarter
- Continued sales momentum in UK, Asia Pacific, and Continental Europe
- Sales strength with Fixed Income, Structured Products, Real Estate and CDO/CLO products

## Overall Operating Results

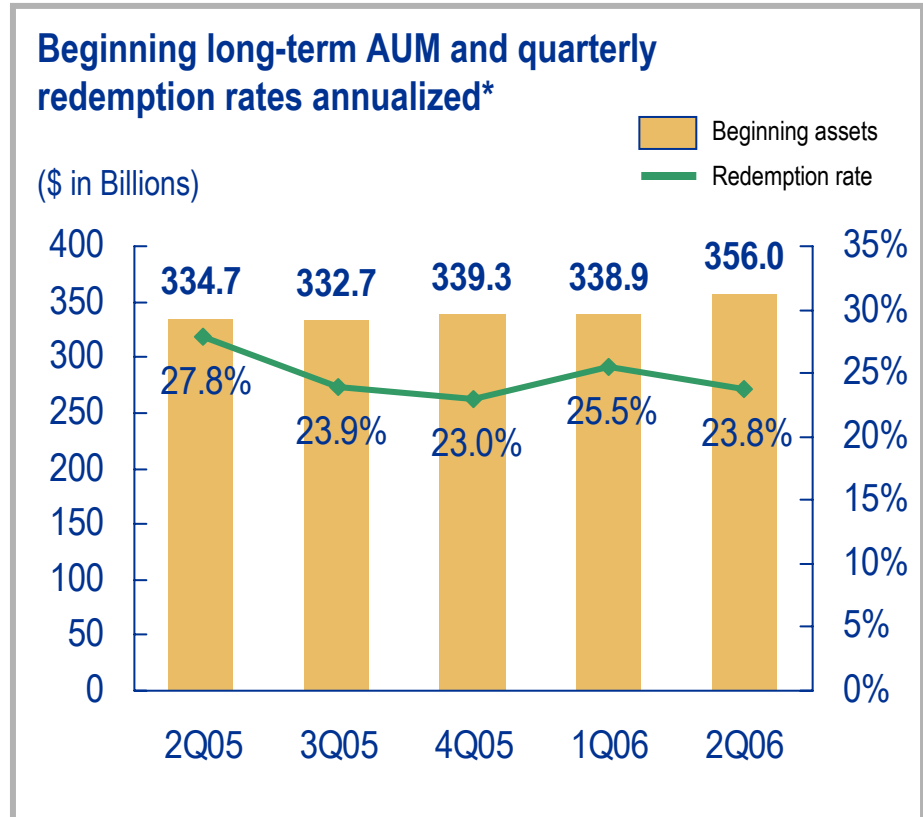
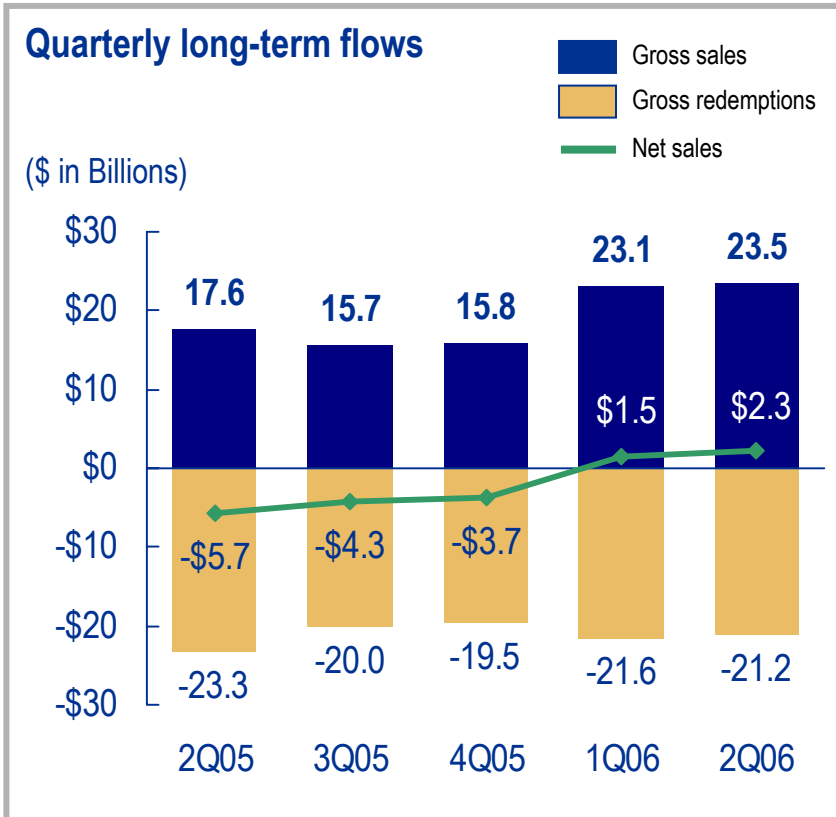
- Net operating margins of 32.6% in the quarter vs. 31.9% in 1Q06 and 24.4% for 2Q05
- Continued focus on disciplined expense management; variances reflect impact of FX and market driven expenses
- EPS increased to \$.15 from \$.13 sequentially and from \$.09 for the same period in 2005

## Strategic Development

- Movement toward consolidated operating platforms is in progress
- PowerShares acquisition is on track to close during 3Q
- Acquisition of WL Ross & Co. LLC should enhance company capabilities

# AMVESCAP - Quarterly Flows

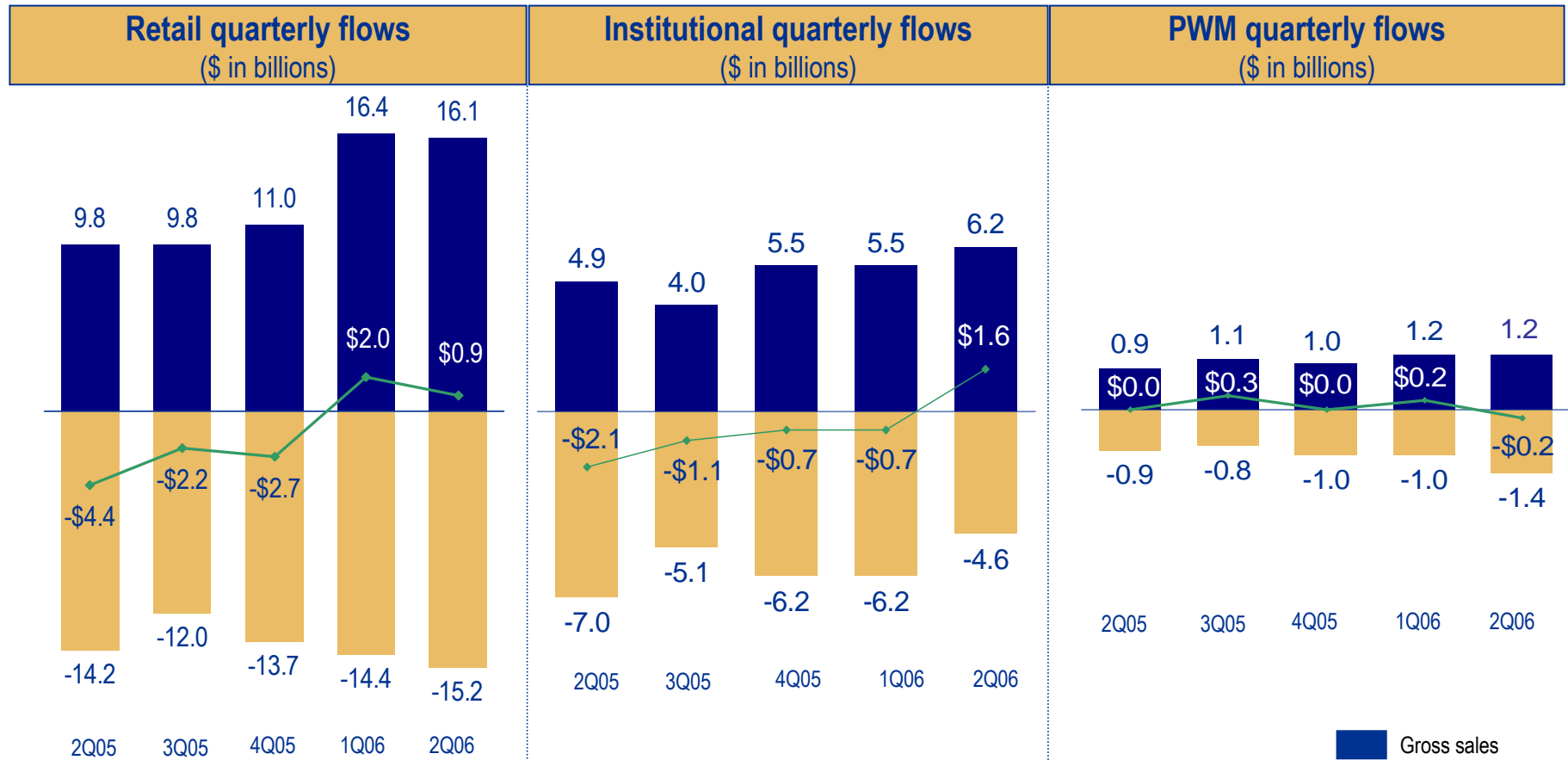
- Net flows were positive for the second consecutive quarter
- Redemption rate declined 1.7% due to lower institutional redemptions and a higher AUM
- In addition, money market assets increased \$2.2 billion during the quarter to \$61.3 billion



\* Excludes institutional money market and other assets and flows  
 Note: Redemption rate defined as gross redemptions/beginning assets

# Distribution Channels – Quarterly Flows

- Institutional distribution channel net flow positive for the first time since 1Q05 and includes a \$1 billion real estate portfolio acquisition
- Continuing positive net flows from retail channel



Retail quarterly flows include retail products in the U.S., Canada, UK, Europe, Asia and our offshore product line.  
 Institutional quarterly flows include our institutional business in the U.S., Continental Europe and Asia and excludes institutional money market.  
 PWM quarterly flows include our high net worth business in the U.S.

■ Gross sales  
 ■ Gross redemptions  
 — Net sales



# AMVESCAP's Current Investment Performance

Retail		% of AUM in Top Half of Peer Group					
		1yr		3yr		5yr	
		Jun-06	Mar-06	Jun-06	Mar-06	Jun-06	Mar-06
US (Lipper)		69%	51%	60%	48%	44%	34%
US (Morningstar)		69%	64%	67%	68%	60%	66%
Canada		6%	4%	24%	21%	87%	76%
UK		77%	66%	97%	94%	83%	88%
Continental Europe and Asia		77%	64%	86%	77%	80%	69%
Institutional		% of AUM Ahead of Benchmark					
Equity		58%	49%	60%	53%	98%	97%
Fixed Income		95%	94%	92%	95%	95%	93%
Money Market*		97%	94%	97%	94%	97%	91%

\*Money Market figures apply to % AUM in top Half of Peer Group

Global Long Term Retail: Performance is based on peer rankings and AuM as of 30 June 2006 with the exception of products managed in Frankfurt which are as of 31 March. For UK, performance is based on \$38bn and includes representative products managed in Henley and London. For CE and Asia, performance is based on \$18bn and includes the representative products of each region. For Canada (AIM Trimark), AuM is for Series A and SC only, and does not include Series D & I (Institutional), Series F (fee-based) or sub-advised funds. For US (AIM Retail), the assets exclude APAM, closed-end, offshore, subadvised and variable insurance assets because the majority of these assets do not have third party rankings and were thus excluded to retain consistency between the charts depicting assets beating the benchmark and assets by Lipper/Morningstar quartile. Information has been sourced from Lipper, Morningstar, Morningstar Canada and S&P Micropal via internal AVZ groups.

Global Institutional INVESCO: Performance includes representative products managed in Atlanta, Frankfurt, London, Louisville and New York. Performance is as of 30 June 2006 and is based on \$91bn AuM. This amount excludes approximately \$46bn from Stable Value, \$5bn from CDOs, \$9bn from Real Estate and \$2bn from Private Capital. For Money Market, performance is based on \$43bn, which excludes non-USD money market funds.

Performance results are preliminary and subject to revision.



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## Financial Results

# Assets Under Management - Quarterly

(in billions)	2Q06	1Q06	% Change	4Q05	3Q05	2Q05
<b>Beginning Assets</b>	<b>\$410.9</b>	<b>\$386.3</b>	<b>6.4%</b>	<b>\$380.5</b>	<b>\$373.2</b>	<b>\$375.4</b>
Inflows	23.5	23.1	1.7%	15.8	15.7	17.6
Outflows	(21.2)	(21.6)	(1.9)%	(19.5)	(20.0)	(23.3)
Net flows	2.3	1.5	53.3%	(3.7)	(4.3)	(5.7)
Net flows in Money Market Funds and Other	2.2	7.4	(70.3)%	1.8	0.1	5.8
Market Gains/Reinvestment	(6.2)	15.3	n/a	8.9	11.1	0.5
Foreign currency	4.6	0.4	n/a	(1.2)	0.4	(2.8)
<b>Ending Assets</b>	<b>\$413.8</b>	<b>\$410.9</b>	<b>0.7%</b>	<b>\$386.3</b>	<b>\$380.5</b>	<b>\$373.2</b>
Average long-term AUM	357.5	347.7	2.8%	337.0	336.9	332.5
Average institutional money market AUM	57.1	53.6	6.5%	43.9	41.2	40.6
Average AUM	\$414.6	\$401.3	3.3%	\$380.9	\$378.1	\$373.1
Net Revenue Yield (annualized)*	56.7bps	58.2bps		57.9bps	56.7bps	58.7bps
Net Revenue Yield less performance fees (annualized)**	55.5bps	54.9bps		56.2bps	56.1bps	57.7bps

\* Net Revenue Yield = Net Revenues/Average AUM

\*\* Net Revenue Yield less performance fees = (Net Revenues – Performance Fees)/Average AUM

# Operating Results – Quarterly

\$ in Millions	2Q06	1Q06	% Change*	4Q05**	3Q05	2Q05
Management Fees	626	620	0.9%	574	556	543
Service and Distribution	133	136	(2.0)%	129	126	141
Other	29	27	7.8%	32	35	35
<b>Total Revenues</b>	<b>788</b>	<b>783</b>	<b>0.7%</b>	<b>735</b>	<b>717</b>	<b>719</b>
Third-party distribution, service and advisory fees	(200)	(199)	0.7%	(183)	(180)	(170)
<b>Net Revenues</b>	<b>588</b>	<b>584</b>	<b>0.7%</b>	<b>551</b>	<b>536</b>	<b>549</b>
Compensation	251	253	(0.8)%	263	267	259
Marketing	36	36	(1.7)%	34	28	38
Property and Office	27	27	(0.2)%	27	41	31
Technology/Telecommunications	30	32	(6.1)%	32	33	37
General and Administrative	52	49	7.0%	72	53	49
<b>Total Operating Expenses</b>	<b>396</b>	<b>397</b>	<b>(0.3)%</b>	<b>427</b>	<b>423</b>	<b>414</b>
<b>Net Operating Profit</b>	<b>192</b>	<b>187</b>	<b>2.7%</b>	<b>124</b>	<b>113</b>	<b>135</b>
Net Operating Profit Margin	32.6%	31.9%		22.5%	21.1%	24.6%
Investment Income	6	5	9.3%	5	4	4
Other Income	6	(3)	n/a	(14)	2	(2)
Interest Expense	(19)	(17)	12.0%	(21)	(20)	(24)
<b>Profit Before Taxes</b>	<b>184</b>	<b>172</b>	<b>7.3%</b>	<b>94</b>	<b>119</b>	<b>112</b>
Effective Tax Rate	36.2%	36.9%		43.2%	36.8%	35.8%
<b>Net Profit</b>	<b>117</b>	<b>108</b>	<b>8.8%</b>	<b>53</b>	<b>75</b>	<b>71</b>
EPS Diluted	0.15	0.13		0.07	0.09	0.09
Average AUM (\$ in Billions)	414.6	401.3		380.9	378.1	372.7
Headcount	5,485	5,586		5,798	5,983	6,519

\* % Change based on un-rounded figures \*\*Before restructuring

# Other Financial Highlights

- Capital Deployment Priorities
  - ▶ Reinvest in our business
  - ▶ Acquisitions when they makes sense
  - ▶ Dividends – steadily increase with no target payout ratio
  - ▶ Share repurchases
- Interim dividend of \$0.077 – declared in \$US for first time
- \$300mn maturing debt in January 2007 expected to be refinanced
- Potential key cash needs
  - ▶ PowerShares - \$100mn at closing (3Q06), potentially \$130mn in 2007
  - ▶ WL Ross & Co. LLC - \$100mn in 2006 and potentially \$55mn in 2007 (\$30mn minimum)



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## Questions and Answers

Marty Flanagan

President and CEO, AMVESCAP

Loren Starr

CFO, AMVESCAP

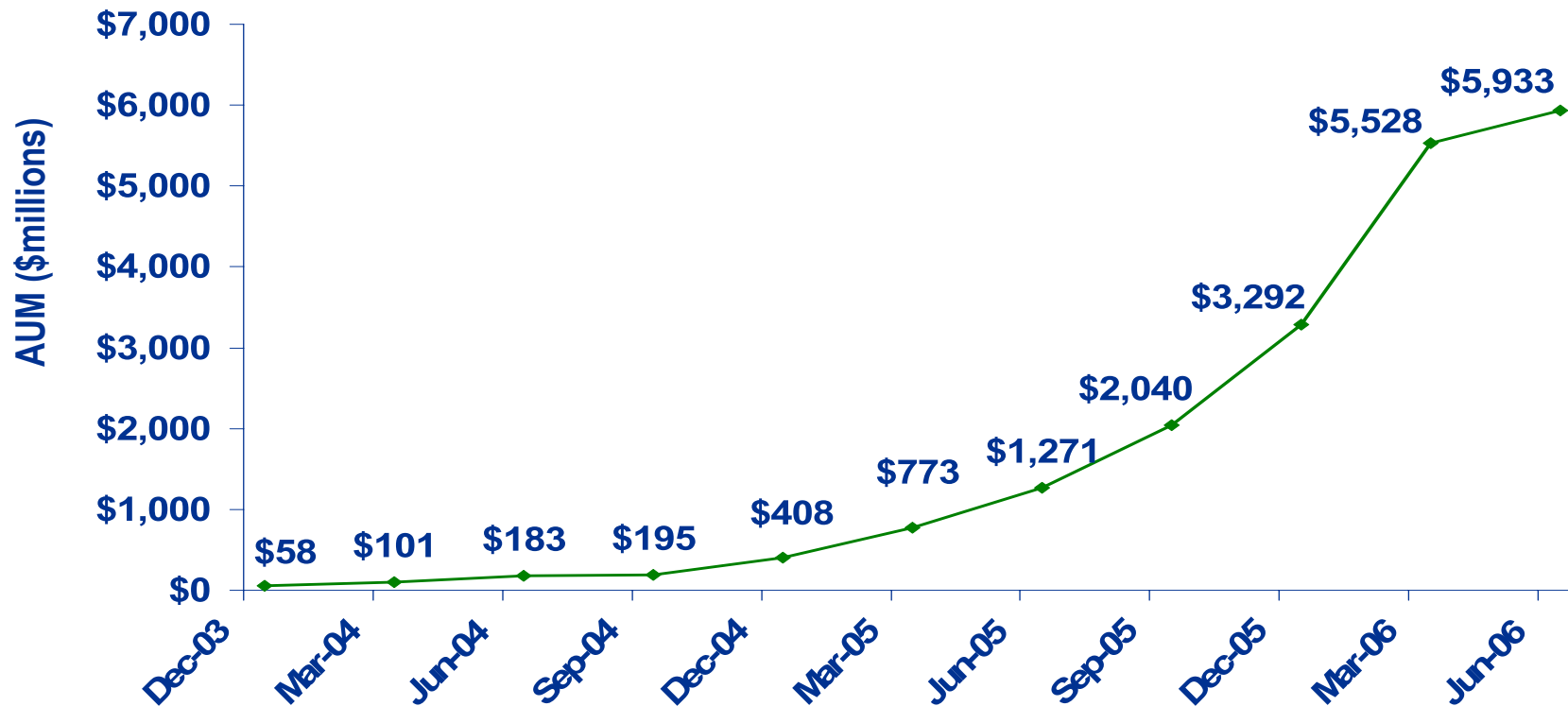


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# Appendix

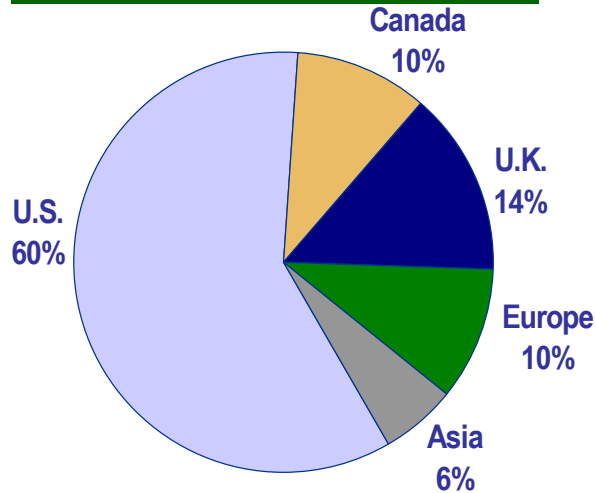
# New Investment Product - PowerShares

- Since June 2003, PowerShares Capital Management has grown from \$60 million to \$5.9 billion.
- We expect the transaction to close in 3Q06
- Net inflows year-to-date through June were \$2.6 bn and \$0.4 bn in 2Q06



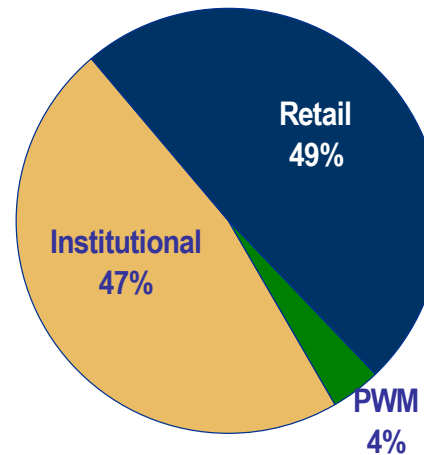
# Strength Through Diversification

## By Client Domicile



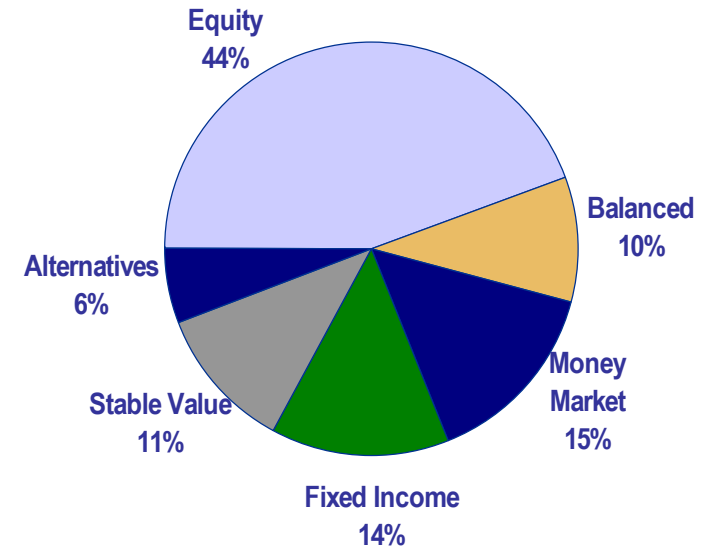
U.S.	\$246.2B
Canada	\$42.6B
U.K.	\$58.2B
Europe	\$42.2B
Asia	\$24.6B
<b>Total</b>	<b>\$413.8B</b>

## By Channels



Institutional	\$195.0B
Retail	\$202.4B
High Net Worth	\$16.4B
<b>Total</b>	<b>\$413.8B</b>

## By Asset Class



Equity	\$183.6B
Balanced	\$40.4B
Money Market	\$61.3B
Fixed Income	\$57.6B
Stable Value	\$46.7B
Alternatives	\$24.2B
<b>Total</b>	<b>\$413.8B</b>

## Assets Under Management – 2Q06 By Channel

(in billions)	Total	Retail	Institutional	PWM
<b>March 31, 2006</b>	<b>\$410.9</b>	<b>\$202.9</b>	<b>\$191.1</b>	<b>\$16.9</b>
Inflows	23.5	16.1	6.2	1.2
Outflows	(21.2)	(15.2)	(4.6)	(1.4)
Net flows	2.3	0.9	1.6	(0.2)
Net flows in Money Market Funds and Other	2.2	0.8	1.4	--
Market Gains/Reinvestment	(6.2)	(5.5)	(0.4)	(0.3)
Foreign currency	4.6	3.3	1.3	--
<b>June 30, 2006</b>	<b>\$413.8</b>	<b>\$202.4</b>	<b>\$195.0</b>	<b>\$16.4</b>

## Assets Under Management – 2Q06 By Asset Class

(in billions)	Total	Equity	Fixed Income	Balanced	Money Market	Stable Value	Alternatives
<b>March 31, 2006</b>	<b>\$410.9</b>	<b>\$188.3</b>	<b>\$52.8</b>	<b>\$41.2</b>	<b>\$59.4</b>	<b>\$46.1</b>	<b>\$23.1</b>
Inflows	23.5	9.4	8.1	2.0	0.4	1.2	2.4
Outflows	(21.2)	(11.8)	(4.4)	(2.4)	(0.7)	(0.6)	(1.3)
Net flows	2.3	(2.4)	3.7	(0.4)	(0.3)	0.6	1.1
Net flows in Money Market Funds and Other	2.2	--	--	--	2.2	--	--
Market Gains/Reinvestment	(6.2)	(5.5)	0.4	(1.0)	0.1	--	(0.2)
Foreign currency	4.6	3.2	0.7	0.6	(0.1)	--	0.2
<b>June 30, 2006</b>	<b>\$413.8</b>	<b>\$183.6</b>	<b>\$57.6</b>	<b>\$40.4</b>	<b>\$61.3</b>	<b>\$46.7</b>	<b>\$24.2</b>

(a) The asset class beginning balances were adjusted to reflect certain asset reclassifications.

## Assets Under Management – 2Q06 By Client Domicile

(in billions)	Total	U.S.	Canada	U.K.	Europe	Asia
<b>March 31, 2006</b>	<b>\$410.9</b>	<b>\$248.1</b>	<b>\$43.3</b>	<b>\$56.8</b>	<b>\$37.8</b>	<b>\$24.9</b>
<b>Inflows</b>	23.5	8.8	0.9	3.0	7.3	3.5
<b>Outflows</b>	(21.2)	(10.3)	(1.9)	(2.3)	(4.3)	(2.4)
<b>Net flows</b>	2.3	(1.5)	(1.0)	0.7	3.0	1.1
<b>Net flows in Money Market Funds and Other</b>	2.2	1.9	0.2	--	0.1	--
<b>Market Gains/Reinvestment</b>	(6.2)	(2.3)	(1.7)	(1.4)	(0.3)	(0.5)
<b>Foreign currency</b>	4.6	--	1.8	2.1	1.6	(0.9)
<b>June 30, 2006</b>	<b>\$413.8</b>	<b>246.2</b>	<b>42.6</b>	<b>58.2</b>	<b>42.2</b>	<b>24.6</b>

# Assets Under Management – YTD

(in billions)	June 30, 2006	June 30, 2005	% Change
<b>Beginning Assets</b>	<b>\$386.3</b>	<b>\$382.1</b>	<b>1.1%</b>
Inflows	46.6	34.8	33.9%
Outflows	(42.8)	(43.0)	(0.5)%
<b>Net flows</b>	<b>3.8</b>	<b>(8.2)</b>	<b>n/a</b>
<b>Net flows in Money Market Funds and Other</b>	<b>9.6</b>	<b>(1.4)</b>	<b>n/a</b>
Market Gains/Reinvestment	9.1	4.4	n/a
Foreign currency	5.0	(3.7)	n/a
<b>Ending Assets</b>	<b>\$413.8</b>	<b>\$373.2</b>	<b>10.9%</b>
<b>Average long-term AUM</b>	<b>352.2</b>	<b>335.0</b>	<b>5.1%</b>
<b>Average institutional money market AUM</b>	<b>55.3</b>	<b>41.0</b>	<b>34.9%</b>
<b>Average AUM</b>	<b>\$407.5</b>	<b>\$376.0</b>	<b>8.4%</b>
<b>Net revenue yield on AUM (annualized) *</b>	<b>57.5bps</b>	<b>57.7bps</b>	
<b>Net revenue yield on AUM before performance fees (annualized) **</b>	<b>55.3bps</b>	<b>57.0bps</b>	

\* Net Revenue Yield = Net Revenues/Average AUM

\*\* Net Revenue Yield less performance fees = (Net Revenues – Performance Fees)/Average AUM

## Assets Under Management – YTD By Channel

(in billions)	Total	Retail	Institutional	PWM
<b>December 31, 2005</b>	<b>\$386.3</b>	<b>\$190.2</b>	<b>\$179.8</b>	<b>\$16.3</b>
Inflows	46.6	32.5	11.7	2.4
Outflows	(42.8)	(29.6)	(10.8)	(2.4)
Net flows	3.8	2.9	0.9	--
Net flows in Money Market Funds and Other	9.6	(0.2)	9.8	--
Market Gains/Reinvestment	9.1	5.9	3.1	0.1
Foreign currency	5.0	3.6	1.4	--
<b>June 30, 2006</b>	<b>\$413.8</b>	<b>\$202.4</b>	<b>\$195.0</b>	<b>\$16.4</b>

## Assets Under Management – YTD By Asset Class

(in billions)	Total	Equity	Fixed Income	Balanced	Money Market	Stable Value	Alternatives
<b>December 31, 2005</b>	<b>\$386.3</b>	<b>\$177.1</b>	<b>\$48.8</b>	<b>\$40.4</b>	<b>\$52.2</b>	<b>\$45.7</b>	<b>\$22.1</b>
Inflows	46.6	21.9	14.1	4.0	1.0	2.2	3.4
Outflows	(42.8)	(25.7)	(7.0)	(5.0)	(1.6)	(1.6)	(1.9)
Net flows	3.8	(3.8)	7.1	(1.0)	(0.6)	0.6	1.5
Net flows in Money Market Funds and Other	9.6	--	--	--	9.6	--	--
Market Gains/Reinvestment	9.1	7.0	0.8	0.3	0.1	0.4	0.5
Foreign currency	5.0	3.3	0.9	0.7	--	--	0.1
<b>June 30, 2006</b>	<b>\$413.8</b>	<b>\$183.6</b>	<b>\$57.6</b>	<b>\$40.4</b>	<b>\$61.3</b>	<b>\$46.7</b>	<b>\$24.2</b>

(a) The asset class beginning balances were adjusted to reflect certain asset reclassifications.

## Assets Under Management – YTD By Client Domicile

(in billions)	Total	U.S.	Canada	U.K.	Europe	Asia
<b>December 31, 2005</b>	<b>\$386.3</b>	<b>\$235.6</b>	<b>\$42.2</b>	<b>\$53.6</b>	<b>\$32.0</b>	<b>\$22.9</b>
Inflows	46.6	16.3	2.1	5.9	15.1	7.2
Outflows	(42.8)	(20.2)	(4.3)	(4.7)	(8.7)	(4.9)
Net flows	3.8	(3.9)	(2.2)	1.2	6.4	2.3
Net flows in Money Market Funds and Other	9.6	9.4	0.2	--	0.1	(0.1)
Market Gains/Reinvestment	9.1	5.1	0.6	1.0	1.9	0.5
Foreign currency	5.0	--	1.8	2.4	1.8	(1.0)
<b>June 30, 2006</b>	<b>\$413.8</b>	<b>246.2</b>	<b>42.6</b>	<b>58.2</b>	<b>42.2</b>	<b>24.6</b>

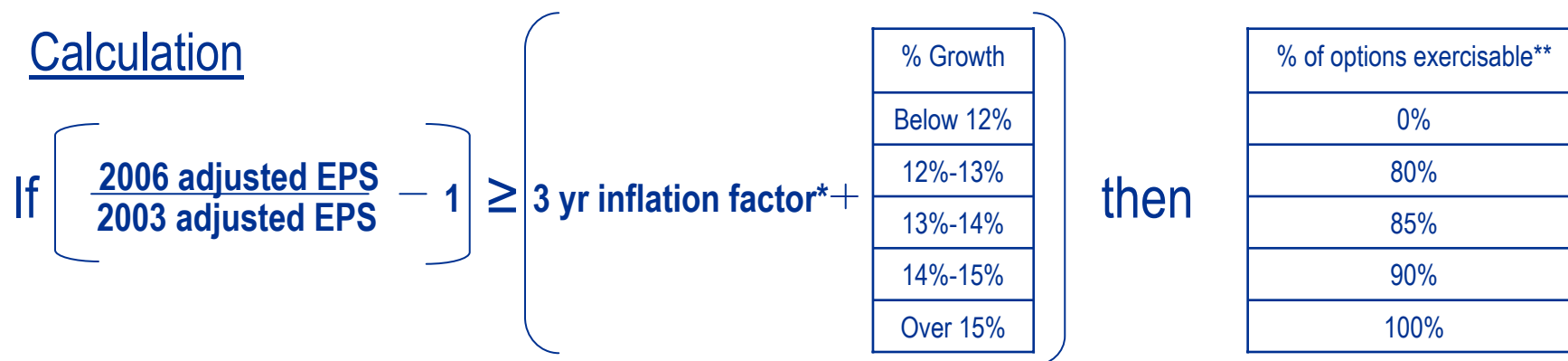
## Additional Income and Expense Information

(\$ millions)	2006		2005			
	2Q06	1Q06	4Q05	3Q05	2Q05	1Q05
<b>Operating items:</b>						
Management fees – Performance fees	12.6	33.2	16.4	2.4	10.0	4.7
Compensation – Expenses related to German Bank	--	--	--	(4.7)	--	--
Compensation – Recruitment	--	--	--	(11.8)	--	--
Property and Office – Leasehold charges	--	--	--	(11.4)	--	--
Other - Goodwill impairment	--	--	(16.6)	--	--	--
<b>Other (loss)/ Income items:</b>						
Gain on sale of businesses	--	--	--	32.6	--	--
Outsourcing U.K. DC platform	--	--	--	(7.2)	--	--
Taiwan bond funds capital infusion	--	--	(11.3)	--	--	--
Foreign exchange revaluation	--	--	(6.8)	--	--	--

# 2003 Performance Option Modeling highlights

<u>Year</u>	<u>Accounting Standard</u>	<u>EPS</u>
2003	UK GAAP	23.2p
2006	IFRS → “UK GAAP”	Add back options expense and amortization of intangibles to forecasted 2006 IFRS EPS (≈\$0.02)

## Calculation



**Based on current FX rates and 100 % vesting ≈ \$45mn non-cash charge**

\*80% US CPI and 20% UK RPI

\*\*At December 31, 2005, 14.1 million share options were outstanding related to 2003 grants that had performance conditions attached

