AMVESCAP PLC/LONDON/
Form 20-F
June 29, 2005

United States Securities and Exchange Commission
Washington, D.C. 20549

FORM 20-F

(Mark One)

|_| REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2004

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-13908

AMVESCAP PLC
(Exact name of Registrant as specified in its charter)

England and Wales
(Jurisdiction of incorporation or organization)

30 Finsbury Square, London, EC2A 1AG, United Kingdom
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing 2 Ordinary Shares of 25 pence par value per share	New York Stock Exchange
Ordinary Shares of 25 pence par value per share	New York Stock Exchange(1)

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Class	Outstanding at December 31, 2004
Ordinary Shares(2)	810,656,805

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES |X| NO |_|

Indicate by check mark which financial statement item the registrant has elected to follow.
|X|Item 17 |_| Item 18

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(1) Listed not for trading but only in connection with the listing of American Depositary Shares pursuant to requirements of the Securities and Exchange Commission. The Ordinary Shares' primary trading market is the London Stock Exchange.
(2) Includes Ordinary Shares represented by outstanding American Depositary Shares.

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Cautionary Statements Concerning Forward-Looking Statements

We believe it is important to communicate our future expectations to our shareholders and to the public. This report includes, and documents incorporated by reference herein, other public filings and oral and written statements by us and our management may include, statements that constitute "forward-looking statements" within the meaning of the federal securities laws. These statements are based on the beliefs and assumptions of our management and on information available to our management at the time such statements were made. 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 report, the documents incorporated by reference herein or such other documents or statements, words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "could," "should," "would" or similar expressions, 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. Many of the factors that will determine these results are beyond our ability to control or predict. We caution investors not to rely unduly on any forward-looking statements.

The following important factors, and other important factors described elsewhere or incorporated by reference in this report or in our other filings with the Securities and Exchange Commission (the "SEC"), among others, could cause our results to differ from any results that we may project, forecast or estimate in any such forward-looking statements: (1) variations in demand for our investment products; (2) significant changes in net cash flows into or out of our business; (3) significant fluctuations in the performance of debt and equity markets worldwide; (4) the effect of political or social instability in the countries in which we invest or do business; (5) the effect of terrorist attacks in the countries in which we invest or do business and the escalation of hostilities that could result therefrom; (6) enactment of adverse state, federal or foreign legislation or changes in government policy or regulation (including accounting standards) affecting our operations or the way in which our profits are taxed; (7) war and other hostilities in or involving countries in which we invest or do business; (8) adverse results in litigation, including private civil litigation related to market timing, mutual fund fees and mutual fund sales practices, the subject matter of our recently-settled SEC and other civil enforcement actions and investigations, and any similar potential regulatory or other proceedings; (9) exchange rate fluctuations; (10) the effect of economic conditions and interest rates in the U.K., U.S. or globally; (11) our ability to compete in the investment management business; (12) the effect of consolidation in the investment management business; (13) limitations or restrictions on access to distribution channels for our products; (14) our ability to attract and retain key personnel; (15) the investment performance of our investment products and our ability to retain our accounts; (16) our ability to acquire and integrate other companies into our operations successfully and the extent to which we can realize anticipated cost savings and synergies from such acquisitions; (17) changes in regulatory capital requirements; and (18) the effect of system delays and interruptions on our operations. Other factors and assumptions not identified above were also involved in the derivation of these forward-looking statements, and the failure of such other assumptions to be realized as well as other factors may also cause actual results to differ materially from those projected. For more discussion of the risks affecting us, please refer to "Item 5. Operating and Financial Review and Prospects - Risk Factors" included elsewhere herein.

You should consider the areas of risk described above in connection with any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under applicable securities laws, we undertake no obligation to release publicly any revisions to forward-looking statements, to report events or to report the occurrence of unanticipated events unless required by law. Section 27A of the Securities Act and Section 21E of the Exchange Act of 1934 provide a "safe harbor" for certain forward-looking statements.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. Selected Financial Data

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected consolidated financial information of AMVESCAP as of and for each of the five fiscal years in the period ended December 31, 2004. The financial statement information as of and for each of the years in the five-year period ended December 31, 2004 has been derived from our audited Consolidated Financial Statements. The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United Kingdom ("U.K. GAAP"), which differ in certain significant respects from accounting principles generally accepted in the United States ("U.S. GAAP"). For a discussion of the principal differences between U.K. GAAP and U.S. GAAP, see "Item 5. Operating and Financial Review and Prospects" and Note 27 to the Consolidated Financial Statements, included elsewhere herein. The selected consolidated financial information should be read together with the Consolidated Financial Statements and related notes beginning on page F-1 of this Form 20-F and "Item 5. Operating and Financial Review and Prospects," included elsewhere herein.

			Year Ended Decembe	
	2004(2)	2004	2003	2002
			(In thousands, except pe	
Profit and Loss Data:				
Amounts in accordance with U.K. GAAP:				
Revenues	$2,224,226	(pound)1,158,451	(pound)1,158,070	(pound)1,345,
Operating (loss)/profit	(209,002)	(108,855)	76,925	148,
Operating profit before goodwill amortization and exceptional items(3)	573,456	298,675	310,850	366,
(Loss)/profit before taxation	(264,351)	(137,683)	36,395	102,
(Loss)/profit after taxation	(332,156)	(172,998)	(17,281)	16,
Earnings per share:				
Basic		(21.6)p	(2.2)p	2
Diluted		(21.6)p	(2.2)p	2
Earnings per share before goodwill amortization and exceptional items(3):				
Basic		21.8p	23.4p	27

Diluted............................		21.7p	23.2p	27
Amounts in accordance with U.S. GAAP:				
Net income............................	(101,479)	(52,854)	139,140	161,
Earnings per share:				
Basic............................		(6.6)p	17.3p	20
Diluted..........................		(6.6)p	17.2p	19

				As of December 3
	2004(2)	2004	2003	2002
				(In thousand
Balance Sheet Data:				
Amounts in accordance with U.K. GAAP:				
Net current assets.................	$252,755	(pound)131,643	(pound)228,838	(pound)16,
Goodwill..........................	4,422,534	2,303,403	2,411,803	2,542,
Total assets	7,501,438	3,906,999	3,952,912	3,997,
Current maturities of debt.........	79,509	41,411	--	222,
Long-term debt - recourse..........	1,311,773	683,215	730,041	595,
Capital and reserves...............	3,579,016	1,864,071	2,065,191	2,123,
Amounts in accordance with U.S. GAAP:				
Goodwill..........................	6,652,740	3,464,969	3,483,324	3,548,
Total assets......................	9,945,060	5,179,719	5,198,580	5,243,
Long-term debt - recourse..........	1,311,773	683,215	730,041	595,
Long-term debt - non-recourse......	194,863	101,491	164,325	229,
Capital and reserves...............	5,915,793	3,081,142	3,234,699	3,210,

			Year Ended De	
	2004(2)	2004	2003	
			(In tho	
Other Data:				
Amounts based on U.K. GAAP:				
Cash provided by operations......................	$390,960	(pound)203,625	(pound)338,667	(pound)
EBITDA((4))......................................	715,743	372,783	386,615	
Amounts based on U.S. GAAP:				
EBITDA(4)..	780,810	406,672	352,105	
Dividends per share (pence).........................		7.5	11.5	

		As of Dece
	2004	2003
		(In bi
Total assets under management.......................	$382.1	$370.6

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(1) Includes financial data attributable to acquired businesses from the respective dates of purchase. See "Item 5. Operating and Financial Review and Prospects," included elsewhere herein.

(2) For the convenience of the reader, we have translated pounds sterling as

of and for the fiscal year ended December 31, 2004 into U.S. dollars using the Noon Buying Rate, which is the noon buying rate in the City of New York for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York, on December 31, 2004 of $1.92 per (pound)1.00. We did not use Noon Buying Rates in the preparation of our Consolidated Financial Statements. The rates that we used in the preparation of our Consolidated Financial Statements for the fiscal year ended December 31, 2004 were $1.83 per (pound)1.00 for profit and loss statement items, which was the average prevailing exchange rate during the year, and $1.9192 per (pound)1.00 for balance sheet items, which was the rate prevailing at December 31, 2004. For a discussion of the effects of currency fluctuations on our combined results of operations and combined financial position, "Item 5. Operating and Financial Review and Prospects," included elsewhere herein.

(3) We believe operating profit before goodwill amortization and exceptional items is a more appropriate income amount for presentation, and profit after taxation before goodwill amortization and exceptional items is a more appropriate income amount for the calculation of earnings per share, since they both represent a more consistent measure of our year-by-year performance. Operating profit before goodwill amortization and exceptional items and profit after taxation before goodwill amortization and exceptional items are measures expressly permitted under U.K. GAAP and should be evaluated in the context of our U.K. GAAP results. See Note 3 to our consolidated financial statements for a discussion of the exceptional charges that have been eliminated from our operating profit for the years ended December 31, 2004, 2003 and 2002.

(4) EBITDA, as defined in our credit facility, consists of earnings before interest, taxes, depreciation, amortization, exceptional items and certain non cash and other items. We use EBITDA as a measure of liquidity. EBITDA is presented because we believe that EBITDA may be useful to investors as an indicator of funds available to us, which may be used to pay dividends, to service debt, to make capital expenditures and for working capital purposes. In addition, EBITDA is the basis for the calculation of certain financial covenants in our new credit facility. EBITDA should not be construed as an alternative to operating profit (as determined in accordance with U.K. GAAP or U.S. GAAP), as an indicator of our operating performance, as cash flows from operating activities (as determined in accordance with U.K. GAAP or U.S. GAAP), as a measure of liquidity, or as any other measure of operating performance determined in accordance with U.K. GAAP or U.S. GAAP. Our calculation of EBITDA may not be comparable to similarly titled measures presented by other companies. Reconciliations of operating profit to operating profit before goodwill amortization and exceptional items, of earnings per share to earnings per share before goodwill amortization and exceptional items, of profit before taxation to U.K. GAAP based EBITDA and of U.K. GAAP-based EBITDA to U.S. GAAP-based EBITDA are presented below:

Reconciliation between operating profit before goodwill amortization and exceptional items and operating (loss)/profit:

	Year Ended December 31,			
	2004 (2)	2004	2003	2002
			(In thousands)	
Operating (loss)/profit	$(209,002)	(pound)(108,855)	(pound)76,925	(pound)148,
Goodwill amortization	303,015	157,820	148,982	149,
Exceptional items	479,443	249,710	84,943	69,

Operating profit before goodwill amortization and exceptional items:..................	$573,456	(pound)298,675	(pound)310,850	(pound)366,
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Reconciliation between earnings per share before goodwill amortization and exceptional items and earnings per share:

		Year Ended December 31,		
	2004 (2)	2004	2003	2002
		(In thousands, except per share		
Basic earnings per share.................		(21.6)p	(2.2)p	2.
Diluted earnings per share................		(21.6)p	(2.2)p	2.
(Loss)/profit after taxation..............	$(332,156)	(pound)(172,998)	(pound)(17,281)	(pound)16,8
Minority interests.......................	(547)	(285)	--	
Goodwill amortization....................	303,015	157,820	148,982	149,4
Exceptional items........................	479,443	249,710	84,943	69,2
Exceptional items - tax benefit...........	(113,532)	(59,131)	(29,042)	(12,83
Profit after taxation before goodwill amortization............................. and exceptional items:.................	$336,223	(pound)175,116	(pound)187,602	(pound)222,7
Conversion of equity subordinated debentures............................	--	--	--	
	$336,223	(pound)175,116	(pound)187,602	(pound)222,7
Weighted average number of shares				
Basic................................		802,160	802,885	810,0
Diluted..............................		808,288	810,371	819,5
Basic earnings per share before goodwill amortization and exceptional items:..		21.8p	23.4p	27.
Diluted earnings per share before goodwill amortization and exceptional items:..		21.7p	23.2p	27.

Reconciliation between U.K. GAAP-based EBITDA and (loss)/profit before taxation:

		Year Ended December 31, (1		
	2004 (2)	2004	2003	2002

			(In thousands)	
(Loss)/profit before taxation............	$(264,351)	(pound)(137,683)	(pound)36,395	(pound)102,2
Goodwill amortization....................	303,015	157,820	148,982	149,4
Depreciation.............................	87,523	45,585	50,955	60,2
Exceptional items........................	479,443	249,710	84,943	69,2
Share-based payment expense..............	25,449	13,255	17,070	
Interest expense.........................	84,664	44,096	48,270	52,5
EBITDA based on U.K. GAAP................	$715,743	(pound)372,783	(pound)386,615	(pound)433,7

Reconciliation between U.K. GAAP - based EBITDA and U.S. GAAP - based EBITDA:

	Year Ended December 31, (1			
	2004 (2)	2004	2003	2002
			(In thousands)	
EBITDA based on U.K. GAAP................	$715,743	(pound)372,783	(pound)386,615	(pound)433,7
Acquisition accounting differences........	(8,112)	(4,225)	(3,682)	(7,99
Redundancy and reorganizations...........	70,261	36,594	(30,085)	(11,96
Other....................................	2,918	1,520	(743)	4
EBITDA based on U.S. GAAP................	$780,810	(pound)406,672	(pound)352,105	(pound)414,1

Reconciliation between profit before taxation, goodwill amortization and exceptional items and (loss)/profit before taxation:

	Year Ended December 31, (1			
	2004 (2)	2004	2003	2002
			(In thousands)	
(Loss)/profit before taxation............	$(264,351)	(pound)(137,683)	(pound)36,395	(pound)102,2
Goodwill amortization....................	303,015	157,820	148,982	149,4
Exceptional items........................	479,443	249,710	84,943	69,2
Profit before taxation, goodwill amortization and exceptional items.................	$518,107	(pound)269,847	(pound)270,320	(pound)320,9

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Dividends

Our practice has been to pay an interim dividend and a final dividend in respect of each fiscal year. The interim dividend is generally payable in

October of each year by resolution of our Board of Directors, and the final dividend is payable after approval of such dividend by our shareholders at the Annual General Meeting in the year following the fiscal year to which it relates. The declaration, payment and amount of any future dividends will be recommended by our Board of Directors and will depend upon, among other factors, our earnings, financial condition and capital requirements at the time such declaration and payment are considered. See "Item 10. Additional Information," included elsewhere herein, for further discussion of our dividend policy and taxes applicable to dividends. See "Item 5. Operating and Financial Review and Prospects," and Note 17 to our Consolidated Financial Statements, included elsewhere herein, for a discussion of restrictions on our ability to declare dividends.

The following table sets forth the interim, final and total dividends paid per Ordinary Share in respect of each year indicated and translated into U.S. cents per American Depositary Share:

Year Ended December 31,	Pence per Ordinary Share Interim	Final	Total	U.S. Ce Depos Interim
2000	4.00	6.00	10.00	11.55
2001	4.50	6.50	11.00	13.32
2002	5.00	6.50	11.50	15.69
2003	5.00	6.50	11.50	16.63
2004	2.50	5.00	7.50	9.02

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(1) Based on Noon Buying Rates in effect at the respective payment dates, and adjusted to reflect the change in the Ordinary Share per American Depositary Share ratio from five-for-one to two-for-one on November 8, 2000.

Market for Our Securities

Our Ordinary Shares are listed on the Official List of The U.K. Listing Authority and are traded on the London Stock Exchange under the symbol "AVZ." Our American Depositary Shares are listed for trading on the New York Stock Exchange also under the symbol "AVZ." Each of our American Depositary Shares represents the right to receive two Ordinary Shares deposited with The Bank of New York (the "Depositary"). The Depositary issues American Depositary Receipts, which may represent any number of American Depositary Shares. We also have Exchangeable Shares which were issued by one of our subsidiaries and are listed for trading on The Toronto Stock Exchange. Voting rights of holders of Exchangeable Shares and descriptions of Exchangeable Shares are set forth in "Item 10. Additional Information--Memorandum and Articles of Association--Rights attaching to our shares," included elsewhere herein. Our 6.600% Senior Notes due 2005, our 5.900% Senior Notes due 2007, our 4.500% Senior Notes due 2009, our 5.375% Senior Notes due 2013 and our 5.375% Senior Notes due 2014 are listed on the Luxembourg Stock Exchange.

Exchange Rates

We publish our Consolidated Financial Statements in pounds sterling. References in this report to "U.S. dollars," "$" or "cents" are to United States currency and references to "pounds sterling," "(pound)," "pence" or "p" are to United Kingdom currency. A discussion of the effects of currency translations and fluctuations on our results is contained in "Item 5. Operating and Financial Review and Prospects," included elsewhere herein.

Cash dividends on Ordinary Shares are declared and paid in pounds sterling but are paid at a date subsequent to their declaration. Therefore, holders of our American Depositary Shares are exposed to currency fluctuations from the date of declaration of the dividend to the date when the pounds sterling are converted to U.S. dollars by the Depositary for distribution to holders of American Depositary Shares. Additionally, currency fluctuations will affect the U.S. dollar equivalent of the pounds sterling price of our Ordinary Shares on the London Stock Exchange and, as a result, are likely to affect the market price of the American Depositary Shares on the New York Stock Exchange.

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The following tables set forth, for the periods and dates indicated, certain information concerning the Noon Buying Rate for pounds sterling expressed in U.S. dollars per (pound)1.00. On June 16, 2005, the Noon Buying Rate was $1.82 per (pound)1.00. These translations are not representations that the pounds sterling amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated or at any other rate. We do not use such rates in the preparation of our Consolidated Financial Statements.

	EXCHANGE RATES		
Year ended December 31,	Year end	Average(1)	High
2000	1.49	1.51	1.65
2001	1.45	1.44	1.50
2002	1.61	1.50	1.61
2003	1.78	1.65	1.78
2004	1.92	1.83	1.95

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(1) The average of the exchange rates on the last trading day of each month during the relevant period.

Month	High	Low
May 2005	1.90	1.82
April 2005	1.95	1.75
March 2005	1.93	1.87
February 2005	1.92	1.86
January 2005	1.91	1.86
December 2004	1.95	1.91

Financial Statements and Reports

This report contains our consolidated balance sheets as of December 31, 2004 and 2003 and consolidated statements of income, total recognized gains and losses, shareholders' funds and cash flows for the years ended December 31, 2004, 2003 and 2002. The Consolidated Financial Statements and other financial information concerning us included in this Form 20-F and in our annual and semi-annual reports are presented in conformity with U.K. GAAP. U.K. GAAP differs in certain important respects from U.S. GAAP. A description of the principal differences between U.K. GAAP and U.S. GAAP and a reconciliation to U.S. GAAP net income and shareholders' equity are contained in the notes to the Consolidated Financial Statements.

We furnish the Depositary with annual reports containing a review of operations, audited consolidated financial statements prepared in accordance with U.K. GAAP and an opinion on the Consolidated Financial Statements by our independent auditors. We also furnish the Depositary with semi-annual reports containing unaudited interim consolidated financial information prepared in accordance with U.K. GAAP. The Depositary arranges for the mailing of our reports to all record holders of American Depositary Shares. In addition, we furnish the Depositary with copies of all notices of shareholders' meetings and other reports and communications that are distributed generally to our shareholders, and the Depositary arranges for the mailing of such notices, reports and communications to all record holders of American Depositary Shares. We currently are exempt from the rules under the Securities Exchange Act of 1934, as amended, prescribing the form and content of proxy statements.

The financial information concerning us contained in this Form 20-F does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 (as amended) of Great Britain. Statutory accounts for the financial years ended December 31, 2004, 2003 and 2002 have been delivered to the Registrar of Companies for England and Wales. In respect of each of those statutory accounts, our auditors have given reports which were unqualified and did not contain a statement under Section 237(2)-(3) of the Companies Act.

D. Risk Factors

See the risk factors set forth in Item 5. Operating and Financial Review and Prospects.

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Item 4. Information on the Company

A. History and Development of AMVESCAP PLC

We were incorporated on December 19, 1935, under the laws of England. Our principal executive offices are located in leased office space at 30 Finsbury Square, London, EC2A 1AG, United Kingdom, and our telephone number is 011-44-207-638-0731. We have a Web site on the Internet at http://www.amvescap.com. Information contained in our Web site shall not be deemed to be part of or to be incorporated into this Form 20-F.

Effective January 1, 2003, we realigned several of our business units into two new divisions under our AIM and INVESCO brands. The AIM division includes our AIM Investments ("AIM") business unit in the U.S. and our AIM Trimark Investments ("AIM Trimark") business unit in Canada. The INVESCO division includes business units in North America, the United Kingdom, Continental Europe and Asia Pacific, as well as an alternative investments business unit that includes our real estate and private equity businesses. In order to realize further economies of scale, during 2003 we also transferred the distribution, administration, accounting, reporting, and all other non-investment functions for our INVESCO Family of Funds from our INVESCO division to our AIM division. In December 2003, we completed our acquisition of the Hypo-und Vereinsbank's institutional real estate funds management business, bringing $2.9 billion in assets under management to INVESCO. INVESCO Retirement was renamed AMVESCAP Retirement effective April 1, 2003. We made no changes to our Private Wealth Management division as a result of the January 1, 2003 realignment. In February 2003, however, the Private Wealth Management division acquired Whitehall Asset Management, an SEC-registered investment adviser, adding over $1 billion in assets under management, and in March 2004 it also acquired Stein Roe Investment Counsel LLC ("Stein Roe"), an SEC-registered investment adviser, adding over $7 billion in assets under management.

During the fiscal years ended December 31, 2004, 2003 and 2002, our capital expenditures were (pound)28.2 million, (pound)37.4 million and (pound)59.3 million, respectively. These expenditures related in each year to technology initiatives, including new platforms from which we maintain our portfolio management systems and fund tracking systems, improvements in computer hardware and software desktop products for employees, new telecommunications products to enhance our internal information flow, and back-up disaster recovery systems. Also, in each year, a portion of these costs was related to leasehold improvements made to the various buildings and workspaces used in our offices. We capitalized certain costs associated with our move in the U.K. to the Global Fund Administration System (GFAS). In 2002, we capitalized as leasehold improvements certain costs associated with our move to new headquarters in London, England. Since December 31, 2003, our capital projects have included continuing technological enhancements to computer hardware and software. These projects have been funded with proceeds from our operating cash flows. During the fiscal years ended December 31, 2004, 2003 and 2002, our capital divestitures were not significant relative to our total fixed assets.

B. Business Overview

We are one of the world's largest independent investment management groups, with $382.1 billion of assets under management at December 31, 2004. We provide our clients with a broad array of domestic, international and global investment products, focused primarily on investment management. We have a significant presence in the institutional and retail segments of the investment management industry in North America, Europe and Asia.

We operate through various subsidiaries and divisions around the world. We are committed to managing assets regionally and believe that our local investment managers provide us with a competitive advantage. We have a team of approximately 590 investment professionals located throughout the world. In addition, we offer multiple investment styles for the various investment objectives and asset classes of the products we offer. Our products include equity, balanced, fixed income, money market and real estate investment portfolios. Approximately 55% of our assets under management as of December 31, 2004 were invested in equities, and approximately 45% were invested in fixed income and other securities.

We use several methods to distribute our products to retail and institutional clients in each of our markets. In North America, we offer load mutual funds, separate account management and "wrap" or managed accounts. Managed accounts offer individuals and smaller institutions comprehensive investment management services under a single-fee structure covering substantially all charges, including investment management, brokerage, custody, record keeping and reporting. Outside of North America, we offer unit trusts and other European and Asian mutual funds, as well as separate account management for retail and institutional investors. Our retail and institutional clients are located in more than 100 countries.

Our business units work together to provide products and services to our clients. A variety of advisory and sub-advisory arrangements allow our business units to access specific areas of investment management expertise located elsewhere within our company. We believe that our ability to develop and distribute products across businesses via multiple delivery channels allows us to offer our clients a broader range of products and services than most of our competitors.

We are organized into four operating groups: AIM, INVESCO, Private Wealth Management (or "PWM") and AMVESCAP Retirement. The AIM division includes our AIM Investments business unit in the U.S. and our AIM Trimark Investments business unit in Canada. The INVESCO division includes business units in North America, the United Kingdom, Continental Europe and Asia Pacific, as well as an alternative investments business unit that includes our real estate and private equity businesses. During 2004, we integrated the remaining operations of INVESCO Funds Group, including investment management functions and investment operations, into AIM Investments. On April 21, 2005, we announced an agreement to sell substantially all of the assets of the AMVESCAP Retirement business other than its U.S. national trust bank subsidiary.The transaction is expected to close in the second half of the year.

AIM	manages, distributes and administers (i) the AIM Investments family of retail mutual funds in the United States, and (ii) the AIM Trimark family of retail mutual funds in Canada, and provides services through managed accounts;
INVESCO	manages portfolios for institutional investors in North America and institutional and retail investors outside of North America (primarily in the U.K., Europe and Asia), and provides services through managed accounts;
Private Wealth Management	(PWM) provides wealth management services to high net worth individuals and their families as well as asset management services to foundations and endowments in the United States under the Atlantic Trust brand; and
AMVESCAP Retirement	provides administrative and related services to defined contribution plans, such as 401(k) plans, and related retirement products. On April 21, 2005, we announced an agreement to sell substantially all of the assets of the AMVESCAP Retirement business other than its U.S. national trust bank subsidiary.The transaction is expected to close in the second half of the year and is not expected to be material to our results of operations or financial position.

Selected financial and headcount information for each of our operating groups as of and for the year ended December 31, 2004 is set forth below. See Note 5 to our Consolidated Financial Statements, included elsewhere herein, for a geographical analysis of our total revenues for the fiscal years ended December 31, 2004, 2003 and 2002. See "Item 5. Operating and Financial Review and Prospects," included elsewhere herein, for total revenues by operating group for the fiscal years ended December 31, 2004, 2003 and 2002.

	For the year ended Decembe			
	AIM		INVESCO	
	U.S.	Canada	U.S.	U.K.

Revenues	(pound)443.1m	(pound)174.4m	(pound)187.2m	(pound)188.1
Operating profit before goodwill amortization and exceptional items	(pound)165.9m	(pound)96.6m	(pound)47.1m	(pound)23.8
Assets Under Management	$137.6b	$34.6b	$121.0b	$49.6
Headcount	2,283	969	791	1,13

	For the year ended Decembe			
	AIM		INVESCO	
	U.S.	Canada	U.S.	U.K.
Revenues	(pound)491.7m	(pound)154.8m	(pound)176.6m	(pound)174.2
Operating profit before goodwill amortization and exceptional items	(pound)190.6m	(pound)77.6m	(pound)41.2m	(pound)29.4
Assets Under Management	$151.1b	$28.7b	$118.5b	$39.0
Headcount	2,416	922	830	1,13

	For the year ended Decembe			
	AIM		INVESCO	
	U.S.	Canada	U.S.	U.K.
Revenues	(pound)619.0m	(pound)151.3m	(pound)202.4m	(pound)196.6
Operating profit before goodwill amortization and exceptional items	(pound)244.9m	(pound)77.6m	(pound)50.5m	(pound)31.1
Assets Under Management	$144.1b	$22.0b	$103.5b	$34.0
Headcount	2,857	918	817	1,42

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(1) AMVESCAP Retirement had $28.0 billion in assets under administration as of December 31, 2004 compared to $27.7 billion as of December 31, 2003 and $30.9 billion as of December 31, 2002.

(2) Includes results of acquired entities from respective dates of acquisition.

Operating Groups

AIM

Our AIM operating group manages, distributes and administers mutual funds and related products sold to retail and institutional investors within North America that are marketed under the AIM Investments and AIM Trimark brands.

The AIM operating group consists of two business units: (i) AIM Investments and (ii) AIM Trimark, which operates in Canada. These business units offer mutual funds invested in the U.S. and international markets, including funds that target particular market sectors. Each of the two business units of the AIM operating group offers equity, balanced, fixed income and money market funds. The investment strategies used by the business units of the AIM operating group range from aggressive growth to capital appreciation to a combination of growth and income to fixed income. Mutual funds managed by AIM Investments and AIM Trimark are primarily distributed through financial intermediaries. Some of the funds advised by AIM Investments and AIM Trimark are sub-advised by our other business units that have expertise in the specific markets in which such funds are invested.

AIM Investments Business Unit

AIM Investments is the largest business unit in the AIM operating group. AIM is a diversified investment manager, offering a variety of equity, institutional money market and long-term fixed income products. AIM's primary products are its AIM-branded retail equity and long-term fixed income mutual funds and institutional money market mutual funds. The funds are sold primarily through a variety of financial intermediaries. AIM Investments also provides advisory services to mutual funds managed by companies unaffiliated with us. In addition to sales of funds through financial intermediaries as part of its retail channel, AIM Investments offers funds to pension plans and to insurance companies that use its funds in separate accounts. Customers of AIM Investments' institutional money market funds included ten of the ten largest U.S. banks and 21of the 25 largest U.S. banks in terms of asset size as of September 30, 2004. AIM Investments also has developed a managed account business, which tailors individual, privately managed portfolios to clients' investment needs, and provides retirement products and state-sponsored college savings plans.

During 2004, we completed the integration of INVESCO Funds Group into AIM Investments. This integration included 5 fund mergers and 34 fund name changes from January 1, 2004 through October 15, 2004. As a result of this integration,

INVESCO Funds Group has discontinued operations as an investment adviser. We effected this integration to recognize further cost savings and efficiencies in our U.S. retail operations.

AIM Trimark Business Unit

AIM Trimark investment managers also employ a bottom-up stock selection approach. The managers consider themselves "business people buying businesses." The managers evaluate potential portfolio company management, the competitive position of such company within its industry and any proprietary advantage the company possesses. AIM Trimark also provides advisory services to mutual funds managed by companies unaffiliated with us. In addition to sales of funds through financial intermediaries as part of its retail channel, AIM Trimark offers funds to pension plans, insurance companies that use its funds in separate accounts, and banks and other financial institutions that use its funds as part of fund-of-funds offerings.

AIM Investments also provides sub-advisory services to certain AIM Trimark funds and to mutual funds managed by our other business units, and AIM Trimark provides sub-advisory services to a mutual fund managed by another of our business units. We believe that this structure allows our business units to combine the economies and quality control made possible by centralized professional management with the diversity of investment management style and depth of expertise made possible through an integrated global network of investment advisors.

INVESCO

Our INVESCO operating group manages portfolios of equity, balanced, fixed income, structured equity, real estate and private capital investments for institutional and retail clients throughout the world. INVESCO offers its investment products to institutions and third-party intermediaries by way of separately managed accounts, collective trust funds, managed accounts (wrap), and mutual funds.

INVESCO manages portfolios for a number of different types of institutional clients in North America, including:

- corporate pension plans;
- public and municipal pension plans;
- Taft/Hartley pension plans;
- endowments and foundations;
- insurance companies and banks; and
- non-profit organizations.

INVESCO employs growth, value-oriented and quantitative approaches to select securities for equity portfolios and uses quantitative and value approaches to select securities for fixed income portfolios that it manages for its institutional clients. INVESCO's wide array of investment disciplines are distributed by a team of marketers organized by geography and unique client type. INVESCO also distributes products through alliances with third-party intermediaries that deliver our investment products to their clients. INVESCO provides sub-advisory services to funds offered by our other business units and advisory and sub-advisory services to funds offered by third parties.

INVESCO also manages, as investment sub-advisor, mutual funds distributed to retail clients in the U.S. that are invested in the U.S. and international markets, including funds that target particular market sectors as well as equity, balanced, fixed income and alternative investment strategies.

Outside of North America, INVESCO engages in retail and institutional investment management and related marketing activities through 20 offices located around the world, serving investors located primarily in the U.K., Continental Europe and Asia Pacific. INVESCO's main non-U.S. investment offices are located in London, Henley-on-Thames, Paris, Frankfurt, Tokyo, Hong Kong, Melbourne and Taipei, while its main non-U.S. administration office is located in Dublin. In addition, INVESCO Great Wall, AMVESCAP's joint venture company in China, launched its first fund in September 2003. Outside of North America, INVESCO provides various services, including management, distribution, administration and shareholder support services, to the following types of clients:

- onshore unit trusts and other mutual funds, as well as offshore mutual funds;
- investment trusts (closed-end investment companies);
- individual savings accounts (tax-advantaged plans invested in managed investment products for U.K. citizens);
- pension accounts;
- alternative investment products (such as structured products and real estate investments);
- institutional separate accounts with assets invested in the U.K., Europe, emerging markets and global fixed income securities; and

- private investors outside of the U.S.

Units of INVESCO market investment products through independent brokers, alliances with other major financial organizations and direct sales to institutional investors buying for their own accounts. INVESCO tailors its marketing strategy to respond to the relevant competitive environment in each country or region. INVESCO's non-U.S. business units also provide and receive advisory or sub-advisory services to and from investment products offered by other of our business units.

We believe that having our investment professionals working in and investing from many of the world's financial markets is one of our strengths. INVESCO both coordinates the construction of global portfolios and markets our global investment management services.

Private Wealth Management

Our Private Wealth Management division was formed in 2001 in connection with our acquisition of Pell Rudman and now operates under the brand name of Atlantic Trust. The Private Wealth Management division provides personalized and sophisticated wealth management services to high net worth individuals and their families, as well as asset management services to foundations and endowments in the U.S. The division also provides various investment management services to its clients, including asset allocation, trust services, custody and family office services. It primarily obtains clients through referrals from existing clients and recommendations from a network of attorneys and accountants.

In February 2003, Atlantic Trust Group, Inc. ("ATG"), the holding company for our Private Wealth Management division, acquired Whitehall Asset Management, an SEC-registered investment adviser with over $1 billion in assets under management. In March 2004, ATG also acquired Stein Roe with over $7 billion in assets under management. On March 31, 2004, we completed the disposal of the U.K. and Jersey businesses of Atlantic Wealth Management Limited and Atlantic Wealth Management International Limited, which resulted in the transfer of approximately $1.4 billion of assets under management ("AUM") out of the Private Wealth Management business.

The Private Wealth Management division operates through several subsidiaries, the most significant of which are Atlantic Trust Company, N.A., a limited purpose national trust company regulated by the Office of the Comptroller of the Currency ("OCC"), AT Investor Services, Inc., a broker-dealer regulated by the SEC and the National Association of Securities Dealers ("NASD"), and Stein Roe Investment Counsel, Inc.

AMVESCAP Retirement

AMVESCAP Retirement provides a full range of services to various retirement accounts. Its services include custodian, record keeping, administration, compliance, and client employee education and communication. AMVESCAP Retirement distributes our investment products and services to clients who receive its administrative services. One unit of AMVESCAP Retirement is a U.S. national trust bank that provides custody and trust services to retirement accounts, including offering collective trust funds sub-advised by our other business units or by other parties. AMVESCAP Retirement also includes a unit that focuses on capturing IRA rollovers, and another unit that develops strategic alliances with other service providers.

Our retirement services are distributed through three primary channels:

- a direct sales force calling on plan sponsors and consultants;
- broker-dealer distribution channels; and
- strategic alliances with other service providers.

On April 21, 2005, we announced an agreement to sell substantially all of the assets of the AMVESCAP Retirement business other than its U.S. national trust bank subsidiary. The transaction is expected to close in the second half of the year.

Our Business Strategy

We have developed a strategy based on elements which we believe are essential to maintaining a significant presence in the global asset management industry--globalization, diverse product offerings and multiple distribution channels. In addition, we believe that an experienced staff of professional employees whose interests are aligned with our shareholders is a key factor in our ability to implement our goals.

Globalization

We believe that the investment management industry will continue to become more global in scope, and that large investment management companies that can locally service clients in different international markets will be in the strongest position to compete successfully. We have established offices with investment and client service professionals in each of the major world capital markets in order to take advantage of the trend toward globalization.

Diverse Product Offerings

We believe that our ability to offer a full range of retail and institutional investment products in a range of investment styles enhances our opportunities for attracting new clients and cross-selling our products to existing clients. Each of our business units markets the products and services offered by our other business units to its local and regional clients to enhance the range of investment management products and services offered to our clients. We seek to capitalize on the increase in the demand for these products around the world.

Multiple Distribution Channels

Our extensive distribution network enables us to market our products to retail and institutional clients throughout the world. We sell our products directly to investors through 55 offices in 19 countries. We also maintain an extensive distribution network through strategic relationships with a variety of financial intermediaries, including major wire houses, regional broker-dealers, banks and financial planners in North America, and independent brokers and financial advisors, banks and financial organizations in Europe and Asia. We seek to sell our products through available distribution channels and to expand our existing distribution network.

Alignment of Interests of Employees and Shareholders

We view our experienced management team as a key factor in our growth. Our management philosophy is entrepreneurial, with senior professionals having significant responsibility and autonomy. We believe that our structure allows each operating group to focus on and maximize local investment opportunities and compete more effectively in sales and marketing efforts. We also believe that stock ownership by management and other employees is an important means of aligning their interests with those of our shareholders. We have implemented various employee benefit plans to facilitate stock ownership by management and employees.

Competition

The investment management business is highly competitive, with competition based on a variety of factors, including investment performance, the range of products offered, brand recognition, business reputation, financial strength, the strength and continuity of relationships, quality of service and the level of fees charged for services.

We compete with a large number of investment management firms, commercial banks, investment banks, broker-dealers, insurance companies and other financial institutions. Some of these institutions have greater capital and other resources, and offer more comprehensive lines of products and services, than we do. Competition in the investment management industry has increased as a result of the recent trend toward consolidation.

We believe that our multiple channels of distribution enable us to compete effectively in the investment management business.

Management Contracts

We derive substantially all of our revenues from investment management contracts with clients. Fees vary with the type of assets being managed, with higher fees earned on actively managed equity and balanced accounts and lower fees earned on fixed income and stable return accounts. In addition, investment management contracts are generally terminable upon thirty or

fewer days' notice. Mutual fund and unit trust investors generally may withdraw their funds at any time without prior notice. Institutional clients may elect to terminate their relationship with us or reduce the aggregate amount of assets under management, and individual clients may elect to close their accounts or redeem their shares in our mutual funds, or shift their funds to other types of accounts with different rate structures, for any of a number of reasons, including investment performance, changes in prevailing interest rates and financial market performance.

Government Regulations

As with all investment management companies, our operations and investment products are heavily regulated in almost all countries in which we conduct business. Laws and regulations applied at the national, state or provincial and local level generally grant government agencies and industry self-regulatory authorities broad administrative discretion over the activities of our business units, including the power to limit or restrict business activities. Possible sanctions for violations of law include the revocation of licenses to operate certain businesses, the suspension or expulsion from a particular jurisdiction or market of any of our business organizations or their key personnel, and the imposition of fines and censures on our employees or us. It is also possible that laws and regulations governing our operations in general or particular investment products could be amended or interpreted in a manner that is adverse to us.

We conduct substantial business operations in the U.S. Various of our subsidiaries and/or products and services offered by such subsidiaries are regulated by the SEC, the NASD, the National Futures Association, the Commodity Futures Trading Commission and the OCC. Federal statutes that regulate the products and services we offer in the U.S. include the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisers Act of 1940 and the Employee Retirement Income Security Act of 1974.

Various of our business units are regulated in the United Kingdom by the Financial Services Authority. Our operations elsewhere in the world are regulated by similar regulatory organizations. Our principal German operation is required by regulations promulgated by the German Federal Financial Supervisory Authority to have a banking license and thus is also subject to banking regulations. Other regulators who potentially exert a significant impact on our businesses around the world include the Ministry of Finance and the Financial Services Agency in Japan, the Banque de France and the Autorite des Marches Financiers in France, the Securities and Futures Commission of Hong Kong, the Belgian Banking and Finance Commission, the Australian Securities & Investments Commission, the Securities and Futures Commission of the Ministry of Finance and the Investment Commission of the Ministry of Economic Affairs of the Republic of China, the Commissione Nazionale per le Societa e la Borsa (CONSOB) in Italy, the Netherlands Authority For the Financial Markets, the Swiss Federal Banking Commission, La Comision Nacional del Mercado de Valores (CNMV) in Spain, the Monetary Authority of Singapore, the Central Bank of Ireland, the Jersey Financial Services Commission, the Pension Fund Supervisions Office (UNFE) in Poland and the Canadian securities administrators.

Certain of our subsidiaries are required to maintain minimum levels of capital. These and other similar provisions of applicable law may have the effect of limiting withdrawals of capital, repayment of intercompany loans and payment of dividends by such entities. Under EU regulatory capital requirements, investment firms groups are generally subject to consolidated supervision, which requires both individual regulated companies and the group of companies to meet regulatory capital requirements. Proposed changes in EU regulatory capital requirements might cause us to have a shortfall in regulatory capital. See "Item 5. Operating and Financial Review and Prospects - Risk Factors," included elsewhere herein.

To the extent that existing or future regulations affecting the sale of our products and services or our investment strategies cause or contribute to reduced sales or increased redemptions of our products or impair the investment performance of our products, our aggregate assets under management and revenues might be adversely affected.

C. Organizational Structure

AMVESCAP is the holding company of our investment management business, the principal activities of which are asset management and the provision of related financial services. Our significant subsidiaries, all of which are wholly-owned subsidiaries, are set forth below:

NAME OF COMPANY	COUNTRY OF INCORPORATION
AVZ Inc.	U.S.
AMVESCAP Group Services, Inc.	U.S.
INVESCO North American Holdings, Inc.	U.S.
INVESCO Institutional (N.A.), Inc.	U.S.
INVESCO Realty Advisors	U.S.
AIM Management Group Inc.	U.S.
AIM Advisors, Inc.	U.S.

AIM Capital, Inc.	U.S.
INVESCO U.K. Limited	England
INVESCO Asset Management Limited	England
INVESCO International Holdings Limited	England
INVESCO Pensions Limited	England
INVESCO Fund Managers Limited	England
AIM Canada Holdings Inc.	Canada
AMVESCAP Inc.	Canada
AIM Funds Management, Inc.	Canada
AVZ Callco	Canada

D. Property, Plant and Equipment

Our principal executive offices are located in leased office space at 30 Finsbury Square, London, EC2A 1AG, United Kingdom. Our North American executive offices are located in leased office space at 1315 Peachtree Street, Atlanta, Georgia 30309, U.S.A. We also lease significant office space in the U.S. at 11 Greenway Plaza, Houston, Texas 77046 and 4350 South Monaco Street, Denver, Colorado 80237. We generally lease space in the locations where we conduct business, except that we own property at INVESCO Park, Henley-on-Thames, Oxfordshire, RG9 1HH, United Kingdom. We have no plans to construct, significantly expand or improve our facilities.

Item 5. Operating and Financial Review and Prospects

General

This discussion and analysis should be read in conjunction with the selected consolidated financial information and the Consolidated Financial Statements included elsewhere in this Form 20-F.

The following discussion contains forward-looking statements relating to our future financial performance, business strategy, financing plans and other future events that involve uncertainties and risks. Our actual results could differ materially from the results anticipated by these forward-looking statements as a result of known and unknown factors that are beyond our ability to control or predict, including, but not limited to, those discussed in "Risk Factors" and "Cautionary Statements Concerning Forward-Looking Statements," included elsewhere herein.

We are a leading independent global investment management group, with $382.1 billion of assets under management at December 31, 2004. Operating under the AIM, INVESCO and Atlantic Trust brands, we strive to deliver outstanding investment performance and service through a comprehensive array of retail and institutional investment products. We currently provide services to clients in more than 100 countries, employ 6,693 people in 19 countries and manage 1,938 separate institutional accounts and 894 retail funds.

Introduction

The past five years have been a challenging time for the investment management industry, with difficult market conditions, dramatic world events and a rapidly changing regulatory environment. AMVESCAP has been tested during this time, and particularly during 2004.

The market timing investigations by the SEC and the New York Attorney General (the "NYAG") held back our business for much of the year, and the settlement of those investigations during the fourth quarter sets the foundation for us to regain business momentum. We believe that the SEC and NYAG settlements substantially resolved the regulatory issues facing the Company with respect to market timing, although certain market timing regulatory matters and civil lawsuits remain outstanding, including a lawsuit recently filed by the Attorney General of West Virginia and various private actions brought by fund shareholders. We believe that the settlement amounts should be adequate to fully compensate affected shareholders, and we have taken measures designed to ensure that this type of problem does not recur. Throughout 2004, we steadily enhanced our internal risk management and compliance functions. Recommendations from a comprehensive independent review are being implemented with the goal of ensuring that our policies, procedures and practices rank among the strongest and most effective in the industry. See "Risk Factors--Various governmental enforcement actions and investigations and ongoing civil litigation relating to certain practices in the mutual fund industry could adversely affect our assets under management and future financial results, and increase our cost of doing business," included elsewhere herein.

The Year In Review

AMVESCAP is building on the achievements of 2004. We completed the integration of our U.S. retail mutual fund businesses under AIM Investments, creating additional operating and sales leverage. AIM has also been successful in some of the faster growing areas of the industry, including subadvised, separately managed and retirement account businesses. Investment performance on many products is strong, and AIM is focused on improving those products suffering from historical underperformance. Areas of product strength include our range of international funds, and AIM continued its leadership position in the cash management business ending the year with approximately $42 billion in assets under management.

INVESCO, our U.S institutional business, ended the year with nearly 75% of its products ahead of their benchmarks for three years. The performance of our real estate and international teams continues to be particularly strong, and we added $2.6 billion in new collateralized debt obligation (CDO) funds. Management is focused on improving investment performance in those equity products that continue to suffer net redemptions.

In March of 2004, Atlantic Trust completed the acquisition of Stein Roe Investment Counsel, expanding the footprint of our Private Wealth Management Division to 12 major locations across the U.S. and bringing its assets under management to $15 billion. Having built this national network in just three years, we are now focused on accelerating our growth.

In Canada, AIM Trimark enjoyed continuing success throughout 2004. Driven by strong investment performance, assets under management ended the year up 21%. At the 2004 Canadian Investment Awards, Canada's advisors again chose AIM Trimark as the "Best Mutual Fund Company." We have now won this prestigious award for the second year in a row and three out of the last four years. This strong combination of solid, long-term investment performance, combined with AIM Trimark's reputation as an "indispensable partner" for Canada's financial advisors, gives us great optimism for continued success in this important market.

Likewise, we are well positioned in the U.K. Investment performance at INVESCO Perpetual remains strong with 95% of assets outperforming their peer group average over one year and 78% of assets outperforming their peer group over a three-year period. Financial Advisor selected INVESCO Perpetual as "Fund Group of the Year." The investment market in the U.K. continues to open up in ways we believe will play to our strengths as an independent fund manager. Programs to simplify and rationalize the operating structure of our business in continental Europe continue to progress and should enable us to continue improving the financial leverage of this business.

In Asia, we continue to focus on opportunities in the Greater China market, including the rapid development of China's fund management industry. In China, a national financial publication recently awarded INVESCO Great Wall, our joint venture, the first place award in 2004 as "Best Fund Manager of the Year." Our Australian business continues to show strong investment performance, and, in recognition, was awarded "Most Improved Fund Manager of the Year" by a leading industry publication.

Summary of Differences between U.K. GAAP and U.S. GAAP

We prepare our financial statements in accordance with U.K. GAAP, which differs in certain material respects from U.S. GAAP. The principal differences between U.K. GAAP and U.S. GAAP, as applied to us, relate to acquisition accounting, including the capitalization and amortization of goodwill, timing of recording and disclosures of exceptional items, B-share sales commission funding and proposed dividend liabilities. See Note 27 to our Consolidated Financial Statements for a reconciliation of operating results from U.K. GAAP to U.S. GAAP.

International Financial Reporting Standards ("IFRS")

AMVESCAP PLC and its subsidiaries (collectively, the "Group") currently prepares its consolidated financial statements under U.K. Generally Accepted Accounting Practice ("U.K. GAAP"). Under regulations adopted by the European Union, the Group is required to prepare its financial statements in accordance with IFRS with effect from January 1, 2005.

During 2004, the Group carried out a review of IFRS to identify the changes to accounting policy that will be necessary to comply with the new standards.

The most significant changes affecting the Group due to the IFRS transition are:

o The inclusion of a fair value charge in respect of outstanding employee share options granted after November 7, 2002 (IFRS 2);
o The replacement of existing charges for awards under certain equity-based compensation plans with fair value charges spread over revised time periods (IFRS 2);

o The cessation of goodwill amortization (IFRS 3); and
o The inclusion in the balance sheet of all employee benefit liabilities (IAS 19).

The Group's first Annual Report under IFRS will be for the year-ended December 31, 2005. The date of the transition to IFRS is January 1, 2005, this being the start of the earliest period of comparative information required in the U.K. In April 2005, the Group provided shareholders and the financial community with a reconciliation of Equity Shareholders' Funds as at January 1, 2004 from U.K. GAAP to IFRS. Such reconciliations were also presented in respect of the Profit and Loss Account and Balance Sheet for the year-ended December 31, 2004. The financial information presented in April 2005 remains subject to the ongoing development of IFRS and hence may change. The Group will keep shareholders and the financial community informed of the impact of any material changes as necessary.

Critical Accounting Policies

Our significant accounting policies are disclosed in Note 1 to our Consolidated Financial Statements. These policies address such matters as accounting for goodwill and investments, revenue recognition, taxation, and depreciation methods. Below is a description of certain critical accounting policies that require management to make its best estimates and judgments.

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue, which is recorded when earned, represents management, distribution, transfer agent and other fees. Management fee revenues are derived from providing professional expertise to manage client accounts and include fees received from institutional advisory contracts and retail mutual funds unit trusts, investment companies with variable capital and investment trusts. Management fees vary in relation to the type and level of client assets managed, and in certain cases are also based on investment performance. Such amounts are immaterial to consolidated revenues and are recorded only when the performance period is completed. Distribution fees include 12b-1 fees received from certain mutual funds to cover allowable marketing expenses for those funds and also include asset-based sales charges paid by certain mutual funds for a period of time after the sale of those funds. Transfer agent fees are service fees charged to cover the expense of transferring shares of a mutual fund or units of a unit trust into the investor's name. Other fees include trading fees derived from generally non-recurring security or investment transactions and fees earned from the Group's banking subsidiaries, such as interest earned from balances available on demand from clients and credit institutions and commissions earned from derivative instruments.

Interest income is accrued on cash and other interest-generating financial assets.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Goodwill

The excess of the cost of companies acquired over the fair value of their net assets is capitalized as an asset and amortized through the profit and loss account over an estimated useful life of 20 years. Prior to 1998, goodwill was charged directly to other reserves. This goodwill has been eliminated as a matter of accounting policy and will be charged or credited to the profit and loss account on subsequent disposal of the related businesses. Additional write-down is taken in the year if goodwill is deemed impaired.

Under U.S. GAAP, goodwill is not subject to systematic amortization but is carried at cost less provision for impairment in value. Goodwill is required to be tested annually for impairment. Additional write-downs will be taken in the year if goodwill is deemed impaired. Prior to 2002, goodwill was amortized through the profit and loss account over an estimated useful life of 20 years.

Impairment

Tangible fixed assets and goodwill are subject to impairment reviews in accordance with FRS 11 if there are events or changes in circumstances that indicate that the carrying amount of the fixed asset or goodwill may not be fully recoverable. Goodwill impairment reviews are conducted at an income generating unit level, and acquisitions are subject to impairment reviews at the end of the first full financial year following acquisition.

The impairment review comprises a comparison of the carrying amount of the fixed asset or goodwill with its recoverable amount, which is the higher of net realizable value and value in use. Net realizable value is calculated by reference to the amount

at which the asset could be disposed of. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the continued use of the assets, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis. The carrying values of fixed assets and goodwill are written down by the amount of any impairment, and this loss is recognized in the profit and loss account in the period in which it occurs.

Investments

Investments held as fixed assets are stated at cost less provisions for any permanent impairment in value. Management judgment is sometimes required to determine if an impairment is temporary or permanent. Investments held as current assets are stated at the lower of cost and net realizable value. Gains and losses on investments are recorded within Investment Income in the profit and loss account in the period in which they arise.

Deferred sales commissions

At December 31, 2004, we had a balance of (pound)57.8 million (2003: (pound)77.7 million) in deferred sales commissions included in debtors on the balance sheet. This asset relates to the capitalization of paid sales commissions on sales of AUM containing contingent deferred sales charges and is being amortized over the redemption period of the related funds.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation is provided on timing differences, calculated at the rate at which it is estimated that tax will be payable and is not discounted. Deferred tax assets are recognized when it is deemed more likely than not that there will be taxable profits in the future to offset these amounts. The assessment of available future profits is based on management expectations of future business performance.

Exceptional Items

Costs that are unusual due either to their size or incidence are categorized as exceptional items in the profit and loss account in the line item to which they relate. During 2004, a charge of (pound)249.7 million (2003: (pound)84.9 million) was recorded in operating expenses related to U.S. regulatory investigations, internal restructuring, staff redundancies, and terminated project initiatives. Substantially all of these costs will be paid by the end of 2005.

A. Operating Results

The following tables summarize revenues and profits by operating group before goodwill amortization and exceptional items for the periods indicated. We believe that operating profit before goodwill amortization and exceptional items is a more appropriate income amount for presentation, since it represents a more consistent measure of our year-by-year performance. Operating profit before goodwill amortization and exceptional items is a measure expressly permitted under U.K. GAAP and should be evaluated in the context of our U.K. GAAP results. See "Item 3. Key Information -- Selected Financial Data" for a reconciliation between operating profit before goodwill amortization and exceptional items and (loss)/operating profit.

	Year Ended December 31, 2004		
	Revenues	Expenses	Operating Profit*
		(In thousands)	
AIM			
U.S.	(pound)443,085	(pound)(277,196)	(pound)165,889
Canada	174,417	(77,809)	96,608
	617,502	(355,005)	262,497
INVESCO			
U.S.	187,235	(140,099)	47,136
U.K.	188,108	(164,279)	23,829
Europe/Asia	77,773	(76,924)	849
	453,116	(381,302)	71,814
Private Wealth/Retirement	87,833	(85,300)	2,533
Corporate	--	(38,169)	(38,169)
	(pound)1,158,451	(pound)(859,776)	(pound)298,675
Net interest expense			(28,828)
Profit before taxation*			(pound)269,847

	Year Ended December 31, 2003		
	Revenues	Expenses	Operating Profit*
		(In thousands)	
AIM			
U.S.**	(pound)491,722	(pound)(301,167)	(pound)190,555
Canada	154,758	(77,177)	77,581
	646,480	(378,344)	268,136
INVESCO			
U.S.**	176,595	(135,396)	41,199
U.K.	174,164	(144,741)	29,423
Europe/Asia	77,725	(77,385)	340
	428,484	(357,522)	70,962
Private Wealth/Retirement	83,106	(86,368)	(3,262)
Corporate	--	(24,986)	(24,986)
	(pound)1,158,070	(pound)(847,220)	(pound)310,850

Net interest expense	(40,530)
Profit before taxation *	(pound)270,320

	Year Ended December 31, 2002		
	Revenues	Expenses	Operating Profit*
		(In thousands)	
AIM			
U.S.	(pound)618,968	(pound)(374,046)	(pound)244,922
Canada	151,345	(73,702)	77,643
	770,313	(447,748)	322,565
INVESCO			
U.S.	202,445	(151,918)	50,527
U.K.	196,618	(165,555)	31,063
Europe/Asia	85,628	(84,744)	884
	484,691	(402,217)	82,474
Private Wealth/Retirement	90,259	(95,688)	(5,429)
Corporate	--	(32,685)	(32,685)
	(pound)1,345,263	(pound)(978,338)	(pound)366,925
Net interest expense			(45,997)
Profit before taxation *			(pound)320,928

* Before goodwill amortization and exceptional items.

** The prior year presentation of the Denver-based investment management team has been reflected in AIM U.S. to conform to the current year presentation of this group. Previous presentations included these amounts within INVESCO U.S.

Assets Under Management

The following table summarizes changes in assets under management by operating group for the periods indicated:

ASSETS UNDER MANAGEMENT

		AIM		INVESCO	
	Total	U.S.***	Canada	U.S.***	U.K
			(in billions)		
December 31, 2001	$397.9	$189.1	$22.1	$117.5	$38.
Market gains/(losses)	(50.8)	(29.3)	(2.2)	(8.4)	(6.8
Net new/(lost) business	(14.2)	(8.8)	1.8	(5.8)	(1.3
Change in money					

Market funds	(5.8)	(6.9)	0.1	--	1.
Transfers	--	--	(0.1)	0.1	-
Foreign currency*	5.5	--	0.3	0.1	2.
December 31, 2002	332.6	144.1	22.0	103.5	34.
Market gains	45.4	20.4	3.2	12.7	6.
Net new/(lost) business	(10.6)	(6.5)	--	(0.5)	(0.4
Change in money					
Market funds	(10.7)	(10.1)	--	--	(0.5
Transfers	--	3.2	--	(0.2)	(2.9
Acquisitions	4.0	--	--	2.9	-
Foreign currency*	9.9	--	3.5	0.1	2.
December 31, 2003	370.6	151.1	28.7	118.5	39.
Market gains	26.0	7.3	2.7	8.1	5.
Net new/(lost) business	(19.5)	(12.4)	0.7	(6.1)	1.
Change in money					
Market funds	(8.3)	(8.1)	--	--	-
Transfers	--	(0.3)	--	0.2	0.
Acquisitions	6.1	--	--	--	-
Foreign currency*	7.2	--	2.5	0.3	2.
December 31, 2004	$382.1	$137.6	$34.6	$121.0	$49.
December 31, 2004**	(pound)199.0	(pound)71.7	(pound)18.0	(pound)63.0	(pound)25.

*The foreign currency movement arises from different exchange rates being in effect as of the relevant measurement dates for assets denominated in currencies other than U.S. dollars. **Translated at $1.92 per (pound)1.00.
***The prior year presentation of the Denver-based investment management team has been reflected in AIM U.S. to conform to the current year presentation of this group. Previous presentations included these amounts within INVESCO U.S.

Institutional money market funds, included above in the AIM U.S. column, amounted to $41.7 billion, $50.9 billion and $57.0 billion as of December 31, 2004, 2003 and 2002, respectively.

Average AUM and average money market funds (MMF) included in the total AUM for the three years ended December 31, 2004 were:

Year	Average AUM	Average MMF
2004	$371.3 billion	$45.1 billion
2003	340.8 billion	51.5 billion
2002	365.8 billion	59.6 billion

Average AUM for each business segment were as follows:

$ billions	2004	2003	2002
AIM			
U.S.	140.8	143.1	164.4
Canada	31.2	24.8	23.1

INVESCO			
U.S.	118.3	107.7	111.1
U.K.	43.0	34.2	36.3
Europe/Asia	24.5	22.1	22.1
Private Wealth	13.5	8.9	8.8
	371.3	340.8	365.8

Approximately 55% of the total funds under management were invested in equity securities and 45% were invested in fixed income and other securities at December 31, 2004, essentially unchanged from the end of the prior year (2002: 50% equity/50% fixed income). The equity securities were invested in the following disciplines at December 31, 2004: 34% in growth, 39% in core and 27% in value styles (2003: 32% in growth, 41% in core and 27% in value; 2002: 36% in growth, 38% in core and 26% in value).

Financial Results

General

Our revenues are influenced by three major factors: movements in global capital market levels, net new business flows (or net redemptions) and changes in the mix of investment products between equity and fixed income (equity products have a higher fee level than fixed income thus impacting revenue trends more significantly than fixed income products).

The major capital markets experienced significant changes during 2004, 2003 and 2002, thus impacting materially our consolidated revenue levels. For example, changes in major markets during this period were:

December 31,	S&P 500	NASDAQ	Dow Jones Ind. Average	FTSE 100
2004	1,212	2,175	10,783	4,814
2003	1,112	2,003	10,454	4,477
2002	880	1,336	8,342	3,940

Compensation and related expenses continue to be the largest component of operating expenses, accounting for 63% of costs for 2004 (2003: 63%; 2002: 62%). The main categories of operating costs are as follows:

(pound) millions	2004	% of total	2003	% of total
Compensation and related costs	539.6	63	535.5	63
Technology	81.2	10	90.9	11
Property and facilities costs	72.4	8	81.1	10
Marketing and sales	70.6	8	69.6	8
Professional and other costs	96.0	11	70.1	8
	859.8	100	847.2	100

Compensation and related costs have remained constant as a percentage of expenditure. It is critical for the success of AMVESCAP to be competitive in attracting and retaining the highest caliber employees. Technology and property costs have decreased reflecting improved efficiency. Professional and other costs have increased as the costs of auditors, insurance, legal and compliance have increased throughout the industry.

2004 Compared with 2003

During 2004, the dollar to sterling exchange rates were very volatile and had a significant impact on our operating results. As a consequence, comparisons of results, year over year, have become more difficult. The majority of the Group's operations are dollar denominated.

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Revenues for the Group amounted to (pound)1,158.5 million, compared with (pound)1,158.1 million in 2003. Operating expenses before goodwill amortization and exceptional items increased (pound)12.6 million (1.5%) to (pound)859.8 million (2003: (pound)847.2 million). Operating profit before goodwill amortization and exceptional items totaled (pound)298.7 million in 2004 (2003: (pound)310.9 million). The operating profit margin for 2004 was 25.8% (2003: 26.8%).

(Loss)/profit before taxation for 2004 was (pound)(137.7) million, compared to (pound)36.4 million in 2003. We believe that profit before taxation, goodwill amortization and exceptional items is a more appropriate income amount for presentation, since it represents a more consistent measure of our year-by-year performance. Profit before taxation, goodwill amortization and exceptional items is a measure expressly permitted under U.K. GAAP and should be evaluated in the context of our U.K. GAAP results. See "Item 3. Key Information -- Selected Financial Data" for a reconciliation between profit before taxation, goodwill amortization and exceptional items and (loss)/profit before taxation. Profit before taxation, goodwill amortization and exceptional items amounted to (pound)269.8 million in 2004, compared with (pound)270.3 million in 2003. Diluted earnings per share before goodwill amortization and exceptional items amounted to 21.7p (2003: 23.2p) for the year-ended December 31, 2004.

The effective tax rate for the Group increased to 35% from 30.6% in 2003. The increased rate more accurately reflects the actual rates in the U.S., Canada and the U.K., the tax jurisdictions where most of our tax liabilities arise. Prior year effective rates were lower as a result of utilizing loss carry-forwards and other tax deductible items not reflected in operating profit.

Revenues arise substantially from management, service and distribution fees generated from AUM. As a result, changes in AUM directly affect our revenues. A summary of changes in AUM over the year is presented on page 19. AUM at December 31, 2004 reached $382.1 billion, an increase of $11.5 billion. Market gains provided $26.0 billion of this increase, while foreign exchange movements and the Stein Roe acquisition added a further $13.3 billion. This was offset by net outflows of $19.5 billion and changes in money market funds of $8.3 billion. Outflows arose primarily in the U.S. units, while flows were positive in Canada and the U.K. The outflows in Europe and Asia were partially as a consequence of account losses resulting from business rationalization. During the year, our average AUM was $371.3 billion versus $340.8 billion in 2003, a 9% increase.

The Group recorded an exceptional charge of (pound)249.7 million in

2004. The restitution costs and penalties arising from the settlement of U.S. regulatory investigations accounted for (pound)208.9 million of this charge (see notes 3 and 24 to the Consolidated Financial Statements), and a further (pound)20.2 million are other costs associated with the investigation, primarily legal costs. In addition, the exceptional charge includes (pound)20.2 million for lease costs arising as a result of excess office space in the U.K. and the U.S. The provision reflects an estimate of the lease payments in excess of the expected sublease proceeds over the remaining lives of the leases.

Stein Roe was acquired in March 2004 for consideration totaling (pound)87.6 million. During the year, Stein Roe has been integrated into our existing U.S. Private Wealth business. In March 2004, we completed the sale of the U.K. and Jersey Private Wealth businesses of this business segment, realizing a gain of (pound)3.8 million.

We employed 6,693 people at the end of 2004, compared with 6,747 at the end of 2003. The decrease of 54 despite the addition of 160 through acquisition reflects our ongoing drive to improve efficiency.

The profitability comparisons between 2004 and 2003 have been influenced by the following factors:

- Global capital markets improved over 2004, with much of this improvement occurring in the fourth quarter of 2004. The FTSE 100 increased by 7.5%, the S&P 500 by 9%, NASDAQ by 8.6% and the Dow Jones Industrial Average by 3.1%, from December 31, 2003 to December 31, 2004.

- The significant weakening of the U.S. dollar against pounds sterling that occurred in the second half of 2003 persisted throughout 2004. The average exchange rate was (pound)1.83 in 2004 versus (pound)1.65 in 2003, resulting in a decline of approximately (pound)21.2 million in operating profit ((pound)12.0 million after tax or 1.5p per diluted share) for 2004, compared with the prior year.

AIM U.S.

The AIM U.S. business reported revenues of (pound)443.1 million during 2004, compared with (pound)491.7 million during 2003. The decline is due to the weakening U.S. dollar and a 1.6% decrease in average asset levels during 2004. Operating expenses declined by (pound)24.0 million to (pound)277.2 million in 2004. Operating profits were (pound)165.9 million, compared with (pound)190.6 million in 2003. Operating profit margin for 2004 amounted to 37.4%, compared with 38.8% in the prior year, due to the decline in revenue offset by cost reductions. The group generated approximately $16.3 billion of gross sales and had net redemptions of $12.4 billion in 2004. Market gains of $7.3 billion partially offset these redemptions. AUM amounted to $137.6 billion at December 31, 2004, including $41.7 billion of institutional money market funds.

AIM Canada

The AIM Trimark business reported revenues of (pound)174.4 million during 2004, compared with (pound)154.8 million for the prior year. Operating profits were (pound)96.6 million in 2004, compared with (pound)77.6 million in 2003, and the operating profit margin was 55.4% in 2004. The group generated approximately $5.3 billion of gross sales in 2004 and net sales of $0.7 billion. Market gains were $2.7 billion for the year. As a result, average AUM increased 25.8% from 2003. AUM amounted to $34.6 billion at December 31, 2004.

INVESCO U.S.

The INVESCO U.S. business reported revenues and operating profits of (pound)187.2 million and (pound)47.1 million in 2004, compared with (pound)176.6 million and (pound)41.2 million for 2003, respectively. Operating profit margins improved from 23.3% in 2003 to 25.2% in the current year. Average AUM increased by $10.6 billion contributing to increase in revenue. Revenue also benefited from an increase of (pound)9.4 million in transaction fee revenues. The unit generated $19.6 billion in gross sales during 2004, and recorded net redemptions of $6.1 billion. AUM amounted to $121.0 billion at December 31, 2004. Increased expenses, due primarily to higher compensation costs, offset a portion of the revenue increase.

INVESCO U.K.

INVESCO U.K.'s revenues amounted to (pound)188.1 million for 2004, compared with (pound)174.2 million in 2003. Revenues increased with the rise in average AUM, but front end commission income decreased as a result of the transition from Unit Trusts to Investment Companies with Variable Capital that took place in the fourth quarter of 2003. Operating profits totaled (pound)23.8 million for the current year compared to (pound)29.4 million for the prior year. Operating expenses amounted to (pound)164.3 million in 2004, compared with (pound)144.7 million in 2003. The increases were the result of higher compensation costs and additional provisions for irrecoverable VAT. Operating profit margin was 12.7% in 2004 (2003: 16.9%). Gross sales for 2004 totaled approximately $11.3 billion, market gains totaled $5.6 billion, and net contributions were $1.5 billion for the year. AUM amounted to $49.6 billion at December 31, 2004.

INVESCO Europe/Asia

INVESCO Europe/Asia's revenues amounted to (pound)77.8 million for 2004, compared with (pound)77.7 million in 2003. Operating profits totaled (pound)0.8 million for the year-ended December 31, 2004, versus (pound)0.3 million for the prior year. Gross sales for 2004 totaled approximately $10.2 billion, market gains totaled $2.0 billion, and net redemptions were $3.0 billion for the year. AUM amounted to $24.1 billion at December 31, 2004.

Private Wealth Management/Retirement

Revenues for these businesses totaled (pound)87.8 million in 2004, compared with (pound)83.1 million in 2003. Operating profits totaled (pound)2.5 million, compared to operating losses of (pound)3.3 million in 2003. The completion of the Stein Roe acquisition in March 2004 added AUM of $7.5 billion, offset by $1.4 billion removed by the sale of the U.K. and Jersey Atlantic Wealth businesses.

The additional costs associated with the acquisition were offset by costs reductions achieved elsewhere in the business, primarily in compensation costs derived from reductions in headcount. AUM were $15.2 billion at December 31, 2004. Net redemptions for the group amounted to $0.2 billion for 2004. In addition, AMVESCAP Retirement's assets under administration were $28.0 billion at December 31, 2004. This group services 1,115 plans with 569,000 participants at December 31, 2004.

Corporate

Corporate expenses include staff costs related to corporate employees, as well as continued expenditures in group-wide initiatives. In 2004, certain costs associated with the increased focus on risk management and executive management costs previously incurred in the business units were included in

Corporate.

Other Income/Expense

Investment income increased to (pound)15.3 million in 2004, against (pound)7.7 million in 2003. The increase arose primarily from the gain on the sale of our U.K. and Jersey Atlantic Wealth businesses of (pound)3.8 million and a gain recognized on the sale of unlisted investments of (pound)3.1 million.

Interest expense declined by (pound)4.2 million, partly as a result of lower average interest rates, but also aided by the weaker U.S. dollar, the underlying currency for substantially all Group debt. This was offset by costs of (pound)2.8 million associated with the tender offer for a portion of the May 2005 notes completed in December 2004.

2003 Compared with 2002

Profit before taxation for 2003 was (pound)36.4 million, compared to (pound)102.3 million in 2002. Profit before taxation, goodwill amortization and exceptional items is a more appropriate income amount for presentation, since it represents a more consistent measure of our year-by-year performance. Profit before taxation, goodwill amortization and exceptional items is a measure expressly permitted under U.K. GAAP and should be evaluated in the context of our U.K. GAAP results. See "Item 3. Key Information -- Selected Financial Data" for a reconciliation between profit before taxation, goodwill amortization and exceptional items and profit before taxation. Profit before taxation, goodwill amortization, and exceptional items amounted to (pound)270.3 million in 2003 compared with (pound)320.9 million in 2002, a 16% decline. Diluted earnings per share before goodwill amortization and exceptional items amounted to 23.2p (2002: 27.2p) for the year ended December 31, 2003. Operating profit before goodwill amortization and exceptional items totaled (pound)310.9 million in 2003 (2002: (pound)366.9 million).

Global capital markets continued their decline from the beginning of 2002 into the second quarter of 2003 before beginning to show recovery in the second half of the year, with the FTSE 100 down by 23%, the S&P 500 by 15%, NASDAQ by 17%, and the Dow Jones Industrial Average by 10%, comparing June 30, 2003, with January 1, 2002. These improving equity markets and a successful program of expense reduction allowed us to grow earnings per share each quarter during 2003; however, as a result of weak market conditions at the start of the year, our average AUM for 2003 was $340.8 billion, a decline of $25.0 billion from the prior year, and our revenues fell to (pound)1.16 billion from (pound)1.35 billion in 2002.

Our revenues were materially affected by these changes in global capital markets coupled with net sales/redemptions of AUM and the mix of equity to fixed income securities held in our portfolios during the year. A shift in our asset base to a 55%/45% split of equities versus fixed income (50%/50% for 2002) had a positive effect on our revenue comparisons between years.

The Company recorded an exceptional charge of (pound)84.9 million in 2003. Of this total, (pound)62.1 million ((pound)39.7 million after tax and 4.9p per diluted share) related to costs associated with redundancy programs and expenses associated with internal reorganizations, primarily relating to the change in the U.S. retail organization and distribution structure. In addition, (pound)22.8 million ((pound)16.1 million after tax and 2.0p per diluted share) was recorded in the fourth quarter of 2003 relating to the legal and other costs incurred through the end of 2003 (plus an estimate of such costs, expected to arise in the first half of 2004) relating to the investigations then underway by the U.S. Securities and Exchange Commission and the Attorneys General of Colorado and New York (see Note 23 to the Consolidated Financial Statements).

We have significant operations in the U.S. with earnings denominated in U.S. dollars. Accordingly, our results can be materially affected by the U.S. dollar to U.K. pounds sterling exchange rate. It is not our policy to hedge the translation of profit from U.S. subsidiaries; therefore, changes in exchange rates can materially affect our results. The average U.S. dollar to U.K. pounds sterling exchange rate in 2003 was $1.65 per (pound)1.00, compared with $1.50 per (pound)1.00 in 2002. The U.S. dollar weakened significantly against sterling in the second half of 2003, resulting in a decline of approximately (pound)21.7 million in operating profit ((pound)13.4 million after tax or 1.7p per diluted share) for 2003 compared with the prior year.

AIM U.S.

The AIM U.S. business reported revenues of (pound)491.7 million during 2003, compared with (pound)619.0 million for the prior year. Operating expenses declined by (pound)72.9 million to (pound)301.2 million in 2003. Operating profits were (pound)190.6 million, compared with (pound)244.9 million in 2002. Operating profit margin for 2003 amounted to 38.8%, compared with 39.6% in the prior year, due to the decline in revenue offset by the cost reductions. The group generated approximately $23.3 billion of gross sales and had net redemptions of $6.5 billion in 2003. Market gains of $20.4 billion led to an increase in AUM for the year. AUM amounted to $151.1 billion at December 31, 2003, including $50.9 billion of money market funds.

AIM Canada

The AIM Trimark business reported revenues of (pound)154.8 million during 2003, compared with (pound)151.3 million for the prior year. Operating profits were (pound)77.6 million in both 2003 and 2002, and the operating profit margin was 50.1% in 2003. The group generated approximately $3.8 billion of gross sales in 2003. Market gains were $3.2 billion for the year. AUM amounted to $28.7 billion at December 31, 2003.

INVESCO U.S.

The INVESCO U.S. business reported revenues and operating profits of (pound)176.6 million and (pound)41.2 million in the 2003 period, compared with (pound)202.4 million and (pound)50.5 million for 2002, respectively. Operating profit margins declined from 25.0% in 2002 to 23.3% in the current year. This group generated approximately $20.0 billion in gross sales during 2003; market gains and net redemptions were $12.7 billion and $0.5 billion, respectively, for the year. AUM amounted to $118.5 billion at December 31, 2003.

INVESCO UK

INVESCO UK's revenues amounted to (pound)174.2 million for 2003, compared with (pound)196.6 million in 2002. Operating profit totaled (pound)29.4 million for the current year versus (pound)31.1 million for the prior year. The operating expenses amounted to (pound)144.7 million in 2003, a decrease of (pound)20.8 million from the prior year due in part to a headcount reduction of 293. The Group successfully completed the migration to the Global Fund Administration System platform late in the year, contributing to the reduced cost base in the last quarter of the year. Operating profit margin improved to 16.9% in 2003 (2002: 15.8%). Gross sales for 2003 totaled approximately $16.4 billion; market gains totaled $6.0 billion; and net redemptions were $0.4

billion for the year. AUM amounted to $39.0 billion at December 31, 2003.

INVESCO Europe/Asia

INVESCO Europe/Asia's revenues amounted to (pound)77.7 million for 2003, compared with (pound)85.6 million in 2002. Operating profit totaled (pound)0.3 million for the year-ended December 31, 2003, versus (pound)0.9 million for the prior year. Gross sales for 2003 totaled approximately $10.7 billion; market gains totaled $2.2 billion; and net redemptions were $2.8 billion for the year. AUM amounted to $23.8 billion at December 31, 2003.

Private Wealth Management/Retirement

Revenues and operating losses for these businesses totaled (pound)83.1 million and (pound)3.3 million for 2003, compared with (pound)90.3 million and (pound)5.4 million, respectively, in the prior year. Operating expenses declined by (pound)9.3 million during 2003, more than offsetting the decline in revenue between the years. AUM were $9.5 billion at December 31, 2003, including $1.1 billion added by the Whitehall acquisition. In addition, AMVESCAP Retirement's assets under administration were $27.7 billion at December 31, 2003. Net redemptions for the group amounted to $0.4 billion for 2003. This group services 1,200 plans with 624,000 participants at December 31, 2003.

Corporate

Corporate expenses include staff costs related to corporate employees, as well as continued expenditures in Group-wide initiatives. Costs declined over the prior year due to decreases in staff costs and technology initiatives.

Other Income/Expense

Investment income reflected an improvement of (pound)1.2 million over 2002 due primarily to lower losses from unlisted investments. Interest expense declined by (pound)4.3 million from lower average interest costs on the Group's credit facility in 2003, coupled with debt reductions during the year.

Taxation

The Group's effective tax rate on profit (before goodwill amortization and exceptional items) was 30.6% in 2003 and 2002.

B. Liquidity and Capital Resources

The ability to generate cash from operations in excess of capital expenditure and dividend requirements is one of AMVESCAP's fundamental financial strengths. Operations continue to be financed from share capital, retained profits and borrowings. Our principal uses of cash flow, other than for recurring operating expenses, include dividend payments, payments for exceptional charges, capital expenditures, acquisitions, purchase of shares in the open market to meet stock option and restricted stock obligations under existing plans and investments in certain new investment products.

During 2004, we invested $22.4 million in new long-term capital investments and have committed $85.3 million to fund our obligations under these programs at the end of December 2004. We received $0.3 million in return of capital from such

investments in 2004. During the fiscal years ended December 31, 2004, 2003 and 2002, our capital expenditures were (pound)28.2 million, (pound)37.4 million and (pound)59.3 million, respectively. These expenditures related in each year to technology initiatives, including new platforms from which we maintain our portfolio management systems and fund tracking systems, improvements in computer hardware and software desktop products for employees, new telecommunications products to enhance our internal information flow, and back-up disaster recovery systems. Also, in each year, a portion of these costs was related to leasehold improvements made to the various buildings and workspaces used in our offices. In 2002, we capitalized as leasehold improvements certain costs associated with our move to new headquarters in London, England.

Net debt at December 31, 2004 amounted to (pound)590.9 million (excluding client cash), compared with (pound)576.6 million at December 31, 2003. Earnings before interest, taxes, depreciation, amortization, exceptional items and certain non cash and other items ("EBITDA"), as defined in our new credit facility, were (pound)372.8 million, compared with (pound)386.6 million in the prior year. See the reconciliation of (loss)/profit before taxation to U.K. GAAP-based EBITDA and the reconciliation of U.K. GAAP-based EBITDA to U.S. GAAP-based EBITDA in "Item 3. Key Information--Selected Financial Data," included elsewhere herein.

In December 2004, we issued and sold $500 million in new senior notes: $300 million of five-year notes with a coupon of 4.5% due in 2009 and $200 million of 10-year notes with a coupon of 5.375% due in 2014. We also have outstanding $10 million of our 6.875% notes due 2006, $300 million of our 5.9% notes due 2007 and $350 million of our 5.375% notes due 2013. A tender offer was also completed for $320.5 million of the $400 million, 6.6% notes due in May 2005, and we paid for the remainder of these notes on May 16, 2005.

As of December 31, 2004, (pound)78.7 million ($151.0 million) was drawn under our former five-year credit facility. At that date, we also maintained a $200 million 364-day credit facility that was undrawn as of December 31, 2004.

On March 31, 2005, we entered into a new five-year $900 million credit facility with a group of lenders, which matures during 2010. The financial covenants under our new credit agreement include a leverage ratio of not greater than 3.25:1.00 (debt/EBITDA) and an interest coverage ratio of not less than 4.00:1.00 (EBITDA/interest payable for the four consecutive fiscal quarters). This credit facility also contains customary affirmative operating covenants and negative covenants that, among other things, restrict certain of our subsidiaries' ability to incur debt, transfer assets, merge, make loans and other investments and create liens. Those ratios during 2004 were as follows:

	Q1	Q2	Q3	Q4
Debt/EBITDA	1.86	1.79	1.76	2.03
Coverage Ratio	8.91	9.66	9.51	8.42

Changes in our net debt position for 2004 are shown below. A substantial part of our debt is denominated in U.S. dollars and, therefore, the balances between 2003 and 2004 have been materially affected by fluctuations in the U.S. dollar/sterling exchange rates.

	December 31, 2004		December 31, 2003		(D
	(pound)	$	(pound)	$	(poun
			(in thousands)		

Senior notes	640,619	1,229,476	594,059	1,050,000	
Credit facility	78,679	151,000	130,127	230,000	(
Other, including foreign exchange	5,328	10,226	6,079	10,744	
Total Debt	724,626	1,390,702	730,265	1,290,744	
Cash	(133,699)	(256,595)	(153,674)	(271,619)	
Net Debt	590,927	1,134,107	576,591	1,019,125	

Exchange rates: 12/31/04 -- $1.92 per (pound)1.00; 12/31/03 -- $1.77 per (pound)1.00

Financial commitments are as follows (payments due by period):

(pound)'000	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Total debt	724,626	41,411	240,322	156,315	286,578
Finance leases	7	7	--	--	--
Operating leases(1)	254,663	33,375	53,953	44,658	122,677
Acquisition provisions(2)	32,012	6,172	24,276	--	1,564
Total	1,011,308	80,965	318,551	200,973	410,819

(1) Operating leases reflect obligations primarily for leased building space.

(2) Acquisition provisions reflect the National Asset Management retention payments and earn-out arrangements associated with the Stein Roe acquisition. Earn-out payments are based upon asset retention levels at the payment dates and conclude in March 2006. Any payments not made are reversed against the related goodwill balances. Retention payments are due annually, generally for the five years following the acquisition.

The Group has not changed its financial instruments policies in the current year and does not hedge its operational foreign exchange exposures, except to the extent that the net assets of overseas subsidiaries are hedged by foreign currency borrowings. As a result, the Group's financial statements may be impacted by movements in U.S. dollar, Canadian dollar and Euro exchange rates compared to sterling. This is partially mitigated by incurring U.S. dollar denominated borrowings. Other than this, the Group does not actively manage its currency exposures. (See Note 25 to the Consolidated Financial Statements for quantitative information about financial instruments.)

The company is subject to minimum regulatory capital requirements in most areas where it operates. The European Union has issued guidelines for bank capital adequacy, which could affect asset management firms, including AMVESCAP. AMVESCAP has been in discussions with the Financial Services Authority in the U.K. and continues to monitor developments in this area, plus other proposed changes in regulatory capital requirements in each country where we operate, to ensure we meet all capital and regulatory requirements of our businesses.

The existing capital structure of the Group, together with the cash flow from operations and borrowings under the credit facility, will provide the Group with sufficient resources to meet present and future cash needs.

We believe that our cash flow from operations and credit facilities, together with our ability to obtain alternative sources of financing, will enable us to meet debt and other obligations as they come due and anticipated future capital requirements.

C. Research and Development, Patents and Licenses, etc.

Not applicable.

D. Trend Information

These matters are discussed under Item 5A. and Item 5B. above where relevant.

E. Off-Balance Sheet Arrangements

The Group has participated in funding arrangements for the payment of mutual fund share sales commissions. Future revenue streams from 12b-1 fees and contingent deferred sales charges were sold at a purchase price equal to a percentage of the price at which each Class B share of the fund is sold. This funding arrangement in the U.S. expired in December 2003, and currently such sales are funded from internal cash flows. A similar program continues to exist in Canada. See note 27 to the Consolidated Financial Statements for a discussion of the difference in accounting treatment for these arrangements under U.S. generally accepted accounting principles.

The principal purpose of the program is to fund sales commissions. This funding arrangement did not have a material impact on net income in 2004 or 2003. There is no recourse to the Group with respect to the proceeds from this program other than relating to normal and customary representations, warranties and indemnities. Such commission sales have been treated as off-balance sheet financing arrangements since inception of the program in 1995.

F. Tabular Disclosure of Contractual Obligations

These matters are discussed under Item 5B. above where relevant.

Dividends

Our Board of Directors recommended, and our shareholders approved at the Annual General Meeting, a final dividend of 5.0 pence per ordinary share, resulting in a total dividend of 7.5 pence in 2004 (2003: 11.5p). The reduced dividend reflects the Board's policy of managing dividends in a prudent fashion, with due consideration given to profit levels, covenant constraints and overall debt levels.

Under the U.K. Companies Act 1985, as amended, our ability to declare dividends is restricted to the amount of our distributable profits and reserves, which is the current and retained amounts of our profit and loss account, on an unconsolidated basis. At December 31, 2004, the amount available for dividends was (pound)53.1 million after accrual of the recommended final dividend for 2004.

Risk Factors

Our revenues would be adversely affected by any reduction in assets under our management as a result of either a decline in market value of such assets or continued net outflows, which would reduce the investment management fees we earn.

We derive substantially all of our revenues from investment management contracts with clients. Under these contracts, the investment management fees paid to us are typically based on the market value from time to time of assets under management. Assets under management may decline for various reasons. For any period in which revenues decline, our profits and profit margins may decline by a greater proportion because certain expenses remain relatively fixed. Factors that could decrease assets under management (and therefore revenues) include the following:

Declines in the market value of the assets in the funds and accounts managed. These could be caused by price declines in the securities markets generally or by price declines in the market segments in which those assets are concentrated. Approximately 55% of our total assets under management were invested in equity securities and 45% were invested in fixed income and other securities at December 31, 2004. The effect of market price declines will be compounded if the funds and accounts managed underperform the applicable market or segment.

Redemptions and other withdrawals from, or shifting among, the funds and accounts managed. These could be caused by investors (in response to adverse market conditions or pursuit of other investment opportunities) reducing their investments in mutual funds in general or in the market segments on which AMVESCAP focuses; investors taking profits from their investments; poor investment performance of the funds and accounts managed by AMVESCAP; and portfolio risk characteristics, which could cause investors to move funds to other investment managers. Poor performance relative to other investment management firms tends to result in decreased sales, increased redemptions of fund shares, and the loss of private institutional or individual accounts, with corresponding decreases in revenues to us. Failure of our funds to perform well could, therefore, have a material adverse effect on us. During 2004, we experienced net outflows of approximately $19.5 billion. Furthermore, the fees we earn vary with the types of assets being managed, with higher fees earned on actively managed equity and balanced accounts, along with real estate and alternative asset products, and lower fees earned on fixed income and stable return accounts. Therefore, our revenues may decline if clients shift their investments to these lower fee accounts.

Our business is dependent on investment advisory agreements that are subject to termination or non-renewal, and our mutual fund and other investors may withdraw their funds at any time.

Substantially all of our revenues are derived from investment advisory agreements with mutual funds and other separate and private accounts. Investment management contracts are generally terminable upon thirty or fewer days' notice. With respect to agreements with U.S. mutual funds, these investment advisory agreements may be terminated by either party with notice, or terminated in the event of an "assignment" (as defined in the Investment Company Act of 1940, as amended), and must be approved and renewed annually by the disinterested members of each fund's board of directors or trustees, or its shareowners, as required by law. In addition, the board of trustees or directors of certain funds and separate and private accounts of AMVESCAP or our subsidiaries generally may terminate these investment advisory agreements upon written notice for any reason. Mutual fund and unit trust investors may generally withdraw their funds at any time without prior notice. Institutional clients may elect to terminate their relationships with us or reduce the aggregate amount of assets under our management, and individual clients may elect to close their accounts, redeem their shares in our mutual funds, or shift their funds to other types of accounts with different rate structures for any of a number of reasons, including investment performance, changes in prevailing interest rates and

financial market performance. Any termination of or failure to renew a significant number of these agreements, or any other loss of a significant number of our clients or assets under management, would adversely affect our revenues and profitability.

We operate in an industry that is highly regulated in the U.S. and numerous foreign countries, and any adverse changes in the regulations governing our business could decrease our revenues and profitability.

As with all investment management companies, our operating groups are heavily regulated in almost all countries in which they conduct business. Laws and regulations applied at the national, state or provincial and local level generally grant governmental agencies and industry self-regulatory authorities broad administrative discretion over our activities and the activities of our business units, including the power to limit or restrict business activities. Possible sanctions include the revocation of licenses to operate certain businesses, the suspension or expulsion from a particular jurisdiction or market of any of our business organizations or their key personnel, the imposition of fines and censures on our employees or us and the imposition of additional capital requirements. It is also possible that laws and regulations governing our operations or particular investment products could be amended or interpreted in a manner that is adverse to us. For example, changes have been made and others are proposed in EU regulatory capital requirements for regulated investment firms and banking groups. Depending on the way they are implemented at the EU Member State level and upon the final form of those changes, we may face a regulatory capital shortfall, may be required to limit distributions from certain subsidiaries or may need to modify our operating group composition and structure in order to comply. The most recent draft of the relevant EU Directives do, however, retain the ability for certain groups to receive a waiver from the full consolidated supervision requirements, which we may be able to obtain if necessary. Pending regulatory and legislative actions and reforms affecting the mutual fund industry may significantly increase our costs of doing business and/or negatively affect our revenues. To the extent that existing regulations are amended or future regulations are adopted that reduce the sale, or increase the redemptions, of our products and services, or that negatively affect the investment performance of our products, our aggregate assets under management and our revenues could be adversely affected.

Various governmental enforcement actions and investigations and ongoing civil litigation relating to certain practices in the mutual fund industry could adversely affect our assets under management and future financial results, and increase our costs of doing business.

Over the past 20 months, the mutual fund industry as a whole, and the AIM and INVESCO complexes in particular, have been the subject of numerous regulatory investigations and civil lawsuits pertaining to a wide variety of issues, including but not limited to market timing activity. The lawsuits and investigations described below may adversely affect investor and/or client confidence, which could result in a decline in assets under management. Any such decline in assets under management would have an adverse effect on future financial results and our ability to grow the business.

In December 2003, the SEC, the NYAG's Office and the Colorado Attorney General's Office brought civil enforcement actions against INVESCO Funds Group, Inc. ("IFG"), the former advisor to the INVESCO mutual funds, based on market timing activities by certain investors in the funds; the SEC also named IFG's former CEO and President, Raymond Cunningham, as a defendant. The SEC and the NYAG's Office also instituted separate investigations into market timing activity in the mutual funds advised by A I M Advisors, Inc. ("AIM Advisors"). A number of other regulators from other jurisdictions also requested information from AMVESCAP, AIM, IFG and certain affiliated entities relating to market timing; AMVESCAP, AIM, IFG and certain affiliated entities fully cooperated with such requests.

On September 7, 2004, AMVESCAP announced agreements in principle with the SEC, the NYAG, the State of Colorado Attorney General, the Colorado Division of Securities and the Secretary of the State of Georgia. The agreements were finalized on October 8, 2004. The agreements settle all claims against IFG filed in 2003 by the SEC, New York and Colorado. The agreements also conclude the investigations with respect to AIM Advisors and IFG by each of the participating regulators. IFG agreed to a total payment of $325 million, of which $110 million was a civil penalty, to be paid into a Fair Fund in two installments, the first of which was paid in December 2004 and the second of which will be paid in December 2005. AIM Advisors and AIM Distributors, Inc. ("ADI") agreed to a total payment of $50 million, of which $30 million was a civil penalty, that was paid into a Fair Fund in November 2004. The amounts in the Fair Funds will be distributed to affected current and former shareholders in the AIM and INVESCO funds in accordance with the terms of a distribution plan to be established by an Independent Distribution Consultant and approved by the SEC and the independent board members of the AIM Funds. IFG also agreed to pay $1.5 million to the Colorado regulators, and IFG and AIM agreed to pay $175,000 to Georgia.

In addition, under its agreement with the NYAG's Office, AIM agreed to reduce management fees charged to investors in the AIM and INVESCO mutual funds for five years beginning on January 1, 2005. The reduction in percentage fee rates, as applied to assets under management as of July 1, 2004, would result in a $15 million annual reduction in fees. The actual reduction in fees, however, will vary as assets under management increase or decrease.

The settlements described above do not resolve the investigations and inquiries by non-participating regulators into market timing in the AIM and INVESCO Funds. On April 12, 2005, a non-participating regulator, the Attorney General of West

Virginia ("WVAG"), filed a lawsuit against AIM Advisors, IFG and ADI, as well as numerous unrelated mutual fund complexes and financial institutions, based on allegations pertaining to market timing activity during the same time periods covered by the NYAG and SEC settlement. The WVAG's complaint alleges, in substance, that AIM, IFG and ADI engaged in unfair competition and/or unfair or deceptive trade practices by failing to disclose in the prospectuses for the AIM Funds, including those formerly advised by IFG, that they had entered into certain arrangements permitting market timing of such Funds. If AIM is unsuccessful in its defense of the WVAG proceedings, it could be barred from serving as an investment adviser for any investment company registered under the Investment Company Act of 1940, as amended (a "registered investment company"). Such results could affect the ability of AIM or any other investment advisor directly or indirectly owned by AMVESCAP, from serving as an investment advisor to any registered investment company. If these results occur, AIM will seek exemptive relief from the SEC to permit it to continue to serve as an investment advisor; however, the SEC may not grant such exemptive relief. AMVESCAP cannot predict whether any other non-participating regulator will pursue legal action against any AMVESCAP affiliate in the future based on alleged market timing activity and/or related issues. AMVESCAP and its affiliates have cooperated and will continue to cooperate fully in any investigations and inquiries by non-participating regulators.

In addition to the above settled governmental enforcement actions, multiple lawsuits, including purported class action and shareholder derivative suits, have been filed against various parties affiliated with AMVESCAP (including certain INVESCO funds, certain AIM funds, IFG, AIM Advisors, A I M Management Group Inc. (the parent of AIM Advisors), AMVESCAP, certain related entities and certain of their current and former officers and trustees). The allegations in many of these cases are based primarily upon the allegations in the enforcement actions described above, namely, that by allowing "market timing" trading, these parties violated the anti-fraud provisions of the federal securities laws and/or breached their fiduciary duties to the funds and/or individual investors. Certain other lawsuits allege that one or more of AMVESCAP's funds charged excessive fees, engaged in unlawful distribution practices, failed to adequately pursue recoveries for shareholders in class actions, inadequately employed fair value pricing or improperly collected Rule 12b-1 fees after ceasing to offer their shares to the general public. These lawsuits allege a variety of theories for recovery, including, but not limited to: (i) violation of various provisions of the United States federal securities laws, (ii) violation of various provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), (iii) breach of fiduciary duty and (iv) breach of contract. The lawsuits have been filed in both federal and state courts and seek such remedies as compensatory damages, restitution, rescission, accounting for wrongfully gotten gains, profits and compensation, injunctive relief, disgorgement, equitable relief, various corrective measures under ERISA, that the advisory agreement with AIM Advisors be rescinded and/or declared unenforceable or void and that all advisory fees received during the past year be refunded, with interest and the payment of attorneys' and experts' fees. The AMVESCAP-affiliated parties have sought to remove certain of the state court proceedings to the applicable United States Federal District Court. All lawsuits based on allegations of market timing, late trading and related issues have been transferred to the United States District Court for the District of Maryland, referred to as the MDL Court, for consolidated or coordinated pre-trial proceedings. Pursuant to an Order of the MDL Court, plaintiffs consolidated their claims for pre-trial purposes into three amended complaints against various AIM- and IFG-related parties: (1) a Consolidated Amended Class Action Complaint purportedly brought on behalf of shareholders of the AIM funds (formerly owned by INVESCO); (2) a Consolidated Amended Fund Derivative Complaint purportedly brought on behalf of the AIM funds and fund registrants (formerly owned by INVESCO); and (3) an Amended Class Action Complaint for Violations of the ERISA purportedly brought on behalf of participants in AMVESCAP's 401(k) plan. Plaintiffs in one of the underlying lawsuits transferred to the MDL Court continue to seek remand of their action to state court. AMVESCAP cannot predict the outcome of these actions or any of the other actions mentioned above with certainty but intends to defend them vigorously.

The asset management industry is subject to extensive levels of ongoing regulatory oversight and examination. In the United States and other jurisdictions in which AMVESCAP operates, governmental authorities regularly make inquiries, hold investigations and administer market conduct examinations with respect to compliance with applicable laws and regulations. In particular, the U.S. mutual fund industry as a whole is currently subject to regulatory inquiries related to a wide range of issues including, among others, IPO allocations, market timing activity, late trading, fair value pricing, excessive or improper advisory and/or distribution fees, mutual fund sales practices, including revenue sharing and directed-brokerage arrangements, investments in securities of other registered investment companies, contractual plans, issues related to Section 529 college savings plans and procedures for locating lost security holders. Certain of AMVESCAP's subsidiaries and related entities, certain of their respective current and former officers and/or certain of their advised funds have received regulatory inquiries in the form of subpoenas or other oral or written requests for information and/or documents related to one or more of these issues.

Additional lawsuits or regulatory enforcement actions arising out of these circumstances and presenting similar allegations and requests for relief may in the future be filed against AMVESCAP and related entities and individuals in the U.S. and other jurisdictions in which the Group operates. Moreover, public trust and confidence are critical to AMVESCAP's business, and any material loss of investor and/or client confidence could result in a decline in assets under management, which would have an adverse effect on future financial results and ability to grow the business.

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Our investment management professionals are a vital part of our ability to attract and retain clients, and the loss of a significant portion of those professionals could result in a reduction of our revenues and profitability.

Retaining highly skilled technical and management personnel is important to our ability to attract and retain clients and retail shareholder accounts. The market for investment management professionals is competitive and has grown more so in recent periods as the volatility of the markets has increased and the investment management industry has experienced growth. The market for investment managers is also increasingly characterized by the frequent movement of investment managers among different firms. In addition, since individual investment managers often maintain a strong, personal relationship with their clients that is based on their clients' trust in the manager, the departure of a manager could cause the loss of client accounts, which could have a material adverse effect on the results of operations and financial condition of AMVESCAP. Our policy has been to provide our investment management professionals with compensation and benefits that we believe are competitive with other leading investment management firms. However, we may not be successful in retaining our key personnel, and the loss of a significant portion, either in quality or quantity, of our investment management personnel could reduce the attractiveness of our products to potential and current clients and could, therefore, have a material adverse effect on our revenues and profitability.

Competitive pressures may force us to reduce the fees we charge to clients, increase commissions paid to our financial intermediaries or provide more support to those intermediaries, all of which could reduce our profitability.

The investment management business is highly competitive, and we compete based on a variety of factors, including investment performance, the range of products offered, brand recognition, business reputation, financing strength, the strength and continuity of institutional management and producer relationships, quality of service, the level of fees charged for services and the level of compensation paid and distribution support offered to financial intermediaries.

We and our business units compete in every market in which we operate with a large number of investment management firms, commercial banks, investment banks, broker-dealers, insurance companies and other financial institutions. Some of these institutions have greater capital and other resources, and offer more comprehensive lines of products and services, than we do. The recent trend toward consolidation within the investment management industry has served to increase the strength of a number of our competitors. These strengthened competitors seek to expand their market share in many of the products and services we offer. If successful, our profitability would be adversely affected. In addition, there are relatively few barriers to entry by new investment management firms, and the successful efforts of new entrants into our various lines of business around the world, including major banks, insurance companies and other financial institutions, has also resulted in increased competition.

Demand for our mutual fund products may decline, harming our business.

The marketplace for investment products is rapidly changing: investors are becoming more sophisticated; the demand for and access to investment advice and information are becoming more widespread; and more investors are demanding investment vehicles that are customized to their personal situations. Consequently, the increasing availability of alternative product types, such as hedge funds, exchange traded funds and separate accounts, may result in a decline in the demand for our mutual fund products, which would adversely affect our business.

Our substantial indebtedness could adversely affect our financial position.

We have a significant amount of indebtedness. As of December 31, 2004, we had outstanding total debt of (pound)724.6 million, net debt of (pound)590.9 million and shareholders' funds of (pound)1.9 billion. The significant amount of indebtedness we carry could limit our ability to obtain additional financing, if needed, for working capital, capital expenditures, acquisitions, debt service requirements or other purposes, increase our vulnerability to adverse economic and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business or industry, and place us at a competitive disadvantage compared to our competitors that have less debt. Any or all of the above factors could materially adversely affect our financial position.

Our credit facility imposes restrictions on our ability to conduct business and, if it were to be accelerated, we might not have sufficient assets to repay it in full.

On March 31, 2005, we entered into a new five-year revolving credit facility that refinanced and replaced our existing one-year and five-year credit facilities. Our new credit facility requires us to maintain specified financial ratios, including maximum debt-to-earnings and minimum interest coverage ratios. This credit facility also contains customary affirmative operating covenants and negative covenants that, among other things, restrict certain of our subsidiaries' ability to incur debt and restrict our ability to transfer assets, merge, make loans and other investments and create liens. The breach of any covenant would result in a default under the credit facility. In the event of any such default, lenders that are party to the credit facility could require all amounts borrowed under the credit facility, together with accrued interest and other fees, to be immediately due and payable. If any indebtedness under the credit facility were to be accelerated, we might not have sufficient assets to repay such indebtedness in full.

Changes in the distribution channels on which we depend could reduce our revenues and hinder our growth.

We sell a portion of our investment products through a variety of financial intermediaries, including major wire houses, regional broker-dealers, banks and financial planners in North America, and independent brokers and financial advisors, banks and financial organizations in Europe and Asia.

Increasing competition for these distribution channels could cause our distribution costs to rise, which would lower our net revenues. Additionally, certain of the intermediaries upon whom we rely to distribute our investment products also sell their own competing proprietary funds and investment products, which could limit the distribution of our products. Additionally, if one of our major distributors were to cease their operations, it could have a significant adverse affect on our revenues and earnings. Moreover, any failure to maintain strong business relationships with these distribution sources would impair our ability to sell our products, which could have a negative effect on our level of assets under management, related revenues and overall business and financial condition.

Our business is vulnerable to failures in support systems and customer service functions that could lead to loss of customers or claims against us or our subsidiaries.

The ability to consistently and reliably obtain securities pricing information, process shareowner transactions and provide reports and other customer service to the shareowners of funds managed by us is essential to our continuing success. Any delays or inaccuracies in obtaining pricing information, processing shareowner transactions or providing reports, and any inadequacies in other customer service, could alienate customers and potentially give rise to claims against us or our subsidiaries. Our and our subsidiaries' customer service capability, as well as our ability to obtain prompt and accurate securities pricing information and to process shareowner transactions and reports, is highly dependent on communications and information systems and on third-party vendors. These systems could suffer failures or interruptions due to various natural or man-made causes, and our back-up procedures and capabilities may not be adequate to avoid extended interruptions in operations.

Our ability to successfully integrate the varied segments of our business could be impeded by systems and other technological limitations.

Our continued success in effectively managing and growing our business, both domestically and abroad, depends on our ability to integrate the varied accounting, financial, information and operational systems of our various businesses on a global basis. If we fail to integrate these systems, or fail to do so on a timely basis, our profitability could be harmed.

Since a large part of our operations are denominated in U.S. dollars while our financial results are reported in U.K. pounds sterling, changes in the U.S. dollar to U.K. pounds sterling exchange rate may affect our reported financial results from one period to the next.

The majority of our net assets, revenues and expenses, as well as our assets under management, are presently derived from the United States, where the functional currency is the U.S. dollar, while our financial statements are reported in U.K. pounds sterling. As a result, fluctuations in the U.S. dollar to U.K. pounds sterling exchange rate may affect our reported financial results from one period to the next. We do not manage actively our exposure to such effects. Consequently, changes in the U.S. dollar to the U.K. pounds sterling exchange rate could have a material positive or negative impact on our reported financial results.

Holders of our American Depositary Shares are exposed to currency fluctuations that will affect the market price of their shares and the amount of cash dividends they will receive.

Currency fluctuations will affect the U.S. dollar equivalent of the U.K. pounds sterling price of the Ordinary Shares on the London Stock Exchange and, as a result, are likely to affect the market price of the American Depositary

Shares on the New York Stock Exchange. Cash dividends are declared and paid in U.K. pounds sterling but are paid at a date subsequent to their declaration. Therefore, holders of American Depositary Shares are exposed to currency fluctuations from the date of declaration of the dividend to the date when the U.K. pounds sterling are converted to U.S. dollars by the Depositary for distribution to holders of American Depositary Shares.

The carrying value of goodwill and certain investment balances on our balance sheet could become impaired, which would adversely affect our results of operations.

We have goodwill and investment balances on our balance sheet that are subject to an annual impairment review. Intangible assets and goodwill totaled (pound)2.3 billion at December 31, 2004. We may not realize the value of such investment balances and goodwill. We perform impairment reviews of the book values of goodwill and investments on a regular basis. A variety of factors could cause such book values to become impaired. Should valuations be deemed to be impaired, a write-down of the related asset would occur, adversely affecting our results of operations for the period.

The daily trading volume of our American Depositary Shares on the New York Stock Exchange is limited, which may adversely affect your ability to buy and sell our American Depositary Shares and the trading price of those shares.

Although the American Depositary Shares trade on the New York Stock Exchange, the daily trading volume is limited. Our Ordinary Shares are not listed on the New York Stock Exchange, and there is no trading market for the Ordinary Shares in the United States.

Holders of American Depositary Shares may be restricted in their ability to exercise voting rights.

Holders of American Depositary Shares will generally have the right under the deposit agreement to instruct the Depositary to exercise their voting rights for the Ordinary Shares represented by their American Depositary Shares. At our request, the Depositary will mail to holders of American Depositary Shares any notice of any shareholders' meeting received from us together with information explaining how to instruct the Depositary to exercise the voting rights of the securities represented by American Depositary Shares. If the Depositary receives voting instructions from a holder of American Depositary Shares on a timely basis, it is obligated to endeavor to vote the securities represented by the holder's American Depositary Shares in accordance with those voting instructions. The ability of the Depositary to carry out voting instructions, however, may be restricted by practical limitations, such as time zone differences and delays in mailing.

American Depositary Share holders may be unable to participate in rights offerings and similar transactions in the future.

U.S. securities laws may restrict the ability of U.S. persons who hold American Depositary Shares to participate in certain rights offerings or share or warrant dividend alternatives which we may undertake in the future in the event we are unable to, or choose not to, register those securities under the U.S. securities laws and are unable to rely on an exemption from registration therefrom. If we issue any securities of this nature in the future, we may issue such securities to the Depositary for the American Depositary Shares, which may sell those securities for the benefit of the holders of the American Depositary Shares. We cannot offer any assurance as to the value, if any, the Depositary would receive upon the sale of those securities.

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Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table identifies our current directors and members of senior management.*

Name	Age	Position
Charles W. Brady(a,c)	69	Executive Chairman; Chief Executive Officer;
Rex D. Adams(b,c,d)	64	Non-Executive Director
Sir John Banham(b,c,d)	64	Non-Executive Director
Joseph R. Canion(b,c,d)	60	Non-Executive Director
Dr. Thomas R. Fischer(b,c,d)	57	Non-Executive Director
Jean-Baptiste de Franssu(a)	41	Chief Executive Officer of INVESCO Continenta
Robert H. Graham(a)	58	Vice Chairman, Board of Directors; Chairman o
Hubert L. Harris, Jr.(a)	61	Chief Executive Officer of INVESCO North Amer
Erick R. Holt(a)	52	General Counsel
Karen D. Kelley(a)	44	President of Fund Management Company; Directo Division
Denis Kessler(b,c,d)	52	Non-Executive Director
Edward Lawrence(b,c,	63	Non-Executive Director
Andrew Tak Shing Lo(a)	43	Chief Executive Officer of INVESCO Asia Pacif
Bevis Longstreth(b,c,d)	71	Non-Executive Director
John "Jack" S. Markwalter, Jr.(a)	45	Chief Executive Officer of Private Wealth Div
David A. Ridley(a)	52	Chief Executive Officer of INVESCO Alternativ
James I. Robertson(a)	47	Director; Chief Financial Officer; Executive PLC
John D. Rogers(a)	43	Director; Chief Executive Officer of INVESCO President of AMVESCAP PLC
Philip A. Taylor(a)	50	Chief Executive Officer of AIM Trimark Invest
Mark H. Williamson(a)	53	Chief Executive Officer of AIM Divisions; Exe AMVESCAP PLC

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* None of our directors or members of senior management has any family relationship with any other director or member of senior management.

(a) Member of the Executive Management Committee

(b) Member of the Audit Committee

(c) Member of the Nomination and Corporate Governance Committee

(d) Member of the Remuneration Committee

Charles W. Brady (69) Executive Chairman (USA)
Charles Brady has served as executive chairman of the Board of Directors of our company since 1993, chief executive officer of our company since 1992 and a director of our company since 1986. He was a founding partner of INVESCO Capital Management Inc., which merged with our predecessor organization in 1988. Mr. Brady began his investment career in 1959 after graduating with a B.S. from the Georgia Institute of Technology. He also attended the Advanced Management Program at the Harvard Business School. Mr. Brady is a director of the Atlanta College of Art, trustee of the Georgia Tech Foundation and the Carter Library, and director of the National Bureau of Asian Research.

Rex D. Adams (64) Non-Executive (USA)
Rex Adams has served as a non-executive director of our company since November 2001 and is chairman of the Remuneration Committee. Mr. Adams was dean of the Fuqua School of Business at Duke University from 1996 to 2001 and is now a professor of business administration. He joined Mobil International in London in 1965 and served as executive vice president of administration for Mobil Corporation from 1988 to 1996. Mr. Adams received a B.A. magna cum laude from Duke University. He was selected as a Rhodes scholar in 1962 and studied at Merton College, Oxford University. Mr. Adams serves on the boards of directors of Allegheny Corporation, PBS and Vintage Petroleum.

Sir John Banham (64) Non-Executive (UK)
Sir John Banham has served as a non-executive director of our company since 1999 and is chairman of the Nomination and Corporate Governance Committee. He is chairman of both Whitbread PLC and Geest plc. Sir John was director general of the Confederation of British Industry from 1987 to 1992, a director of both National Power and National Westminster Bank from 1992 to 1998, chairman of Tarmac PLC from 1994 to 2000 and chairman of Kingfisher PLC from 1995 to 2001. Sir John is a graduate of Cambridge University and has been awarded honorary doctorates by four leading U.K. universities.

Joseph R. Canion (60) Non-Executive (USA)
Joseph Canion has served as a non-executive director of our company since 1997. He was a director of AIM from 1991 through 1997, when AIM merged with INVESCO. Since 1992, Mr. Canion has served as chairman of Insource Technology Corporation, a business and technology management company based in Houston. He was co-founder and, from 1982 to 1991, chief executive officer, president and a director of Compaq Computer Corporation.

Dr. Thomas R. Fischer (57) Non-Executive (Germany)
Dr. Thomas R. Fischer has served as a non-executive director of our company since February 2004. He is chairman of the Managing Board at WestLB AG. Dr. Fischer began his career working for Varta Batterie AG before joining Deutsche Bank AG in 1985 as deputy director of corporate development. While at Deutsche Bank, he assumed a number of jobs with increasing responsibility, ultimately serving as chief operating officer and a member of the Management Board. Dr. Fischer is also a member of the Audi AG and TUI AG Boards as a non-executive director, and holds a Ph.D. in business economics from the University of Freiburg.

Jean-Baptiste de Franssu (41) Chief Executive Officer of INVESCO Continental Europe (France)
Jean-Baptiste de Franssu has served as a member of the Executive Management Committee of our company since May 2001 and chief executive officer of INVESCO Continental Europe since 1999. He is also a member of the INVESCO Management Committee where, in addition to his European responsibilities, he leads the worldwide brand and product line management efforts. He joined our company as managing director of INVESCO France in 1990 after four years spent as a director of Groupe Caisse des Depots et Consignations in France. Mr. de Franssu is a graduate of the ESC Group in Rheims. He received a B.A. from Middlesex University in the U.K. and post-graduate actuarial degree from Pierre et Marie Curie University in Paris.

Robert H. Graham (58) Vice Chairman & Chairman of AIM Division (USA)
Robert Graham has served as vice chairman of the Board of Directors of our company since February 2001, a director of our company since 1997 and chief executive officer of the managed products division from 1997 to January 2001. Mr. Graham is chairman of the AIM division, which includes A I M Management Group Inc., a company he co-founded in 1976. Mr. Graham received a B.S., an M.S.

and an MBA from the University of Texas at Austin and has been in the investment business since 1972. He has served as a member of the Board of Governors and the Executive Committee of the Investment Company Institute, and as chairman of the Board of Directors and Executive Committee of the ICI Mutual Insurance Company.

Hubert L. Harris, Jr. (61) Chief Executive Officer of INVESCO North America (USA)
Hubert Harris has served as chief executive officer of INVESCO North America since August 2003 and a director of our company from 1993 to February 1997, and from 1998 to December 2004. He was chief executive officer of AMVESCAP Retirement from 1998 until 2003. He served as assistant director of the Office of Management and Budget in Washington, DC, during President Carter's administration and president and executive director of the International Association for Financial Planning. Mr. Harris serves as a trustee and member of the Executive Committee of the Georgia Tech Foundation and vice president and member of the Executive Committee of the National Defined Contribution Council. Mr. Harris received a B.S. from the Georgia Institute of Technology and an MBA from Georgia State University.

Erick R. Holt (52) General Counsel (USA)
Erick Holt has served as a member of the Executive Management Committee of our company and general counsel since January 2003. Before joining our company as group compliance officer in July 1999, he worked at Citibank as director of compliance for the investment products and distribution division. Mr. Holt began his career at Bronson, Bronson & McKinnon in San Francisco in 1979. He joined Dean Witter Reynolds in 1984, was named assistant general counsel in 1987 and became director of compliance in 1989. He received an A.B. with honors from the University of California and a J.D. from the University of San Francisco, where he was an editor of the Law Review. He is a member of the International Committee of the Investment Company Institute and the NASD's District 7 Business Conduct Committee.

Karen Dunn Kelley (45) President of Fund Management Company & Director of Cash Management of AIM Division (USA)
Karen Dunn Kelley has served as a member of the Executive Management Committee of our company since February 2004 and as director of cash management, president of Fund Management Company and managing director of A I M Capital Management, Inc. since 2001. She also serves as vice president of A I M Advisors, Inc. and director of AIM Global, and is on the AIM Global Management Company, Ltd. and Short-Term Investments Co. Global Series of Funds Boards. Ms. Kelley held positions at Drexel Burnham Lambert and Federated Investors Inc. before joining A I M Management Group Inc. as a money market portfolio manager in 1989 and becoming chief money market officer in 1992. She received a B.S. magna cum laude from Villanova University's College of Commerce and Finance.

Denis Kessler (52) Non-Executive (France)
Denis Kessler has served as a non-executive director of our company since March 2002. A noted economist, Mr. Kessler is chairman and chief executive officer of SCOR. He is chairman of the Boards of Directors of SCOR U.S. Corporation, SCOR Life U.S. Reinsurance and SCOR Reinsurance Company, and serves as a member of the Boards of Directors of Dexia SA, BNP Paribas, Bollore Investissement SA, Dassault Aviation and Cogedim. Mr. Kessler received a Diplome from the Paris Business School (HEC) and a Doctorat d'Etat in economics from the University of Paris.

Edward P. Lawrence (63) Non-Executive (USA)
Edward Lawrence has served as a non-executive director of our company since October 2004. He is a partner at Ropes & Gray, a Boston law firm, where he also heads the investment committee of the firm's trust department. Mr. Lawrence is a

graduate of Harvard College and earned a J.D. from Columbia University Law School. He serves on the board of the Attorneys' Liability Assurance Society, Ltd., is chairman of the Board of the Massachusetts General Hospital and is trustee of both Partners Healthcare System, Inc. in Boston and McLean Hospital in Belmont, MA.

Andrew T.S. Lo (43) Chief Executive Officer of INVESCO Asia Pacific (China)
Andrew Lo has served as a member of the Executive Management Committee of our company since May 2001 and chief executive officer of INVESCO Asia Pacific since February 2001. He joined our company as managing director for INVESCO Asia in 1994. Mr. Lo began his career as credit analyst at Chase Manhattan Bank in 1984. He became vice president of the investment management group at Citicorp in 1988 and was managing director of Capital House Asia from 1990 to early 1994. Mr. Lo was chairman of the Hong Kong Investment Funds Association from 1996 to 1997, a member of the Council to the Stock Exchange of Hong Kong from 1997 to February 2000 and a member of the Advisory Committee to the Securities and Futures Commission in Hong Kong from 1997 to March 2001. He received a B.S. and an MBA from Babson College in the U.S.

Bevis Longstreth (71) Non-Executive (USA)
Bevis Longstreth has served as a non-executive director of our company since 1993 and is chairman of the Audit Committee. Mr. Longstreth was a partner at Debevoise & Plimpton from 1970 to 1981, and from 1984 to 1997. He was a commissioner of the Securities and Exchange Commission from 1981 to 1984. In 1999, Mr. Longstreth was appointed by the Public Oversight Board to the Panel on Audit Effectiveness, which conducted a study resulting in a report calling for major audit reform. In 2004, he was appointed by the newly-empowered Public Company Accounting Oversight Board to its Standing Advisory Group, on which he now sits. Mr. Longstreth is a frequent writer on issues of corporate governance, banking and securities law, and is the author of "Modern Investment Management and the Prudent Man Rule" (1986), a book on law reform. He is a graduate of Princeton University and the Harvard Law School, and is a trustee of the College Retirement Equities Fund (CREF) and a member of the Board of Directors of Grantham Mayo & Von Otterloo LLC, a Boston-based investment management firm.

John "Jack" S. Markwalter Jr. (45) Chief Executive Officer of Private Wealth Management Division (USA)
Jack Markwalter has served as chief executive officer and president of Atlantic Trust, the private wealth management division of AMVESCAP, since January 2004 and a member of the Executive Management Committee since October 2004. He joined Atlantic Trust as head of business development in 2002 and has over 18 years of experience in private wealth management, having previously worked at Morgan Stanley since 1986. Mr. Markwalter received a B.S. with highest honors from Georgia Institute of Technology and an MBA from Harvard Business School. He serves as chairman of the Helen Keller Foundation and is a member of the Board of Trustees for Georgia Institute of Technology's Alexander-Tharpe Fund, Board of Trustees for Pace Academy and Board of Directors for St. Joseph's Hospital Mercy Foundation.

David A. Ridley (52) Chief Executive Officer of INVESCO Alternatives Group (USA)
David Ridley has served as managing partner of INVESCO Real Estate since its inception in 1983, chief executive officer of the INVESCO alternatives group since April 2004 and a member of the Executive Management Committee of our company since October 2004. He is also chairman of the INVESCO Real Estate Executive Committee and sits on the Direct U.S. Real Estate, Global Real Estate Securities and European Real Estate committees. He has extensive experience in the alternative asset class, having worked for over 29 years in the discipline. Mr. Ridley received a Bachelor of Business Administration in finance from the University of Texas at Austin. He holds key memberships with institutions such as Urban Land Institute, Pension Real Estate Association and National Association of Real Estate Investment Managers.

James I. Robertson (47) Executive Vice President & Chief Financial Officer (UK)
James Robertson has served as chief financial officer and a member of the Board of Directors of our company since April 2004, and as a member of the Executive Management Committee of our company since March 1999. He joined our company as director of finance and corporate development for INVESCO's Global division in 1993 and repeated this role for the Pacific division in 1995. Mr. Robertson became managing director of global strategic planning in 1996 and has served as chief executive officer of AMVESCAP Group Services, Inc. since 2001. He holds an M.A. from Cambridge University and is a member of the Institute of Chartered Accountants of England and Wales.

John D. Rogers (43) Executive Vice President & Chief Executive Officer of INVESCO Division (USA)
John Rogers has served as an executive director of our company since March 2004 and chief executive officer of INVESCO Institutional and a member of the Executive Management Committee of our company since December 2000. He became chief executive officer of the INVESCO division in January 2003. He joined the company as chief investment officer and president of INVESCO's Tokyo office in 1994 and became chief executive officer and co-chief investment officer of INVESCO Global Asset Management (N.A.), Inc. in 1997. Mr. Rogers received a B.A. cum laude from Yale University and an M.A. from Stanford University. He is a chartered financial analyst.

Philip A. Taylor (50) Chief Executive Officer of AIM Trimark Investments (Canada)
Philip Taylor has served as chief executive officer of AIM Trimark Investments since January 2002 and became a member of the Executive Management Committee of our company in January 2003. He joined AIM Funds Management Inc. in 1999 as senior vice president of operations and client services and later became executive vice president and chief operating officer. Mr. Taylor was president of Canadian retail broker Investors Group Securities Inc. from 1994 to 1997 and managing partner of Meridian Securities from 1989 to 1994. He held various management positions with Royal Trust, now part of Royal Bank of Canada, from 1982 to 1989. Mr. Taylor received an Honors B. Comm. degree from Carleton University and an MBA from the Schulich School of Business at York University.

Mark H. Williamson (52) Executive Vice President & Chief Executive Officer of AIM Division (USA)
Mark Williamson has served as a member of the Executive Management Committee of our company since December 1999 and became chief executive officer of the AIM division in January 2003. He was chief executive officer of the managed products division from February 2001 to December 2002 and chairman and chief executive officer of INVESCO Funds Group Inc. from 1998 to December 2002. Mr. Williamson began his career at Merrill Lynch in 1976. He joined C&S Securities in 1985 and was named managing director in 1988. He became chairman and chief executive officer of NationsBank's mutual funds and brokerage subsidiaries in 1997. Mr. Williamson graduated from the University of Florida and is a member of the Board of Directors of ICI Mutual Insurance Company.

Company Secretary: Michael S. Perman FCIS

B. Compensation

Information for Messrs. de Franssu, Holt, Lo, Markwalter, Ridley, Rogers, Taylor and Williamson and Ms. Kelley is included in the tables below under the references to other senior management as a group as permitted by SEC rules. The other members of our Executive Management Committee also serve as directors of our company and are not included in references to other senior management as a group.

Salary, Bonus and Other Benefits

The remuneration of our executive chairman, executive directors, other senior management as a group and non-executive directors during the fiscal year ended December 31, 2004 is set forth in the following tables:

(pound)'000	Salary(a)	Variable compensation(a,b)	Benefits(
Executive Chairman:			
Charles W. Brady	309	641	32
Executive Directors:			
The Hon. Michael D. Benson(l)	357	352	37
Robert H. Graham	273	61	24
Hubert L. Harris, Jr.(h)	241	293	26
Robert F. McCullough(i)	75	77	9
James I. Robertson(j)	146	401	14
Other Senior Management as a Group (Twelve Persons)	2,180	4,550	210
Non-Executive Directors:			
Rex D. Adams	55	--	--
Sir John Banham(e)	65	--	--
Diane P. Baker(k)	14	--	--
Joseph R. Canion(c)	55	--	--
Dr. Thomas R. Fischer(e,g)	65	--	--
Denis Kessler(e)	65	--	--
Edward P. Lawrence(f)	14	--	--
Bevis Longstreth(c)	55	--	--
Stephen K. West(m)	55	--	--

(a) Underlying amounts for U.S.-domiciled directors have been translated at the average foreign exchange rate of $1.83/(pound)1.00 for 2004.

(b) In 2004, approximately 15% of the variable compensation was paid into the GSP and used to purchase shares of the Company on the open market. See "AMVESCAP Global Stock Plan ("GSP")," included elsewhere herein.

(c) A portion of compensation was deferred pursuant to the AMVESCAP Deferred Fees Share Plan.

(d) Includes contributions to a defined contribution pension scheme as follows: C.W. Brady ((pound)11,000); The Hon. M.D. Benson ((pound)36,000); R.H. Graham and H.L. Harris, Jr. ((pound)16,000); R.F. McCullough ((pound)5,000); J.I. Robertson ((pound)10,000); other senior management as a group (twelve persons) ((pound)117,000). Our non-executive directors do not participate in any pension scheme.

(e) Includes (pound)10,000 for service on the INVESCO European Advisory Board for 2004.

(f) Appointed October 12, 2004.

(g) Appointed January 29, 2004.

(h) Resigned December 31, 2004.

(i) Retired April 29, 2004.

(j) Appointed April 29, 2004.

(k) Resigned February 27, 2004.

(l) Resigned March 31, 2005.
(m) Retired April 28, 2005.

Option Grants

We granted the following options to purchase our Ordinary Shares to the following executive directors and other senior management as a group during 2004. We did not grant any options to our non-executive directors during 2004.

Name	Number of Shares	Optio Exerci Pric
Charles W. Brady	200,000	319.
The Hon. Michael D. Benson	100,000	319.
Robert H. Graham	100,000	319.
Hubert L. Harris, Jr.	100,000	319.
James I. Robertson	100,000	319.
Other senior management as a group (nine persons)	800,000	319.

AMVESCAP Executive Share Option Schemes

Our executive directors and qualifying employees of our participating subsidiaries are eligible to be nominated for participation in various of our option plans (the "AMVESCAP Executive Share Option Schemes"). Options under the AMVESCAP Executive Share Option Schemes entitle the holder to acquire Ordinary Shares at a certain price. Options generally remain exercisable between the third and tenth anniversaries of the date of the grant. The AMVESCAP Executive Share Option Schemes contain limits upon the participation by each individual.

AMVESCAP Global Stock Plan ("GSP")

The GSP is a remuneration scheme for senior executives. There were approximately 317 participants in the GSP at December 31, 2004. This profit-linked variable compensation plan is paid annually into a discretionary employee benefit trust, which then purchases shares of the Company from time to time in the open market. These shares are allocated within the trust and are distributed to the participants at the end of a three-year vesting period, unless the individual elects to defer distribution until retirement or termination of employment. Prior to 2002, all shares were held in the trust until retirement or termination of employment. The trust held 35,211,858 Ordinary Shares on December 31, 2004, and 34,695,182 Ordinary Shares on February 28, 2005, including 26,224,640 Ordinary Shares at December 31, 2004 and February 28, 2005, to partially cover the obligations of the long-term incentive plan described below. On February 28, 2005, our executive directors and other senior management as a group had interests in the Ordinary Shares held by the AMVESCAP Global Stock Plan as set forth in the table below.

Name	Interest
Charles W. Brady	745,552
The Hon. Michael D. Benson	27,774
Robert H. Graham	40,652
Hubert L. Harris, Jr.	187,700

James I. Robertson	134,707
Other senior management as a group (nine persons)	603,506

A long-term incentive plan ("LTIP") was established on December 1, 2002 under the GSP to retain and motivate key executives representing the next generation of management of the company and to ensure future succession in the business. With the exception of Mr. James I. Robertson, who was a participant prior to his appointment to the Board, no other directors of the company are participants in the LTIP. Under the LTIP, our Remuneration Committee makes periodic awards to key executives of the company. Historically, individual awards have ranged in size up to 1,500,000 Ordinary Shares and vest in installments of one-third in each of the last three years of the plan term (maximum 7 years). This plan is being funded with shares purchased from time-to-time in the open market. Shares allocated under the LTIP arrangements are distributed to the key executives at the end of the respective vesting periods, unless the individual elects to defer distribution until retirement or termination of employment.

INVESCO Employee Stock Ownership Plan

The INVESCO Employee Stock Ownership Plan (the "ESOP") was established for employees of certain of our U.S. subsidiaries. Participating subsidiaries made stock bonus contributions to the ESOP comprising cash and/or our securities in respect of their employees who participate in the ESOP. Accounts were established in respect of each participant's allocation of contributions to the ESOP, which were held by the trustee in accordance with the terms of the ESOP. Certain members of the Board and senior management participate in the ESOP. The ESOP was closed to further activity effective January 1, 2000. As of February 28, 2005, our executive directors and other senior management as a group had the following interests in Ordinary Shares

held by the ESOP:

Name	Interest
Charles W. Brady	97,381
Hubert L. Harris, Jr.	87,729
James I. Robertson	13,393
Other senior management as a group (nine persons)	107,461

C. Board Practices

Non-executive Directors. Non-executive directors do not have formal fixed term contracts; however, under our Articles of Association, all directors are required to retire by rotation, and under the principles described below, approximately one third of our Board of Directors (the "Board") is required to seek re-election each year. Re-election is subject to shareholders' approval. Non-executive directors have letters of appointment which set out the terms and conditions of their appointment and their expected time commitment. We do not provide non-executive directors with benefits upon termination of service. Non-executive directors may serve on the Board beyond their 70th birthday and after serving as a director for more than nine consecutive years. Any director (whether executive or non-executive) over the age of 70 years, and any non-executive director who has served for more than nine years, will thereafter stand for re-election on an annual basis. Any director appointed during the fiscal year will stand for election at the next annual general meeting. In any year, after determination of the directors standing for election or re-election pursuant to the preceding principles, approximately one third of the remaining Board members must stand for re-election. The Board has identified Sir John

Banham as the senior independent director available for communication from shareholders directly with our Board.

At the Annual General Meeting of the Company held on April 28, 2005 each of Messrs. Rex Adams, Sir John Banham, Denis Kessler and Bevis Longstreth were re-elected to the Board. Mr. Longstreth, who is over the age of 70 years, is required to seek re-election each year. Mr. Longstreth, Mr. Adams, Sir John Banham and Mr. Kessler were the only non-executive directors seeking re-election in 2005. Mr. Edward Lawrence was appointed to the Board since the 2004 Annual General Meeting and was elected by shareholders at the 2005 Annual General Meeting. Mr. Stephen West retired from the Board with effect from the conclusion of the Annual General Meeting.

Executive Directors. Executive directors are employed under continuing contracts of employment that can be terminated by either party under notice provisions of up to one year. Executive directors' compensation arrangements, including participation in the Executive Share Option Schemes and bonus arrangements, are determined by the Remuneration Committee, which consists solely of non-executive directors. Mr. Charles Brady is the only executive director seeking re-election in 2004. Mr. John D. Rogers was appointed to the Board since the 2004 Annual General Meeting. In accordance with the Articles of Association, Mr. Rogers will offer himself for election by shareholders at the 2005 Annual General Meeting.

Chairman and Chief Executive. During 2004, we announced our intention to separate the roles of chairman and chief executive, with the appointment of a new chief executive. A committee of non-executive directors has been conducting the selection process, with the assistance of an international executive search firm. In order to implement this division of roles, our shareholders have approved an amendment to our Articles of Association. The amendment has been published on our Internet website, www.amvescap.com.

Audit Committee. The Audit Committee consists solely of non-executive directors who are "independent" as such term is defined by the New York Stock Exchange. Mr. Longstreth chairs the Audit Committee. The other members of the Audit Committee are Messrs. Adams, Banham, Canion, Fischer, Kessler and Lawrence.

The Audit Committee is responsible for accounting and financial policies and controls being in place, ensuring that auditing processes are properly coordinated and work effectively, reviewing the scope and results of the audit and its cost effectiveness, recommending to the shareholders at the Annual General Meeting the approval of the choice of auditors, and ensuring the independence and objectivity of the auditors, including the nature and amount of non-audit work supplied by the auditors. The Audit Committee has direct access to our auditors. The Audit Committee receives periodic reports from management and our auditors on the system of internal controls and significant financial reporting issues. Our compliance function regularly reports on significant regulatory compliance matters. The Audit Committee pre-approves the audit and non-audit services performed by the independent auditor to assure that the auditor's independence is not impaired. The Audit Committee does not favor having its independent auditors perform non-audit services, and a non-audit service is not approved unless it is obvious to the Audit Committee that performance of such service by the auditor will serve the Company's interests better than performance of such service by other providers. The Audit Committee ensures that such services are consistent with

applicable national rules on auditor independence. The Audit Committee Terms of Reference and policy on non-audit services can be found on the Company Web site.

The Audit Committee met four times in 2004.

The following is a summary of the terms of reference for the Audit Committee:

The purpose of the Audit Committee is to assist the Board in fulfilling the oversight of: the integrity of the Company's financial information and statements; the Company's internal financial controls and internal control and risk management systems; the appointment and removal of the external auditor; the independence, objectivity, qualifications and performance of the external auditors and the effectiveness of the audit process; the annual evaluation of the effectiveness of the compliance functions and activities; and the development and implementation of policy on the supply of audit and non-audit services. The Committee must have at least three members, and each member of the Committee must be a non-executive director who meets the independence requirements of the Combined Code, New York Stock Exchange ("NYSE") listing standards and SEC rules. The members of the Committee are appointed by the Board on the recommendation of the Nomination and Corporate Governance Committee, and the Chairman of the Committee is designated by the Board.

The Committee has responsibilities that include the following: sole authority to approve all audit engagement fees and terms and the sole authority to pre-approve all non-audit engagements; to annually discuss with the external auditors the nature and scope of the audit; to review and discuss with the external auditors problems or difficulties arising from the audits; to review and discuss the company's annual audited financial statements and quarterly financial statements with management and the independent auditor; to review the application of significant regulatory, accounting and auditing initiatives; to review and assess the adequacy and effectiveness of internal accounting procedures and internal controls; to establish and review procedures for the receipt, retention and investigation of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, auditing or other matters; to report promptly to the Board any issues that arise with respect to the quality or integrity of the Company's publicly reported financial statements; and to review and approve for disclosure the report in the Company's Annual Report on the role of the Committee and the activities it has undertaken during the fiscal year covered by the Annual Report.

The Committee is required to meet as often as needed and no less than two times per year. Meetings may be requested by the external auditors whenever they consider it necessary. A quorum of the Committee is to consist of two members. Minutes of each of the Committee meetings are to be kept and circulated to the full Board.

Remuneration Committee. The Remuneration Committee consists solely of non-executive directors who are "independent" as such term is defined by the Combined Code. Mr. Adams chairs the Remuneration Committee. The other members of the Remuneration Committee are Messrs. Banham, Canion, Fischer, Kessler, Lawrence and Longstreth. The Remuneration Committee determines specific remuneration packages for each executive director and member of the Executive Management Committee. The Remuneration Committee also addresses remuneration issues that affect the interests of shareholders, including share option plans and performance-linked remuneration arrangements. The Remuneration Committee met three times in 2004.

The following is a summary of the terms of reference for the Remuneration Committee:

The Committee is responsible for reviewing and approving the remuneration, benefits, bonuses, share options and share incentive awards of the

Executive Chairman, the Executive Directors, the members of the Executive Management Committee and the Company Secretary, and for approving the pools available for bonuses, share options and share incentive awards for Global Partners of the Company.

The Committee is to be composed of at least three members, all of whom must be non-executive directors who meet the independence requirements of the Combined Code. The members of the Committee are to be appointed by the Board of Directors on the recommendation of the Nomination and Corporate Governance Committee. The Board of Directors may at any time remove members and may fill any vacancy on the Committee.

The Committee is responsible for: (i) annually reviewing and approving all goals relevant to the Executive Chairman's remuneration; evaluating the Executive Chairman's performance in light thereof; and establishing the Executive Chairman's base salary and performance related remuneration or benefits, based on such evaluation; (ii) annually evaluating and fixing the base salary level and performance related remuneration or benefits of, and approving share options, pension entitlements and all other compensation for, each Executive Director, each member of the Executive Management Committee, the Company Secretary and each member of senior management; (iii) approving the pools available for bonuses, share options and share incentive awards for Global Partners; (iv) making regular reports to the Board concerning the activities of the Committee, (v) reviewing and approving for disclosure the report in the Company's Annual Report on remuneration; (vi) from time to time, reviewing the adequacy of the Committee's functions, taking into account changes in law and good practice, and suggesting improvements to the full Board; and

(vii) conducting an annual evaluation of it's performance.

The Committee has the exclusive authority to retain, at Company expense, and to terminate, remuneration consultants, including the sole authority to approve the consultant's fees and other retention terms. A quorum of the Committee is to consist of two members. Minutes of the meetings are to be kept and circulated to the full Board.

Nomination and Corporate Governance Committee (formerly the "Nomination and Board Governance Committee"). The Nomination and Corporate Governance Committee consists of all of the non-executive directors and the Executive Chairman. Sir John Banham, as the senior independent director, chairs the Nomination and Corporate Governance Committee. The Nomination and Corporate Governance Committee is responsible for analyzing and making proposals with respect to the structure and composition of the Board and matters of corporate governance and Board effectiveness. The Committee conducts a regular review of the balance of skills and knowledge on the Board, is actively involved in the succession planning process for senior management, considers the capabilities and skills required for new Board appointments, carries out a formal selection process of candidates when necessary, and makes recommendations to the Board regarding changes in the composition of Board membership.

The Nomination and Corporate Governance Committee is responsible for creating a list of potential Board candidates that takes into account the necessary skills and expertise which may be required by the Company. Candidates for election to the Board are considered in light of their background and experience using the extensive personal knowledge of current directors or through the recommendations of various advisors to the Group. The Company does not presently utilize the services of recruitment consultants believing that personal knowledge and recommendation of individual candidates by a Board member is more effective in meeting the needs of the Board for the necessary skills and expertise.

An annual review of the effectiveness of the Board, including its Committee structure and operation, is conducted by the senior independent director using confidential personal interviews with individual members of the Board. His report is considered by the Nomination and Corporate Governance Committee, and such committee in turn reports to and makes any recommendations to the Board. A review was last conducted in June 2005. In turn, the independent directors consider the performance and effectiveness of the senior independent director.

The Nomination and Corporate Governance Committee met five times in 2004.

Executive Management Committee (formerly the "Executive Board"). The Board has appointed an Executive Management Committee consisting of certain members of the Board and members of senior management of the company to oversee and supervise the business and strategy of the company as a whole and to approve and coordinate the activities of the divisional management committees for our four operating groups. As of February 28, 2005, the Executive Management Committee consisted of Messrs. Benson, Brady, de Franssu, Graham, Harris, Holt, Lo, Markwalter, Ridley, Robertson, Rogers, Taylor and Williamson and Ms. Kelley. Membership of the Executive Management Committee may vary with the approval and consent of the Board. Members of the Executive Management Committee serve until they resign from the Executive Management Committee or the Board decides to change the membership of the Executive Management Committee. The Executive Management Committee is chaired by the Executive Chairman. As of February 28, 2005, there were 14 members of this committee with representation from every major part of the Group's business. The Executive Management Committee meets in person or by conference telephone call at least ten (10) times per year and regularly meets with the Board to review strategy and status of business operations, thereby providing an important linkage between senior management and the independent directors.

As to each director of the company and each member of the Executive Management Committee, the period during which such person has served in that office is set forth elsewhere herein under "Directors and Senior Management."

D. Employees

As of December 31, 2004, we employed 6,693 people, of whom approximately 71% were located in North America. See "Item 4. Information on the Company--Business Overview," included elsewhere herein, for a breakdown of headcount by operating group as of December 31, 2004. As of December 31, 2003 and 2002, we employed 6,747 and 7,581 people, respectively. The decreases in headcount were due to reductions in force we made during those years. None of our employees is covered under collective bargaining agreements.

E. Share Ownership

Ownership of Ordinary Shares

The following table discloses, as of February 28, 2005 (unless otherwise indicated), holdings of Ordinary Shares by our directors and senior management:

	Ordinary Shares(1)	Percent of Outstanding

		Ordinary Shares(6)
Charles W. Brady(2)	5,998,219	*
Rex D. Adams	31,216	*
Sir John Banham	7,500	*
The Hon. Michael D. Benson(2)	854,120	*
Joseph R. Canion(3)	2,000	*
Dr. Thomas R. Fischer	-	*
Jean-Baptiste de Franssu(2)	1,653,237	*
Robert H. Graham(2,4)	27,877,700	3.43%
Hubert L. Harris, Jr. (2)	1,367,555	*
Erick R. Holt(2)	155,209	*
Karen D. Kelley(2)	2,067,916	*
Denis Kessler	2,200	*
Edward P. Lawrence	-	*
Andrew Tak Shing Lo(2)	1,574,289	*
Bevis Longstreth(3,5)	70,440	*
John S. Markwalter(2)	1,127,916	*
David A. Ridley(2)	608,889	*
James I. Robertson(2)	2,237,845	*
John D. Rogers(2)	2,078,474	*
Philip A. Taylor (2)	226,925	*
Stephen K. West	209,439	*
Mark H. Williamson(2)	2,035,941	*

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* Less than 1%.

(1) Ordinary Shares include (i) shares held as American Depositary Shares, and (ii) options and other rights to purchase Ordinary Shares held by such individuals that are exercisable within 60 days, as further described in note (6) to this table. For information regarding ownership of stock options, see "Options to Purchase Securities from AMVESCAP," included elsewhere herein. The shares identified in this table do not have different voting rights from any other Ordinary Shares.

(2) Excludes (a) interests of Messrs. Brady, Benson, de Franssu, Graham, Harris, Holt, Ms. Kelly, Lo, Markwalter, Ridley, Robertson, Rogers, Taylor and Williamson in the AMVESCAP Global Stock Plan as set forth in the section entitled "AMVESCAP Global Stock Plan," included elsewhere herein, and in the AMVESCAP Executive Share Option Schemes as set forth in the section entitled "Options to Purchase Securities from AMVESCAP," included elsewhere herein; and (b) interests of Messrs. Brady, Harris, Ridley, Robertson, Rogers and Williamson in Ordinary Shares held in the ESOP, as set forth in the section entitled "INVESCO Employee Stock Ownership Plan," included elsewhere herein.

(3) Excludes interests in 11,253 and 69,731 Ordinary Shares held by Messrs. Canion and Longstreth, respectively, pursuant to the AMVESCAP Deferred Fees Share Plan.

(4) Includes 26,193,653 Ordinary Shares owned by a limited partnership of which Mr. Graham is the managing general partner.

(5) Represents shares held by a limited partnership of which Mr. Longstreth is a general partner.

(6) In computing percentage ownership (i) as required by General Instruction F to Form 20-F, each person is also considered to be the "beneficial owner" of securities that such person has the right to acquire within 60 days by option or other agreement, including by exchange of Exchangeable Shares, and (ii) all shares described in (i) immediately above are, as to such beneficial owner, deemed outstanding; these shares, however, are not deemed outstanding for purposes of computing the percentage ownership of any other person.

Options to Purchase Securities from AMVESCAP

All outstanding options to purchase our shares have been issued under the AMVESCAP Executive Share Option Schemes.

The table below is a summary of outstanding options to acquire Ordinary Shares held by our executive directors and senior management as of February 28, 2005. As of February 28, 2005, none of our non-executive directors had outstanding options to acquire Ordinary Shares:

Name	Number of Shares	Option Exercise Price	Expiration Date
Charles W. Brady	500,000	244.0p	Nov 2006
	100,000	422.5p	Nov 2007
	250,000	432.0p	Dec 2008
	500,000	660.0p	Dec 2009
	200,000	1100.0p	Nov 2010
	300,000	950.0p	Dec 2011
	700,000	419.25p	Nov 2012
	200,000	374.0p	Dec 2013
	200,000	319.25p	Dec 2014
The Hon. Michael D. Benson	100,000	422.5p	Nov 2007
	200,000	432.0p	Dec 2008
	200,000	660.0p	Dec 2009
	100,000	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	350,000	419.25p	Nov 2012
	100,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014
Jean-Baptiste de Franssu	200,000	244.0p	Nov 2006
	50,000	422.5p	Nov 2007
	25,000	416.0p	Oct 2008
	25,000	660.0p	Dec 2009
	45,000	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	245,000	419.25p	Nov 2012
	50,000	374.0p	Dec 2013
	50,000	319.25p	Dec 2014
Robert H. Graham	100,000	422.5p	Nov 2007
	200,000	432.0p	Dec 2008
	250,000	660.0p	Dec 2009
	100,000	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	350,000	419.25p	Nov 2012
	100,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014
Hubert L. Harris, Jr.	25,000	242.0p	April 2006
	400,000	244.0p	Nov 2006
	100,000	422.5p	Nov 2007
	100,000	432.0p	Dec 2008
	150,000	660.0p	Dec 2009
	100,000	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	350,000	419.25p	Nov 2012

	100,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014
Erick R. Holt	100,000	512.5p	Aug 2009
	10,373	1158.0p	Aug 2010
	35,000	950.0p	Dec 2011
	145,000	419.25p	Nov 2012
	100,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014

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Name	Number of Shares	Option Exercise Price	Expiration Date
Karen D. Kelley	60,000	416.0p	Oct 2008
	25,000	660.0p	Dec 2009
	30,000	1100.0p	Nov 2010
	66,000	950.0p	Dec 2011
	136,000	419.25p	Nov 2012
	50,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014
Andrew Tak Shing Lo	200,000	244.0p	Nov 2006
	50,000	422.5p	Nov 2007
	25,000	416.0p	Oct 2008
	25,000	660.0p	Dec 2009
	42,500	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	242,500	419.25p	Nov 2012
	50,000	374.0p	Dec 2013
	50,000	319.25p	Dec 2014
John S. Markwalter, Jr.	127,916	897.0p	Feb 2012
	167,916	419.25p	Nov 2012
	40,000	374.0p	Dec 2013
	100,000	400.5p	Feb 2014
	100,000	319.25p	Dec 2014
David A. Ridley	25,000	660.0p	Dec 2009
	40,000	1100.0p	Nov 2010
	25,000	950.0p	Dec 2011
	65,000	419.25p	Nov 2012
	89,134	374.0p	Dec 2013
	100,000	319.25p	Dec 2014
James I. Robertson	200,000	244.0p	Nov 2006
	50,000	422.5p	Nov 2007
	75,000	416.0p	Oct 2008
	150,000	660.0p	Dec 2009
	100,000	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	300,000	419.25p	Nov 2012
	50,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014
John D. Rogers	200,000	244.0p	Nov 2006
	50,000	422.5p	Nov 2007
	25,000	416.0p	Oct 2008
	25,000	660.0p	Dec 2009

	100,000	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	300,000	419.25p	Nov 2012
	50,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014
Philip A. Taylor	48,100	512.5p	Aug 2009
	5,000	543.5p	Aug 2009
	25,000	660.0p	Dec 2009
	34,425	1158.0p	Aug 2010
	25,000	1100.0p	Nov 2010
	89,400	950.0p	Dec 2011
	173,825	419.25p	Nov 2012
	100,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014

Name	Number of Shares	Option Exercise Price	Expiration Date
Mark H. Williamson	100,000	416.0p	Oct 2008
	100,000	660.0p	Dec 2009
	100,000	1100.0p	Nov 2010
	150,000	950.0p	Dec 2011
	300,000	419.25p	Nov 2012
	50,000	374.0p	Dec 2013
	100,000	319.25p	Dec 2014

Employee Ownership Opportunities

We operate various Sharesave option and Share Incentive plans that allow employees to set aside part of their salary each month as savings for the purchase of shares and exercise of options to purchase our stock at the end of the option period. Additionally, certain of our employees receive contingent rights to receive Ordinary Shares pursuant to the various plans described above and other stock plans.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table discloses, as of February 28, 2005, the number of Ordinary Shares beneficially owned by each person, other than our current directors and senior management, whom we know to be a beneficial owner of 3% or more of our outstanding Ordinary Shares:

Shares Beneficially Own
Ordinary Shares(1)

Robert H. Graham	27,877,700
Gary T. Crum	30,570,216
AIC Limited and AIC Investment Services Inc.(3)	29,284,371
AVIVA PLC	24,946,819(4)
Franklin Resources	73,062,316(5)

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(1) Ordinary Shares include shares held as American Depositary Shares. In computing the number of shares beneficially owned by a pe