

Market Linked Investment

Product Disclosure Statement

**An offer of Callable Asian Index
Securities (Series 2005-01)
25 January 2005**



Important information

Important information about the Market Linked Investment

The Market Linked Investment ("MLI") is issued by Citigroup Global Markets Australia Pty Limited ("Issuer", "we" or "us") (Australian Financial Services Licence No 240992). The MLI is an agreement between the Investor and the Issuer governed by the terms set out in the terms and conditions ("Terms") which are contained in section 9 of this Product Disclosure Statement ("PDS"). It is important that Investors and potential Investors read the Terms in full as these set out an Investor's rights and obligations in relation to the MLI. Capitalised words which are used in this PDS have the meaning given to those words in clause 15 of the Terms.

The MLI and any securities recommended, offered, or sold by the Issuer: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations or liabilities of any insured depository institution (including Citibank, N.A.); and (iii) are subject to investment risks, including the possible loss of the principal amount invested in the event of an Early Maturity. The MLI does not represent a deposit or other liability of Citibank Pty Limited or Citibank, N.A. (Sydney Branch) and these entities do not stand in any way behind the capital value and/or performance of the MLI. The Issuer is not subject to regulatory supervision by APRA.

The Issuer reserves the right to vary the dates and times of the offer. This means that the Issuer has a discretion to extend or reduce the length of the offer period by changing any of the relevant dates in the Issuer's absolute discretion. The Issuer may exercise its rights where, for example, the demand for the MLI has been very high and a significant number of customers have requested that the period be extended. However, in exercising its discretion the Issuer would act reasonably and would not leave the offer period open for too long having regard to standard market practice. The Issuer may also vary the Maturity Date if an Early Maturity Event occurs. The term "Early Maturity Event" is defined in clause 4.2 of section 9 of this PDS. The risks associated with an Early Maturity Event are more fully discussed in section 2 of this PDS.

Product Disclosure Statement This PDS is dated 25 January 2005 and has been prepared by the Issuer. This PDS has not been lodged with the Australian Securities and Investments Commission ("ASIC") and is not required by the Corporations Act to be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS.

Investment Decisions : It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by the Issuer, or any associate of the

Issuer or any other person concerning an investment in the MLI, the Delivery Assets or any other financial product. Readers should not rely on this PDS as the sole or principal basis of a decision to invest in the MLI, Delivery Assets or any other financial product and should seek independent financial, legal and taxation advice before making a decision whether to invest. No person is authorised by the Issuer to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of the Issuer. Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of the MLI, the Reference Indices or the Delivery Assets.

Jurisdiction and Selling Restrictions This PDS is not an offer or invitation in relation to the MLI in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. The MLI is not available to US persons. Failure to comply with relevant restrictions may violate those laws.

Updates relating to this PDS The Issuer may make available updated information relating to this PDS. Investors may access this information at www.citiwarrants.com.au/ or alternatively may request a paper copy of this information free of charge from their financial adviser or by contacting the Issuer on 1300 30 70 70. The information which the Issuer will make available by way of these updates is subject to change from time to time and will not be information which is materially adverse to Investors.

Electronic copies This PDS is available on the internet at www.citiwarrants.com.au. Any person receiving this PDS electronically should note that applications can only be accepted if the Issuer receives a completed, current Application Form which accompanied the electronic or paper copy of this PDS. Paper copies of this PDS (with attached Application Form) will be sent by the Issuer to any person who requests free of charge. To obtain a paper copy, please call 1300 30 70 70. Alternatively, the operator of your master trust or wrap account service will be able to provide you with paper copies free of charge.

Cooling off Please note that no cooling off rights apply in respect of a purchase of Units in the MLI.

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Key Dates

Event	Date
Offer Opens	25 January 2005
Offer Closes	28 February 2005 at 5:00 pm
Issue Date	3 March 2005
Maturity Date	2 March 2010

Issuer	Citigroup Global Markets Australia Pty Limited ("Issuer" or "CGMA")	
Reference Indices	Hang Seng (Reuters: .HSI) KOSPI 200 (Reuters: .KS200) Nikkei 225 (Reuters: .N225)	MSCI Taiwan (Reuters: .MSTW) MSCI Singapore (Reuters: .MSSG)
Offer Closes	28 February 2005 at 5:00 pm	
Issue Date	3 March 2005	
Maturity Date	2 March 2010	
Term of Investment	5 years, subject to Auto-Call feature	
Denomination	Australian Dollars (AUD)	
Investment	Units in the MLI with an Investment Amount of AUD 1.00. Each AUD 1.00 of the Investment Amount will constitute one Unit of the MLI. Please note "Units" when used in this PDS are not units in a managed investment scheme	
Issue Price	AUD 1.00 per Unit	
Minimum Investment Amount	AUD 10,000 and in multiples of AUD 1,000 above that amount	
Capital Protection	The Issuer guarantees that the value of each Unit on the earlier of the scheduled Maturity Date or an Auto-Call Date will be at least equal to the Issue Price. Please refer to the section Capital Protection on page 11 for further details	
Minimum Return	The Issuer has targeted a minimum return of 9.1% (inclusive of the Guaranteed Coupon) over the term of the investment	
Guaranteed Coupon (year 1)	At the end of the first year (3 March 2006), Investors will receive a Guaranteed Coupon of 9% on their Investment Amount. This amount is payable on or around 8 March 2006	
Capital Growth Rate	Expected to range between 9.0% and 9.5% pa (the Capital Growth Rate will be at least 9.0%*). Subject to the Auto-Call feature being satisfied, the Final Value per Unit will be calculated by reference to the Capital Growth Rate. Please refer to the section Factors Affecting the Capital Growth Rate for further details	
Auto-Call feature	On any Auto-Call Date where the Early Maturity Condition has been satisfied, the Auto-Call Date will be deemed to be the Early Maturity Date and the Final Value per Unit shall be determined by reference to the Capital Growth Rate. Assuming a Capital Growth Rate of 9.0% pa, the Final Value Per Unit would be:	
	Auto-Call Date	Indicative Final Value per Unit*
	3 March 2007	AUD 1.09
	3 March 2008	AUD 1.18
	2 March 2009	AUD 1.27
Early Maturity Condition	If on any Auto-Call Date all of the 5 Reference Indices close at or above 100.1% of their Closing Level on the Issue Date (Initial Index Level) then the Early Maturity Condition will be satisfied and the Issuer must nominate the current Auto-Call Date as the Early Maturity Date.	
Final Value per Unit on the Maturity Date	If the Auto-Call feature has not been triggered prior to the Maturity Date, the Final Value per Unit on the Maturity Date will be: (a) if on the Maturity Date, any one of the Reference Indices has closed below 100.1% of their Initial Index Level, AUD1.001 per Unit; or (b) if on the Maturity Date, all the Reference Indices have closed at or above 100.1% of their Initial Index Level, AUD 1.36 per Unit* (assuming the minimum Capital Growth Rate of 9.0% pa applies)	
Delivery Asset	Units in the StreetTRACKS® S&P/ASX® 200 Fund	
Distributor Fees	3.00% (including GST) of the initial Investment Amount	
Financial Adviser Fees	Financial Advisers appointed by the Distributor may receive a placement fee and/or annual fee (including GST) based on the initial Investment Amount. These fees will be paid by the Distributor at no additional cost to Investors	

*The Final Value per Unit is indicative only and has been calculated assuming a Capital Growth Rate of 9.0% pa. The actual level of the Capital Growth Rate will be fixed on the Issue Date and is expected to range between 9.0% and 9.5% pa (the minimum will be 9% pa). Please refer to the section "Factors Affecting the Capital Growth Rate" for further details.

Section 1 - Features of the MLI

Product Description

This 5-year AUD denominated MLI is linked to the performance of a well-diversified basket of Asian equity indices:

Indices	Bloomberg Code	Reuters Code
Hang Seng	HSI	.HSI
Nikkei 225	NKY	.N225
KOSPI 200	KOSPI2	.KS200
MSCI Singapore Index	SGY	.MSSG
MSCI Taiwan Index	TWY	.MSTW

The MLI offers investors a Guaranteed Coupon of 9.0% (payable at the end of year 1), and the potential for capital growth of at least 9.0%* pa (based on the Issue Price) in subsequent years contingent on the performance of the Reference Indices, along with the safety of 100% capital protection on the Maturity Date.

However, the MLI has an automatic call feature (the “**Auto-Call**”) whereby the Issuer must elect Early Maturity on 3 dates (the “**Auto-Call Dates**”), falling on or around each anniversary of the Issue Date, if the Early Maturity Condition is met. If on any Auto-Call Date, all of the 5 Reference Indices close equal to or greater than 100.1% of their official Closing Level on the Issue Date (the “**Initial Index Level**”), the Auto-Call feature will be triggered and the Auto-Call Date will be deemed the Early Maturity Date. If this happens, the Issuer will send a Maturity Notice notifying Investors that the Auto-Call has been triggered, that all MLI Units will complete and the Final Value per Unit will be determined by reference to the Capital Growth Rate. The Capital Growth Rate (which will be set on the Issue Date) will be at least 9.0%. Assuming this minimum rate, the Final Value per Unit would be as follows:

Auto-Call Date	Indicative Final Value per Unit*
3 March 2007	AUD 1.09
3 March 2008	AUD 1.18
2 March 2009	AUD 1.27

If the Auto-Call feature has not been triggered prior to the Maturity Date, the Final Value per Unit on the Maturity Date will be as follows:

- If on the Maturity Date, any one of the Reference Indices has closed below 100.1% of their Initial Index Level, the Final Value will be AUD 1.001 per Unit; or
- If on the Maturity Date, all the Reference Indices have closed at or above 100.1% of their Initial Index Level, the Final Value will be AUD 1.36 per Unit* (assuming the minimum Capital Growth Rate of 9.0% pa applies)

Capital protection only applies to investments held for the full term until the scheduled Maturity Date (or the Auto-Call Date) and provided no Early Maturity Events occur. Capital protection is also subject to the credit worthiness of the Issuer. For more details, please refer to section 2 of this PDS.

*The Final Value per Unit is indicative only and has been calculated assuming a Capital Growth Rate of 9.0% pa. The actual level of the Capital Growth Rate will be fixed on the Issue Date and is expected to range between 9.0% and 9.5% pa. Please refer to the section “Factors Affecting the Capital Growth Rate” for further details.

Benefits of Investing in the MLI

The benefits that an Investor might expect to receive from an investment in the MLI may include:

- **Growth Potential** The MLI offers the potential for capital growth by linking the investment to the performance of the Reference Indices.
- **Capital Protection** The MLI offers Investors the comfort of capital protection, guaranteeing the return of the initial Investment Amount provided the MLI is held until the Maturity Date and no Early Maturity Events occur.
- **No Fees** No entry, exit, management or brokerage fees are payable by Investors in connection with the MLI if held until the earlier of the Maturity Date or an Auto-Call Date deemed to be an Early Maturity Date.
- **Daily Indicative Pricing** The Issuer offers investors in this series of MLI, access to daily indicative pricing to help determine performance and the indicative exit price. Investors may view this on our website at http://www.citiwarrants.com.au/structured_inv.html

Investment Strategy

The MLI offers exposure to a well-diversified basket of Asian equity indices. Investors in the MLI may have the view that over the next 5 years the Reference Indices will grow more than 0.1%, from their Initial Index Level on the Issue Date.

Investment Objectives

The MLI has been designed to provide the potential for capital growth of at least 9.0% pa contingent on all the Reference Indices closing equal to or greater than 100.1% above their Initial Index Level at the nominated observation date. The investment objective of the MLI does not take into account labour standards or environmental, social or ethical considerations. The following table indicates considerations an investor should take into account in relation to an investment in the MLI.

Investor Seeks	Investor Can Accept
Exposure to Asian equity markets	A holding period of 5 years
100%* capital protection at Maturity	The possibility of losing part of the initial Investment Amount if the MLI is not held to Maturity
Potential for capital growth	The risks associated with investing in Asian equity indices
A medium-term market-linked investment	The risks associated with investing in medium-term financial products
Access to Asian equities without currency risk	The possibility that returns could be less than the return you could earn on other investments including the actual return on the Indices

* This capital protection only applies to investments held for the full term until the scheduled Maturity Date (or an Auto-Call Date) and provided no Early Maturity Events occur. Capital protection is also subject to the credit worthiness of the Issuer. Please refer to section 2 of this PDS for more details.

Final Value at Maturity

If the Auto-Call feature has not been triggered prior to the Maturity Date, the Final Value per Unit on the Maturity Date will be as follows:

- (a) If on the Maturity Date, any one of the Reference Indices has closed below 100.1% of their Initial Index Level, the Final Value will be AUD 1.001 per Unit; or
- (b) If on the Maturity Date, all the Reference Indices have closed at or above 100.1% of their Initial Index Level, the Final Value will be AUD 1.36 per Unit** (assuming the minimum Capital Growth Rate of 9.0% pa applies)

At Maturity the Issuer will be required to deliver to the Investor units in the StreetTRACKS® S&P/ASX 200® Fund. The value of these units will be equal to the Final Value of the investment in the MLI on the Maturity Date (as explained above) multiplied by the number of MLI Units held by an Investor. If any Costs and Taxes are payable, these will be deducted from the Final Value.

Capital Growth Rate

The Final Value per Unit of the MLI that an Investor receives is calculated by reference to the Capital Growth Rate multiplied by the number of years the MLI has been held by the Investor, subject to the Auto-Call feature being triggered. As at 25 January 2005 the Capital Growth Rate would have been 9.00% pa (based on then current market levels). The Capital Growth Rate will range between 9.0% pa and 9.5% pa and will not be less than 9.0% pa. The actual Capital Growth Rate is based on interest rates, volatility and the correlation of the Reference Indices (please also refer to "Factors Affecting the Capital Growth Rates" on page 6) and will be determined by the Issuer on the Issue Date and will be the same for all Investors.

Potential Tax Treatment

The Guaranteed Coupon will be assessable as ordinary income. For most retail Investors, the Guaranteed Coupon will be assessable at the time of receipt.

Generally, any appreciation in value of an Investor's MLI Units should be taxable on the eventual disposal of their Delivery Assets. If an Investor is an individual and they hold their MLI Units and Delivery Assets on capital account, then because investment returns may be treated as capital gains rather than income, those Investors could benefit from the 50% discount for capital gains made in respect of Units in the MLI. Please see section 6 for more detail on tax.

Section 6 is provided in general terms only and is not tailored to Investors' specific circumstances. Investors should seek their own independent advice as to the tax consequences of investing in the MLI.

** The Final Value per Unit is indicative only and has been calculated assuming a Capital Growth Rate of 9.0% pa. The actual level of the Capital Growth Rate will be fixed on the Issue Date and is expected to range between 9.0% and 9.5% pa. Please refer to the section "Factors Affecting the Capital Growth Rate" for further details.

Changes to the Reference Indices

The Reference Indices are intended to be fixed for the Term of Investment. However, if one of the indices is closed or suspended the relevant index may be substituted in whole or in part with another index at the discretion of the Issuer. The new index will be chosen by the Issuer to match as closely as possible the old index. Substitution of the indices may only occur where the Issuer believes that not doing so would cause or allow the investment exposure to diverge from that described in this PDS, or failing to make such a variation would otherwise result in an Early Maturity Event. If such a substitution occurs, the performance will be determined by reference to the old index up to but excluding the date on which an Adjustment Event occurs. From the date on which the Adjustment Event occurs, performance of the MLI Units will be determined by reference to the new index.

More information on the Reference Indices can be found in section 3 of this PDS.

Factors Affecting the Capital Growth Rate

The actual calculation that takes place to determine the Capital Growth Rate on the Issue Date is a complex exercise and is influenced by a number of market variables that change daily. The calculation of the actual Capital Growth Rate is independent from the Issuer's potential profit margin. The reasons why the Capital Growth Rate will vary from the Capital Growth Rate calculated as at 25 January 2005 are market-driven. These reasons include:

- Australian Dollar interest rates;
- volatility of each of the Reference Indices; and
- correlations between each of the Reference Indices.

In terms of relative importance in determining the Capital Growth Rate, the Issuer has identified what it considers the three most important variables and their effect on the Capital Growth Rate the Issuer may be able to obtain on the Issue Date:

Variable	Change in Variable	Effect on Capital Growth Rate
Australian interest rates	▲	▲
Volatility of each of the Reference Indices	▲	▲
Correlations between each of the Reference Indices	▲	▼

Each of the variables mentioned is subject to continuous market movement. Hence the Capital Growth Rate cannot be determined until all Investment Amounts have been received and are available for investment on the Issue Date. Once this has occurred, on the Issue Date the Issuer will set the Capital Growth Rate at the same level for all Investors in the MLI. The Capital Growth Rate will then be communicated to all Investors in the notice sent under clause 1.3(c) of the Terms and Conditions in section 9.

The Issuer will set the Capital Growth Rate on the Issue Date subject to the prevailing market-driven variables set out above. Please note that if the Issuer is unable to achieve an actual Capital Growth Rate of 9.0% per annum or more on the Issue Date, the Issuer will return all Investment Amounts (without interest) to the Investors and the MLI will not proceed.

Scenario Analysis

The following tables and performances are hypothetical examples and are only intended to explain how the Auto-Call feature will work in practice. The scenario analysis is no indication of what the actual return on the MLI will be and does not take into consideration tax implications or any fees associated with the MLI.

Assuming the Initial Index Level of the Reference Indices are as follows:

Index	Initial Index Level
Hang Seng	13,790
KOSPI 200	115
Nikkei 225	11,450
MSCI Singapore	1,160
MSCI Taiwan	250

Scenario 1

Reference Index	Initial Index Level	Closing Level on 1st Auto-Call Date (i.e. end of year 2)	% Change end of year 2
Hang Seng	13,790	14,200	+2.97%
KOSPI 200	115	117	+1.8%
Nikkei 225	11,450	11,800	+3.06%
MSCI Singapore	1,160	1,188	+2.45%
MSCI Taiwan	250	259	+3.06%

- End of Year 1: Investor will receive a Guaranteed Coupon of 9% of their Investment Amount;
- End of Year 2 (First Auto-Call Date): The worst performing Reference Index (KOSPI 200) has risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature being triggered; and
- The Final Value per Unit at the end of year 2 will be AUD 1.09 (i.e. 100% of the Investment Amount , PLUS 9% Capital Growth).

Total Return on Investment Amount = 9% Guaranteed Coupon (year 1) + 9% Capital Growth (year 2) as a result of Auto-Call = 18.0% over the life of the investment.

This example is for illustrative purposes only. It does not intend to reflect the actual return of the MLI, rather, it gives an example of the how the MLI would perform under different market scenarios.

Scenario 2

Reference Index	Initial Index Level	Closing Level on 1st Auto-Call Date (i.e. end of year 2)	Closing Level on 2nd Auto-Call Date (i.e. end of year 3)	% Change end of year 3
Hang Seng	13,790	13,700 (-0.65%)	14,900 (+8.05%)	+8.05%
KOSPI 200	115	114 (-0.87%)	116.8 (+1.57%)	+1.57%
Nikkei 225	11,450	11,300 (-1.31%)	11,470 (+0.17%)	+0.17%
MSCI Singapore	1,160	1,136 (-2.06%)	1,172 (+1.01%)	+1.01%
MSCI Taiwan	250	248 (-0.8%)	253 (+1.20%)	+1.20%

- End of Year 1: Investor will receive a Guaranteed Coupon of 9% of their Investment Amount;
- End of Year 2 (First Auto-Call Date): The worst performing Reference Index (MSCI Singapore) has not risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature not being triggered and will roll into the following year; and
- End of Year 3 (Second Auto-Call Date): The worst performing Reference Index (Nikkei 225) has risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature being triggered; and
- The Final Value per Unit at the end of year 3 will be AUD 1.18 (i.e. 100% of the Investment Amount , PLUS 18% Capital Growth).

Total Return on Investment Amount = 9% Guaranteed Coupon (year 1) + 18% Capital Growth (year 3) as a result of Auto-Call = 27.0% over the life of the investment.

This example is for illustrative purposes only. It does not intend to reflect the actual return of the MLI, rather, it gives an example of the how the MLI would perform under different market scenarios.

Scenario 3

Reference Index	Initial Index Level	Closing Level on 1st Auto-Call Date (i.e. end of year 2)	Closing Level on 2nd Auto-Call Date (i.e. end of year 3)	Closing Level on 3rd Auto-Call Date (i.e. end of year 4)	% Change end of year 4
Hang Seng	13,790	13,600 (-1.37%)	13,700 (-0.65%)	13,820 (+0.22%)	+0.22%
KOSPI 200	115	112 (-2.61%)	114.60 (-0.35%)	116 (+0.87%)	+0.87%
Nikkei 225	11,450	11,400 (-0.44%)	11,390 (-0.52%)	11,700 (+2.18%)	+2.18%
MSCI Singapore	1,160	1,136 (-2.07%)	1,155 (-0.43%)	1,162 (+0.19%)	+0.19%
MSCI Taiwan	250	248 (-0.8%)	242 (-3.2%)	255 (+2.00%)	+2.00%

- End of Year 1: Investor will receive a Guaranteed Coupon of 9% of their Investment Amount;
- End of Year 2 (First Auto-Call Date): The worst performing Reference Index (KOSPI 200) has not risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature not being triggered and will roll into the following year
- End of Year 3 (Second Auto-Call Date): The worst performing Index (MSCI Taiwan) has not risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature not being triggered and will roll into the following year
- End of Year 4 (Third Auto-Call Date): The worst performing Reference Index (MSCI Singapore) has risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature being triggered; and
- The Final Value per Unit at the end of Year 4 will be AUD 1.27 (i.e. 100% of the Investment Amount , PLUS 27% Capital Growth).

Total Return on Investment Amount = 9% Guaranteed Coupon (year 1) + 27% Capital Growth (Year 4) as a result of Auto-Call = 36.0% over the life of the investment.

This example is for illustrative purposes only. It does not intend to reflect the actual return of the MLI, rather, it gives an example of the how the MLI would perform under different market scenarios.

Scenario 4

Reference Index	Initial Index Level	Closing Level on 1st Auto-Call Date (i.e. end of year 2)	Closing Level on 2nd Auto-Call Date (i.e. end of year 3)	Closing Level on 3rd Auto-Call Date (i.e. end of year 4)	Closing Level on 4th Auto-Call Date (i.e. end of year 5)	% Change at Maturity
Hang Seng	13,790	13,600 (-1.37%)	13,700 (-0.65%)	13,200 (-4.27%)	13,770 (-0.15%)	-0.15%
KOSPI 200	115	112 (-2.61%)	114.60 (-0.35%)	114 (-0.87%)	112 (-2.60%)	-2.60%
Nikkei 225	11,450	11,400 (-0.44%)	11,390 (-0.52%)	11,400 (-0.44%)	11,430 (-0.17%)	-0.17%
MSCI Singapore	1,160	1,136 (-2.07%)	1,155 (-0.43%)	1,152 (-0.64%)	1,160 (0.00%)	0.00%
MSCI Taiwan	250	248 (-0.8%)	242 (-3.2%)	248 (-0.8%)	249 (-0.40%)	-0.40%

- End of Year 1: Investor will receive a Guaranteed Coupon of 9% of their Investment Amount;
- End of Year 2 (First Auto-Call Date): The worst performing Reference Index (KOSPI 200) has not risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature not being triggered and will roll into the following year
- End of Year 3 (Second Auto-Call Date): The worst performing Index (MSCI Taiwan) has not risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature not being triggered and will roll into the following year
- End of Year 4 (Third Auto-Call Date): The worst performing Reference Index (Hang Seng) has not risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature not being triggered and will roll in to the following year
- End of Year 5 (Maturity Date): The worst performing Reference Index (KOSPI 200) has not risen by more than 0.1% from its Initial Index Level resulting in the Auto-Call feature not being triggered.
- The Final Value per Unit at the end of Year 5 will be AUD 1.001 (i.e. 100% of the Investment Amount , PLUS 0.1% Capital Growth).

Total Return on Investment Amount = 9% Guaranteed Coupon (year 1) + 0.1% Capital Growth = 9.1% over the life of the investment.

This example is for illustrative purposes only. It does not intend to reflect the actual return of the MLI, rather, it gives an example of the how the MLI would perform under different market scenarios.

Fees

For information on what fees and commissions are payable in connection with an investment in the MLI, please refer to section 4 of this PDS.

Currency Risks

There will be no currency risks on the MLI as the performance of the Reference Indices will be measured with reference to the Initial Index Level in absolute terms.

Trading the MLI

The MLI is unlisted and non-transferable. It cannot be traded on any financial market.

Capital Protection

The obligation to deliver to an Investor Delivery Assets with a value equal to the Investment Amount and any return on the MLI is an obligation of the Issuer. For more information on the Issuer, please refer to section 5 of this PDS.

The ability of the Issuer to perform its obligations in respect of the MLI will depend on its overall credit worthiness. This risk has been disclosed in section 2 of this PDS and explains that an Investor in the MLI will not be a secured creditor of the Issuer. Information about the Issuer is provided in section 5 of this PDS and it is recommended that Investors have regard to that information before making an investment decision.

Investors should be aware that the obligation to repay their initial Investment Amount does not apply if the MLI is terminated prior to the Maturity Date, except in the case where an Auto-Call Date has been deemed an Early Maturity Date. The Issuer may, in limited circumstances, terminate the MLI prior to the Maturity Date if an Early Maturity Event occurs. However, Early Maturity Events are generally beyond the Issuer's control and the Issuer will only call for Early Maturity if in its opinion such an event has a material impact on the continued viability of the MLI. Clause 4 of the Terms (in section 9 of this PDS) describes the events which constitute an Early Maturity Event.

The MLI may also be terminated early at the Investor's request. Investors should read clause 4 of the Terms and the section titled "Terminating the MLI Early" on page 13, to understand their rights and obligations if an Early Maturity occurs.

Distributions and Dividends

Other than Guaranteed Coupon of 9% payable at the end of Year 1, Investors are not entitled to receive any other dividends or distributions on their MLI during the Term of Investment.

What happens at Maturity

Approximately 20 Business Days before the Maturity Date, the Issuer will notify Investors of the upcoming Maturity by sending them a Maturity Notice.

At Maturity there are two options available to Investors. These options are:

Option 1 Elect to accept physical delivery of units in the StreetTRACKS® S&P/ASX 200® Fund; or

Option 2 Elect to take advantage of the Agency Sale Arrangement which lets the Investor sell their StreetTRACKS® units and receive the Sale Proceeds.

If Investors do not choose either option, the MLI will automatically default to physical delivery of units in the StreetTRACKS® S&P/ASX 200® Fund. However, please note that Costs and Taxes, including brokerage, will be deducted from the Final Value before delivery of the Delivery Parcel.

The option that is likely to be best for each individual Investor depends on their preferences, either way an Investor will be entitled to receive the same value.

Option 1 - Taking physical delivery of the Delivery Parcel

If an Investor wishes to take physical delivery of the Delivery Parcel, they do not need to do anything when they receive the Maturity Notice. By doing nothing, physical delivery will automatically apply.

If an Investor takes physical delivery, the Issuer or its nominee will purchase the Delivery Assets specified in the Delivery Parcel (less any Costs and Taxes) and register those Delivery Assets in the Investor's name on the Settlement Date in accordance with the CHESS details on the Maturity Notice returned by the Investor. If the Investor is not CHESS sponsored or does not return the Maturity Notice, the Issuer or its nominee will register the Delivery Assets as an issuer-sponsored holding in the Investor's name.

If the Delivery Parcel includes any fractional unit in the StreetTRACKS® S&P/ASX 200® Fund which is valued at more than A\$20.00, the Issuer will transfer the relevant amount of dollars into the Investor's nominated Settlement Account or pay it to the Investor by cheque within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter (in effect this is a reimbursement of a portion of the Investment Amount).

Option 2 - The Agency Sale Arrangement

To take advantage of the Agency Sale Arrangement to receive the Sale Proceeds of the Delivery Parcel, an Investor must:

- elect the Agency Sale Arrangement option on the Maturity Notice; and
- return the Maturity Notice to the Issuer by the Closing Time.

Under the Agency Sale Arrangement the Issuer will accept physical delivery of the Delivery Parcel on the Maturity Date on the Investor's behalf and will then sell the Investor's Delivery Parcel on the Investor's behalf. The Issuer will pay the Investor the Sale Proceeds (which will equal the number of Delivery Assets sold multiplied by the Closing Price (see "Calculating the Price of Delivery Assets " on page 13) less any Costs and Taxes) by cheque or directly into the Investor's nominated Settlement Account. Payment will be made within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter.

If the Delivery Parcel includes any fractions of units in the StreetTRACKS® S&P/ASX 200® Fund, the Issuer will transfer its equivalent value into the Investor's nominated Settlement Account or pay it to the Investor by cheque within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter (in effect this is a reimbursement of a portion of the Investment Amount).

Calculating the price of the Delivery Assets

The Issuer will calculate the price of the Delivery Assets (i.e. the Closing Price) as either the price paid by the Issuer to acquire the Delivery Assets or the last traded price of the Delivery Assets at or around 4.05 pm Sydney time on the Trading Day following the Maturity Date unless it is not possible to determine the price of the Delivery Asset at that time, in which case the Issuer may either:

- (i) nominate another time to determine the Closing Price; or
- (ii) determine the Closing Price to be the price determined by the Issuer as its best estimate of the Delivery Asset value at or around 4:05 pm Sydney time on the Trading Day immediately following the Maturity Date (or in the case of an Early Maturity, the Early Maturity Date).

No election or failure to return the Maturity Notice

Physical delivery will apply if:

- an Investor does not elect the Agency Sale Arrangement option on the Maturity Notice; or
- the Issuer does not receive an Investor's Maturity Notice by the Closing Time.

Terminating the MLI early

It is important to note that the Issuer only guarantees to provide capital protection of an Investor's initial Investment Amount if they hold the MLI until the scheduled Maturity Date (or an Auto-Call Date occurs). If an Investor requests Early Maturity they may well receive an amount less than their initial Investment Amount. Investors should read clause 4 of the Terms to fully understand their rights and obligations if they request an Early Maturity. Investors may view an Indicative exit price on http://www.citiwarrants.com.au/structured_inv.html Investors may terminate their investment in the MLI before the Maturity Date by contacting the Issuer and requesting in writing an Early Maturity for the full amount of an Investor's MLI investments. The Issuer may, in its absolute discretion, accept or reject the Investor's request. If the Issuer accepts, then the Issuer will send the Investor an Early Maturity Notice specifying an Early Maturity Date. Investors should allow 10 Business Days following the last Business Day of the month for the Issuer to process their Early Maturity request.

In the Early Maturity Notice, the Issuer will specify whether:

- (a) the normal Maturity process will apply (as set out in "What happens at Maturity" on page 12); or
- (b) the Issuer will pay a Refund.

If the normal Maturity process applies, then the Investor will receive the Early Maturity Value which means the fair economic value of the MLI at or around 5:00 pm Sydney time on the Early Maturity Date as determined by the Issuer in its absolute discretion, unless it is not possible to determine the fair economic value of the MLI at that time, in which case the Issuer may nominate another time to determine the Early Maturity Value.

Without limiting the above, in determining the "Early Maturity Value" the Issuer may deduct any costs, losses or expenses that it incurs in relation to the Early Maturity, including without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under the Terms, and any cost of funding or any loss of bargain.

If the Issuer elects to pay a Refund, then the Investor will receive the amount determined by the Issuer in its absolute discretion and by whatever means the Issuer deems appropriate. Without limiting the foregoing, in determining the Refund, the Issuer may adjust the Refund for any costs, losses or expenses that it incurs in relation to the Early Maturity, including without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of

Features of the MLI

funding or any loss of bargain. Please note that if an Investor receives a cash Refund, the Investor will not qualify for the concessional CG tax rules and any gain should be recognised as assessable income. Please refer to section 6 for more detail.

Please note capital protection will not apply to the Early Maturity of the MLI.

The Issuer may terminate early without Investor approval

The MLI may be terminated early if an Early Maturity Event occurs. An example of an Early Maturity Event is if any of the Reference Indices is suspended for any reason. Investors should refer to section 2 of this PDS which discusses the risks associated with Early Maturity. Investors should also read clause 4 of the Terms to fully understand their rights and obligations if an Early Maturity Event occurs and to understand what events constitute an Early Maturity Event.

If an Early Maturity Event occurs, the capital protection feature of the MLI will not operate so the number of Delivery Assets or Sales Proceeds from the Agency Sale Arrangement will be determined by reference to the fair economic value of the MLI or the Refund at around 5:00 p.m. Sydney time on the Early Maturity Date as determined by the Issuer at its discretion. The Issuer may also deduct Break Costs in relation to the Early Maturity.

Changing the Terms

The Terms may be amended or varied if an Adjustment Event or Early Maturity Event occurs or in certain other limited situations such as to comply with the law, or to correct an error or inconsistency in the Terms. Investors will be notified of any such changes. Investors should refer to section 2 of this PDS which discusses the risks associated with Early Maturity Events or Adjustment Events. Investors should also read clause 5 of the Terms to fully understand their rights and obligations if an Adjustment Event occurs.

Issue Size

The Issuer aims to raise at least \$10 million. If less than \$10 million is raised, the Issuer may, in its absolute discretion, issue Units in the MLI anyway. However, the Issuer retains the discretion to reject any Applications. If the Issuer rejects Applications, the Investment Amounts will be returned to Applicants either by bank transfer or by cheque at the risk of the Applicant (without interest) within 14 Business Days after the Offer Closes.

Disputes concerning the MLI

The Corporations Act requires the Issuer to have procedures in place for dispute resolution. The Issuer's process for dispute resolution is available to Investors free of charge.

Investors may make a complaint relating to the MLI directly to the Issuer on 1300 30 70 70. The Issuer will take all steps necessary to investigate any complaint and seek a resolution.

If the outcome is unsatisfactory, Investors may refer their complaint to Financial Industry Complaints Service Limited ("FICS") at:

Financial Industry Complaints Service Limited
PO Box 579
Collins Street West
Melbourne, Victoria, 8007
Toll Free: 1300 335 405

FICS is an independent dispute resolution scheme. In order for a complaint to be considered by FICS, the claim involved must be under \$100,000 (unless the Issuer and the Investor agree otherwise in writing).

Section 2 - Risks of investing in the MLI

Risk Factors

Early Maturity Risk

In certain circumstances the MLI may be terminated early where an Investor requests Early Maturity or an Early Maturity Event occurs. Investors will always be given 30 days notice of any proposed Early Maturity by the Issuer unless it is otherwise impracticable to do so. The Issuer only guarantees to provide capital protection for investments held for the full term of the MLI, except where the Auto-Call feature has been triggered and results in Early Maturity. Prior to Maturity the fair economic value of the MLI or the Refund (as determined by the Issuer) will be based on various market factors, such as performance of the Reference Indices, interest rates, volatility and time remaining to Maturity. This may result in the value of the MLI being less than the initial Investment Amount in instances where Early Maturity applies. In determining the fair economic value or the Refund the Issuer may deduct Break Costs in relation to the Early Maturity.

Market Risk and economic factors

During the term of the investment the value of the MLI will be affected by a number of market variables that change daily, such as performance of the Reference Indices, interest rates, volatility and the trading liquidity of the indices, prevailing and anticipated economic conditions, technological, legal or political conditions, other inter-related factors which affect the performance of markets generally and the stock market specifically, and time remaining to Maturity.

There is no guarantee that all the Reference Indices will remain above their Initial Index Level for the term of the investment. Investors should be aware that in order for the Auto-Call to be triggered, all the five Reference Indices must close above 0.1% above the Initial Index Level. Should one of the five Reference Indices close below, at or above the Initial Index Level but less than 0.1% above their Initial Index Level, the Auto-Call will not be triggered and the return will continue to accumulate in the following year.

If any one of the five Reference Indices closes at or above the Initial Index Level but less than 0.1% above their Initial Index Level each year of the life of the MLI, the Final Value per Unit at Maturity will equal 100.1% of the Issue Price. In such circumstances an Investor will have forgone any further returns other than the Fixed Minimum Return of 9% (paid at the end of Year 1) that may have been earned on other investment products.

Credit Risk

The Issuer is a wholly owned subsidiary of Citigroup Global Markets Holdings Inc. ("CGMH"). The value of the MLI depends on the ability of the Issuer to perform its obligations under the terms. These obligations are unsecured contractual obligations of the Issuer and will rank equally with the Issuer's other unsecured obligations and debt other than liabilities mandatorily preferred by law.

Liquidity Risk

It is at the Issuer's absolute discretion to permit Early Maturity once a month. However, the MLI obtains exposure to the Reference Indices using OTC transactions. These OTC transactions must be unwound to allow for Early Maturity and consequently the MLI may be illiquid.

Event Risk

There may be adjustments to the Terms of the MLI due to Adjustment Events such as (but not limited to) mergers and disposals, price source disruption, trading suspension, material change in the calculation and/or composition of the Reference Indices and changes in Corporations Act or taxation laws as set out in the Terms.

Tax Risk

We recommend that Investors seek independent tax advice before making an investment in the MLI. The Issuer is not in the business of providing tax advice and therefore cannot be relied upon to advise upon, nor take any responsibility for, the taxation implications in respect of an investment in the MLI.

Factors affecting the Reference Indices

An Investor in the MLI should be familiar with stocks and with investments in the equity securities markets generally. In particular, Investors should be familiar with the securities markets on which the Reference Indices are based, economic, political and other aspects relevant to investments in the countries in which the companies comprising the indices conduct business. Investors should understand that economic, financial and political developments in those countries, among other things, may have a material effect on investments in those countries.

Performance of the Reference Indices

The value of the Reference Indices will vary over time. These individual index performances will have a direct effect on the value of the MLI Units and on the Final Value at Maturity.

Interest Rates

Fluctuations in interest rates can indirectly affect the value of the Units during the Term of Investment (interest rates do not impact the Final Value directly). If long-term interest rates increase then, all other things being equal, the relative value of the MLI is expected to fall because an Investor could have obtained a better investment return by investing in other financial products, such as deposits. Conversely, if long-term interest rates decrease then, all other things being equal, the relative value of the MLI is expected to increase.

Performance of the MLI is likely to be different to the performance of the Reference Indices

Investors should be aware that the return they receive from investing in the MLI may be less than or greater than the return they would have achieved by investing directly in each of the Reference Indices themselves.

Capital protection

The capital protection under the terms is an unsecured obligation of the Issuer. The capital protection will not apply if there is an Early Maturity Event or if the Investor does not hold the investment until the maturity date.

Potential Conflicts of Interest

The Issuer and other Citigroup companies may conduct transactions as principal and as agent in various securities, including the Delivery Assets and the Reference Indices. These trading activities may affect (positively or negatively) the price at which the Delivery Assets trade or the level of the Reference Indices at any point in time.

Section 3 - Information about the Reference Indices and the Delivery Assets

The MLI is linked to the performance of the Reference Indices. At Maturity, the Issuer is required to deliver to Investors the Final Value of their MLI Units. The Issuer has agreed to deliver the Final Value to the Investor in the form of units in the StreetTRACKS® S&P/ASX200® Fund (the "Delivery Assets") on the Settlement Date. This section of the PDS provides some further information about the Reference Indices and the Delivery Assets.

Information about the Reference Indices

Hang Seng Index

The Hang Seng Index is a capitalisation-weighted index of 33 companies that represent approximately 70% of the total market capitalisation of the Stock Exchange of Hong Kong. Launched on 24 November 1969, the index is one of the most widely quoted indicators of the performance of the Hong Kong stock market. To be eligible for selection companies must have a primary listing on the main board of the Stock Exchange of Hong Kong. Please refer to <http://www.hsi.com.hk/> for further details.

KOSPI 200 Index

The KOSPI 200 index is a capitalisation-weighted index of 200 blue-chip Korean stocks that are representative of the market and the basis for KOSPI 200 index futures and index options. The KOSPI 200 index has been calculated since 15 June 1994, with an index base of 100 as at 3 January 1990. The index is comprised of stocks belonging to 8 industry groups (Finance, Fisheries, Mining, Manufacturing, Electricity & Gas, Construction, Services, Post & Communication) and must have a market capitalisation of at least 1% of the total market capitalisation. Please refer to <http://www.kse.or.kr/webeng/> for further details.

Nikkei 225 Index

The Nikkei 225 index is published by Nihon Keizai Shimbun, Inc., Osaka, and is a price-weighted index of 225 top-rated Japanese companies listed on the First Section of the Tokyo Stock Exchange. The 225 companies on which the Index is based have been selected on the basis of high liquidity and market capitalisation, and are intended to be representative of the development of the Japanese equity market as a whole. Please refer to http://www.nni.nikkei.co.jp/FR/SERV/nikkei_indexes/ for further details.

MSCI Singapore Index

The MSCI Singapore Index seeks to measure the performance of the Singapore equity market. It is a capitalisation-weighted index that aims to capture 85% of the (publicly available) total market capitalisation. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. This Index is rebalanced quarterly. Please refer to <http://www.msci.com/> for further details.

MSCI Taiwan Index

The MSCI Taiwan Index seeks to measure the performance of the Taiwanese equity market. It is a capitalisation-weighted index that aims to capture 80% of the (publicly available) total market capitalisation. Component companies are adjusted for available float and must meet objective criteria for inclusion to the index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. This Index is rebalanced quarterly. Please refer to <http://www.msci.com/> for further details.

The Delivery Assets - units in the StreetTRACKS® S&P/ASX200 Fund®

The StreetTRACKS® S&P/ASX200® Fund is an Exchange Traded Fund sponsored by State Street Global Advisors. The Responsible Entity of the fund is State Street Services Limited and the fund is managed by State Street Global Advisors, Australia, Limited, an investment management arm of State Street Corporation. The fund is listed on the Australian Stock Exchange (code STW) and each unit has a value of approximately one hundredth of the level of the S&P/ASX200 index. The fund's investment mandate is to track as closely as possible the S&P/ASX200 index. External brokers provide market-making in the fund and a creation/redemption mechanism ensures arbitrage-free pricing. The fund was listed on 27 August 2001.

The fund pays distributions semi-annually and charges management fees of 0.286% per annum of the net asset value of the fund. As of 13 January 2005, the size of the fund was A\$421.6 million.

The performance of the MLI and the Final Value are not affected by the performance of the StreetTRACKS® S&P/ASX200® Fund over the investment period. However, Investors who elect to receive the Delivery Assets at Maturity should be aware that following delivery of the Delivery Assets the value of their Delivery Assets will be affected by changes in the price of units in the StreetTRACKS® S&P/ASX200® Fund as traded on ASX.

Investors can obtain more exhaustive information from the website <http://www.streettracks.com.au/> including up-to-date net asset values and a download of the current offer document.

Changes to the Delivery Assets or the Reference Indices

If an Adjustment Event occurs the Issuer may:

- (a) substitute the Delivery Asset with any other security quoted and trading on ASX; and/or
- (b) substitute an index comprising the Reference Indices with any index or other security quoted and trading on the Relevant Exchange or any other exchange as similar as possible to the original index.

The Issuer will notify Investors of any such changes and it will carry out the adjustment so as to put both the Investor and the Issuer in substantially the same economic position as if the Adjustment Event had not occurred. If this is not possible then there may be an Early Maturity. Investors should read clause 5 of the Terms to understand fully their rights and obligations if an Adjustment Event occurs.

Section 4 - Fees associated with the MLI

In some product disclosure documents for other financial products, Investors might see a table disclosing all fees and charges payable by Investors in those products. The Issuer has not used such a table to disclose the fees and charges associated with the MLI as Investors do not pay any direct fees to the Issuer.

There will be no commission, establishment fee or ongoing management fee payable to the Issuer in respect of the MLI. However, the Issuer reserves the right to pass on to Investors any unforeseen Costs and Taxes (including GST). The Issuer will notify the Investor of any such Costs and Taxes (including GST) in the Maturity Notice. At the date of this PDS the Issuer is not aware of any Costs and Taxes payable.

Should the MLI terminate early, the Issuer may charge the Investor any Break Costs associated with the early termination. The Issuer will notify the Investor of such Break Costs in the Early Maturity Notice.

The Issuer may profit from its ability to manage the underlying risk associated with the investment of the MLI funds and its responsibilities as Issuer of the MLI. However, the calculation of the Final Value of the MLI is as set out in this PDS and is independent of any income or profits earned by the Issuer.

The Issuer may pay distributors, brokers and financial advisers (including Citibank, N.A. and Citibank Pty Limited) a placement fee and/or an annual fee (including GST) in connection with the sale and distribution of the MLI. These fees may be paid by the Issuer to its related bodies corporate. These fees will be paid by the Issuer at no additional cost to Investors. As at the date of this PDS, the Issuer will pay distributors a placement fee of 3.0 % (including GST) based on the initial Investment.

For more details on commission and benefits paid to financial advisers, Investors should refer to the financial services guide or statement of advice prepared by their financial adviser. Financial advisers should follow ASIC guidelines in relation to disclosure of all fees. Investors should always discuss fees and their benefits with an adviser.

Section 5 - Information about the Issuer

The Issuer of the MLI is Citigroup Global Markets Australia Pty Limited ("Citigroup Australia"). Citigroup is a wholly owned subsidiary of Citigroup Global Markets Holding Inc., and a member of Citigroup.

Citigroup Australia is part of a group of companies that comprises one of the largest financial services groups in the world, with around 120 million customers in more than 100 countries. The group's customers range from individuals to corporations, governments and institutions and its services include consumer banking and credit, corporate and investment banking, insurance, securities brokerage and asset management.

The group has been in the Asia Pacific region for more than 100 years and today provides more services in more markets for more clients than any other financial institution. The group counts as valued clients 10 million customers across 18 countries and territories.

Citigroup in Australia and New Zealand

The group established a presence in Australia in 1971 and in New Zealand in 1982. In 1984, the group's securities and investment banking business commenced operations and in 1985 Citibank Pty Limited became the first foreign bank to be granted an Australian banking licence.

Today, the group provides financial services to more than 1 million consumers and over 900 corporate clients in Australia and New Zealand.

No Citigroup company other than Citigroup Australia makes any statements or representation in this PDS.

Section 6 - Tax considerations

This section of the PDS is a general guide to the key income tax implications arising for an Australian resident individual Investor who enters into the MLI in their own capacity with a view to acquiring the Delivery Assets as a capital asset for tax purposes (so that returns on the asset are treated as capital gains) and who holds the MLI until Maturity and receives the Delivery Assets.

This statement is not relevant for an Investor who enters into the MLI with a view to acquiring the Delivery Assets as trading stock or otherwise as a revenue asset (as this would mean that any return on the MLI would be treated as income rather than as a capital gain). This statement is also not relevant to Investors who assign their interest in the MLI to a third party prior to Maturity or who do not receive the Delivery Assets for any other reason.

For the purposes of this statement it is assumed that the Delivery Assets are units in an Australian listed unit trust that is a tax resident of Australia.

References in this statement to the "1936 Tax Act" are references to the Income Tax Assessment Act 1936.

References to the "CGT Provisions" are references to the capital gains tax provisions contained in the Income Tax Assessment Act 1997 ("1997 Tax Act").

This statement is based on the law in force, and administrative practice, as of 25 January 2005. However, potential Investors should be aware that the ultimate interpretation of the taxation law rests with the Courts and that the law, and the way the Commissioner of Taxation ("the Commissioner") administers the law, may change at any time.

This statement is provided only for the benefit of the Issuer and is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Investor. Potential Investors must seek their own independent advice on the taxation implications relevant to their own circumstances before making any investment decision.

Guaranteed Coupon

The Guaranteed Coupon is assessable as ordinary income. For most retail investors it should be included in assessable income in the year of receipt, which can include the crediting of an amount into a bank account or otherwise dealing with the amount on your behalf.

Capital Gains Tax

The Delivery Assets

In entering into an MLI, an Investor is contracting to purchase from the Issuer the Delivery Assets. The Delivery Assets are CGT assets (i.e. assets which may be subject to capital gains tax) as defined in section 108-5 of the CGT Provisions. Consequently, an investor acquiring Delivery Assets on completion of the MLI will have acquired CGT assets in the form of the Delivery Assets. Any subsequent sale or other disposition of the Delivery Assets will be a CGT event to the Investor in accordance with Division 104 of the CGT Provisions. This means that a capital gain arises for the Investor if the capital proceeds from the CGT event (i.e. proceeds from the sale or disposal of the Delivery Assets) exceed the cost base of the Delivery Assets. If the capital proceeds are less than the reduced cost base of the Delivery Assets (which is described below), then the Investor will make a capital loss. Capital losses can be set off against capital gains arising under the CGT Provisions but not against other types of assessable income.

Broadly speaking, the capital proceeds will be the money (or other property) an Investor receives or is entitled to receive in respect of the CGT event upon eventual disposal of the Delivery Assets by the Investor.

The cost base of the Delivery Assets includes:

- (i) the money the Investor pays to acquire the Delivery Assets (i.e. the Investment Amount);
- (ii) the incidental costs of acquisition and disposal, which include costs such as professional advisory fees, the costs of transfer and stamp duty, if any; and
- (iii) non capital costs of ownership of the Delivery Assets. An example of this is interest that an Investor incurs with respect to moneys borrowed (if any) to acquire the Delivery Assets (eg money borrowed to pay the Investment Amount) where the interest is not otherwise allowable as a tax deduction.

The reduced cost base of a CGT asset includes (i) and (ii) but not (iii) of the matters listed immediately above.

As an individual, an Investor may be able to benefit from the 50% discount for capital gains made in respect of CGT assets acquired at least 12 months prior to the CGT event pursuant to Division 115 of the CGT Provisions. If this discount is available, only 50% of any capital gain on disposal will be included in the Investor's assessable income. For the purposes of determining when the Delivery Assets were acquired for the purposes of the CGT Provisions, the Delivery Assets will be regarded as having been acquired on the date when the MLI is entered into, which will be the Issue Date.

Rights under the MLI

Prior to Maturity, the rights of an Investor under the MLI may also be regarded as a CGT asset. On Maturity, there is technically a disposal or cancellation of these rights in return for the delivery of the Delivery Assets. This does not give rise to a CGT liability because the provisions of section 112-25 of the 1997 Tax Act should apply. These provisions state that, if a CGT asset changes in whole or in part into an asset of a different nature and you are the beneficial owner of the original asset and the new asset, then there is no CGT event and the cost base of the original asset transfers to the new asset. In regard to the MLI, the rights under the MLI have been changed into rights as a holder of the Delivery Assets and, therefore, section 112-25 should apply to ensure that there is no CGT on Maturity.

Early Maturity

Early Maturity does not affect the tax analysis unless the Early Maturity occurs within 12 months of the Issue Date and the Delivery Assets are also disposed of by the Investor within 12 months of the Issue Date. If this occurs the Investor will not meet the 12 month holding period required for the 50% CGT discount to be applicable.

If the Investor receives a cash Refund, the Investor will not qualify for the concessional CGT tax rules and any gain should be recognised as assessable income.

Non-resident Investors

For completeness, we note that non-resident Investors will only be subject to CGT on the disposal of CGT assets which have a necessary connection with Australia, as defined in the CGT Provisions. Units in an Australian resident unit trust only have a necessary connection with Australia if the Investor (either alone or with its associates) beneficially owned at least 10% of the issued units in the unit trust at any time in the 5 years prior to when the CGT event occurred. Therefore, so long as the non-resident Investor (either alone or with its associates) does not exceed this threshold, there should be no CGT on the disposal of the Delivery Assets.

The provisions of any double tax agreement between Australia and the Investor's country of residence may also be relevant. Any non-resident Investor should obtain its own professional tax advice to determine its CGT liability, if any, on the disposal of the Delivery Assets.

Part IVA - General anti-avoidance

Australia has a comprehensive anti-avoidance regime under its tax laws which can apply to any tax benefit obtained under a scheme where any party to the scheme has entered into it for the dominant purpose of enabling a tax payer to obtain a tax benefit in connection with the scheme. The application of anti-avoidance regime will depend upon the circumstances of each investor. The potential application of these rules to your investment should be discussed with your own tax adviser.

Stamp Duty and GST

As the Delivery Assets are units in a listed unit trust, no stamp duty will be payable on the MLI.

The sale and acquisition of shares is a financial supply and, therefore, no GST will be payable in respect of the acquisition of the Delivery Assets themselves.

Tax File Numbers

If an Investor does not quote their Tax File Number (TFN), Australian Business Number (ABN) or claim an exemption where appropriate, there may be an obligation for Issuer to deduct tax from the income paid at the highest margin rate (plus the Medicare Levy). Any amounts withheld should be available as a credit against the Investor's income tax liability.

Section 7 - Consents and Disclosures

Consents

Baker & McKenzie, solicitors, has given, and not withdrawn its written consent to being named as having acted as solicitors to the Issuer in connection with the issue of the MLI pursuant to this PDS. It has, in that capacity, advised and assisted with the drafting of this PDS, particularly section 6 - Tax considerations and section 9 - Terms and Conditions. Baker & McKenzie otherwise takes no responsibility for this PDS. Baker & McKenzie does not make any statement in this PDS nor does any statement herein purport to be based on a statement made by Baker & McKenzie except for section 6 - Tax considerations and section 9 - Terms and Conditions.

Baker & McKenzie has not authorised or caused the issue of this PDS.

Experts' and advisers' interests

Except as set out in this paragraph, no expert and no firm in which an expert is a partner, has at the date of this PDS any material interest in connection with the formation or promotion of either the Issuer or the MLI.

Baker & McKenzie will receive legal fees for their professional services in connection with this PDS as solicitors to the Issuer. Some partners may from time to time have an interest in the MLI, the Delivery Assets or shares in a related entity of the Issuer.

Directors' and related entity interests

Except as set out in this paragraph, the Issuer and its related bodies corporate are not associated with and have no access to information concerning the Delivery Assets or the indices comprising the Basket other than that which is in the public domain. Neither the Issuer nor its related bodies corporate, nor any director or proposed director of the Issuer, nor any firm in which a director or proposed director of the Issuer is a partner, has, at the date of this PDS, any material interest in connection with the formation or promotion of either the Issuer, the MLI, the Reference Indices or the Delivery Assets except that:

- A related entity of the Issuer is a joint venture partner with the State Street group of companies, in the company CitiStreet Australia Pty Limited;
- A director of the Issuer is a director of CitiStreet Australia Pty Limited;
- the Issuer earns brokerage at normal commercial rates on transactions in relation to the MLI which it undertakes. This is at no additional cost to the Investor;
- Citigroup companies, as part of their employee remuneration arrangements, conducts an incentive system based on the success of its activities. The directors and senior executive officers of the Issuer, being also employees of a Citigroup company, participate in these incentive remuneration arrangements;
- the Issuer and its related bodies corporate, as part of its investment banking and stockbroking business, may from time to time advise or act for the issuer of the Delivery Asset, or advise or act for other clients in relation to the issuer of the Delivery Asset, or publish research reports on the issuer of the Delivery Asset. Investors will not be notified of these activities, or the content of such reports; and
- the Issuer or an associate or related body corporate may from time to time hold Delivery Assets for trading purposes, including market making, or to hedge the MLI. Related bodies corporate of the Issuer may deal in Delivery Assets, options and other derivative contracts in respect of them.

Role of the StreetTRACKS® S&P/ASX200® - the Fund has had no involvement in this PDS

References in this PDS to the fund and any member of the State Street Group are included solely for the purpose of identification of the units which comprise the Delivery Parcel. These references are not an express or implied endorsement by any member of the State Street Group of the MLI. No member of the State Street Group has had any involvement in the preparation of any part of this PDS, accepts responsibility for any statement in this PDS, or has been involved in or consented to the issue of this PDS.

The Role of the Reference Index Providers - the Reference Index Providers have had no involvement in this PDS

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Section 8 - Privacy Statement

We will only collect personal information necessary for the products or services you request. The information we collect from you on the Application Form and which we acquire from you or other people during the course of managing the MLI is required to process each MLI Application, manage your investment and comply with relevant laws.

We may use this information to send you information about other investment products. If at any time you receive information from us about our products and do not wish to receive further correspondence, please let us know. You can also tell us if you do not wish to receive this information from the outset on the Application Form. We may also disclose information about you to third party service providers who assist us in our business operations and service provision.

We store information about you in databases which may be maintained outside Australia by other Citigroup companies. On request, we will provide you with a copy of any personal information which we hold about you. We will inform you beforehand if there is any charge associated with providing this information to you. If you do not provide us with the personal information which we request, we may not be able to provide a service, or may be required by law to take particular actions such as deducting taxation at the top marginal rate, plus the Medicare Levy.

Further information about our privacy practices can be found by requesting a copy of our privacy policy.

If you have any queries please contact the Citigroup Privacy Officer:

Citigroup Privacy Officer
GPO Box 204
Sydney NSW 2001
Telephone: 13 24 84
E-mail: privacy.officer@citigroup.com.au

Section 9 - Terms and Conditions

Market Linked Investment ("MLI")

These Terms (including those set out in the Term Sheet) form the terms and conditions on which the person named in the Application Form (the "Investor" or "Applicant") agrees to acquire in the future the Delivery Parcel from the Issuer under the MLI. Capitalised words are defined in clause 15 of these Terms.

1. Applications and Acceptance

1.1 Offer by the Applicant

An Applicant may make an offer to the Issuer to acquire the Delivery Parcel from the Issuer on a deferred basis in accordance with these Terms:

- (a) by completing and returning to the Issuer a valid Application Form before the Offer Close time; and
- (b) by ensuring that an amount equal to the Investment Amount is received by the Issuer in cleared funds by the Offer Close time.

1.2 Investor bound by Terms

By signing the Application Form and lodging it with the Issuer, the Investor agrees to be bound by these Terms.

1.3 Acceptance of the offer by the Issuer

- (a) The Issuer may decide in its absolute discretion whether or not it will accept the Applicant's offer to acquire the Delivery Parcel from the Issuer.
- (b) If the Issuer decides that it will accept an Application and provided that the Issuer has received the Investment Amount in cleared funds by the Offer Close time (or such other time if otherwise accepted by the Issuer in its discretion), acceptance of the Applicant's offer will take place on, and the parties' rights and obligations under these Terms will commence on the Issue Date and for each \$1.00 of Investment Amount paid the Applicant will be entitled to one MLI Unit.
- (c) Within 10 Business Days of the Issue Date, the Issuer will send to the Investor a notice acknowledging either the acceptance or rejection of the Applicant's offer.

2. Deferred purchase of Delivery Assets

2.1 Purchase of Delivery Assets

The Investor agrees to purchase from the Issuer on the Maturity Date the Delivery Parcel for the Investment Amount (which will be paid by the Investor in accordance with clause 2.2). Following Maturity, the Issuer will deliver the Delivery Parcel to the Investor in accordance with clause 3.

2.2 Payment of the Investment Amount

- (a) The Investor must pay the Investment Amount to the Issuer in cleared funds by the Offer Close time.
- (b) The minimum Investment Amount that will be accepted by the Issuer under these Terms is the minimum amount set out in the Term Sheet.

3. Maturity and Settlement of deferred purchase

3.1 Notice of Maturity

The Issuer will give a Maturity Notice to the Investor approximately twenty (20) Business Days before the Maturity Date, except in the case of Early Maturity resulting from an Auto-Call.

3.2 Effecting Maturity

- (a) The Investor must complete the deferred purchase of the Delivery Parcel by returning the Maturity Notice to the Issuer on or before the Closing Time, specifying in the Maturity Notice that the Investor will accept physical delivery of the Delivery Parcel or that the Investor will use the Agency Sale Arrangement.
- (b) If the Investor:
 - (i) does not lodge a Maturity Notice with the Issuer by the Closing Time; or
 - (ii) returns the Maturity Notice to the Issuer by the Closing Time and the Investor has not elected in the Maturity Notice to accept either physical delivery of the Delivery Parcel or to use the Agency Sale Arrangement,

the Investor will be deemed to have elected physical delivery of the Delivery Parcel and the purchase of the Delivery Parcel will complete.

3.3 Physical delivery of the Delivery Assets to the Investor

If the Investor has elected on the Maturity Notice to accept physical delivery of the Delivery Parcel or the Investor is deemed to have so elected under clause 3.2(b):

- (a) the Issuer (either itself or through a nominee) will procure the performance of all acts required of a transferor of marketable securities under the ASTC Settlement Rules to enable the Delivery Parcel to be transferred to the Investor on the Settlement Date or as soon as possible thereafter, free from any security interest or third party interest or restriction on transfer (other than one that has been accepted by the ASX for the purposes of quotation of the property comprising the Delivery Assets); and
- (b) the Investor irrevocably authorises the Issuer and any of its nominees, at the option of the Issuer, to act as the Investor's agent to do all things required to be done, including but not limited to supplying the Investor's HIN, to effect the delivery of Delivery Parcel to the Investor.

3.4 Delivery through the Agency Sale Arrangement

If the Investor has elected to use the Agency Sale Arrangement, the Issuer (either itself or through a nominee) will procure the delivery of the Delivery Parcel as follows:

- (a) the Issuer or its nominees are irrevocably authorised to accept physical delivery of the Delivery Parcel for and on behalf of the Investor on the Settlement Date;
- (b) the Investor irrevocably authorises the Issuer or its nominees to sell, and irrevocably directs and authorises the Issuer or any of its nominees to take all actions necessary or desirable to effect the sale by the Issuer or its nominees of, the Delivery Parcel;
- (c) the Issuer or its nominees on behalf of the Issuer will deliver to the Investor's Settlement Account (or pay by cheque to the Investor if no Settlement Account is nominated) the Sale Proceeds, within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter; and

- (d) the Investor acknowledges and agrees that:
- (i) the Issuer or its nominees agree to sell the Delivery Parcel on behalf of the Investor for an amount per Delivery Asset equal to the Closing Price; and
 - (ii) to the maximum extent permitted by law, the Issuer and its nominees are not responsible for any loss, costs or expense incurred by the Investor as a result of using the Agency Sale Arrangement, except to the extent that such loss, cost or expense arises as a result of the Issuer's or the nominee's negligence, default, fraud or dishonesty.

The Investor agrees and acknowledges that the Issuer or its nominees will use its best endeavours to sell the relevant Delivery Parcel in accordance with clause 3.4(d)(i). If, for any reason whatsoever, the Issuer is unable to sell the relevant Delivery Parcel at the Closing Price, the Investor irrevocably authorises the Issuer to use its best endeavours to sell the relevant Delivery Parcel as soon as practicable at the best price the Issuer can obtain.

3.5 Satisfaction of obligations

Upon delivery of the Delivery Parcel to the Investor in accordance with this clause 3 or payment by the Issuer or its nominee (on behalf of the Issuer) to the Investor of the relevant amount in respect of the Delivery Parcel under clause 3.4(c), the Issuer's obligations to the Investor under these Terms are satisfied and discharged.

3.6 Delivery of a whole number of Delivery Assets only

The Issuer or its nominee will not transfer a fractional Delivery Asset or parts of a Delivery Asset. If any fractional unit would be transferable by the Issuer on the Settlement Date, the Issuer will cause to be paid to the Investor (within 10 Business Days of the Settlement Date or as soon as reasonably practicable thereafter) an amount equal to the value of the fraction of the unit forgone based on the Closing Price provided that such amount exceeds twenty Australian Dollar (A\$20.00). If the amount does not exceed A\$20.00, the Issuer is under no obligation to the Investor to make any payment for the fractional unit. Upon payment of the amount under this clause, the Issuer is discharged of its obligation to deliver the fraction of the unit forgone.

4. Early Maturity and Auto-Call

4.1 Auto-Call

If, on any Auto-Call Date, the Early Maturity Condition has been satisfied, then the Auto-Call feature is automatically triggered, the Auto-Call Date is deemed to be the Early Maturity Date and:

- (a) the Issuer will send Investors a Maturity Notice within 3 Business Days of the Auto-Call Date, notifying Investors that Auto-Call has occurred and the applicable Final Value per Unit; and
- (b) completion of the MLI Units will occur in accordance with clauses 3.2 to 3.6 of these Terms.

After the Delivery Parcel is delivered to the Investor under clause 3.3(a) or the Issuer (or its nominee) pays the Investor the relevant amount in respect of the Delivery Parcel under clause 3.4(c) as a result of an Auto-Call occurring, all obligations of the Issuer to the Investor under these Terms are deemed to be satisfied in full and the Issuer is discharged from its obligations under these Terms.

4.2 Early Maturity by the Issuer

The Issuer may at any time (in its absolute discretion) nominate any of the following events as an Early Maturity Event:

- (a) an event considered to be an Early Maturity Event as described in the PDS;
- (b) an Adjustment Event occurs or is proposed to occur and in the Issuer's reasonable opinion it is not possible or desirable to deal with the occurrence of that event in accordance with clause 5;
- (c) a Reference Index is suspended or ceases to be published for a period of 24 hours or more;
- (d) there is a suspension or a material limitation of trading in securities which together comprise a material percentage weight of a Reference Index for a period of 24 hours or more;
- (e) there is a suspension or material limitation of trading in securities generally on the stock exchange to which a Reference Index corresponds or relates or which a Reference Index represents for a period of 24 hours or more;
- (f) there is a suspension or material limitation of trading in an Index Futures contract (or any equivalent futures contract) traded on a Relevant Exchange (or any successor) for a period of 24 hours or more;
- (g) if the Issuer determines in good faith that the performance of its obligations in relation to or under these Terms has or will become, in circumstances beyond the reasonable control of the Issuer, impossible, unlawful, illegal or otherwise prohibited as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power; or
- (h) any actual or proposed event that may reasonably (in the Issuer's opinion) be expected to lead to any of the events referred to in paragraphs (a) to (f) above occurring.

If any event occurs which constitutes both an Adjustment Event as defined in clause 15.1 and an Early Maturity Event as defined in this clause, the Issuer may in its discretion treat that event as either an Adjustment Event or Early Maturity Event.

4.3 Early Maturity at the request of the Investor

The Investor may only request an Early Maturity by giving written notice to the Issuer before the last Business Day of each calendar month. An Early Maturity can only be requested in respect of the full amount of the Investor's MLI Units. It is in the Issuer's absolute discretion to accept or reject the request for Early Maturity. If the Issuer accepts, the Issuer will in its absolute discretion determine an Early Maturity Date as soon as practicable on the next occurring last Business Day of a calendar month after the request is received and will complete accordingly.

4.4 Determination that there will be an Early Maturity

Where the Issuer has nominated an event as an Early Maturity Event, the Issuer may in its absolute discretion determine that there will be an Early Maturity and may specify a date as the Early Maturity Date.

4.5 Early Maturity Mechanism

- (a) If the Issuer determines that there will be an Early Maturity in accordance with clause 4.2 only or if the Investor has requested an Early Maturity, the Early Maturity will take place as follows:
 - (i) the Issuer will, before the Early Maturity Date, notify the Investor that Early Maturity will occur on the Early Maturity Date in accordance with clause 3 of these Terms. The notice issued by the Issuer under this clause shall serve as the Maturity Notice. The Issuer will specify in the Maturity Notice whether Early Maturity will

occur by the normal Maturity process in accordance with clause 4.5(a)(ii) or by Refund in accordance with clause 4.5(a)(iii).

- (ii) If specified in the Maturity Notice and subject to clause 4.5(b), Early Maturity will take place in accordance with the procedures set out in clauses 3.2 to 3.6 of these Terms.
 - (iii) If specified in the Maturity Notice, Early Maturity will occur by the Issuer paying to the Investor the Refund to the Investor's Settlement Account (or pay by cheque to the Investor if no Settlement Account is nominated) by the Settlement Date or as soon as practicable thereafter.
 - (iv) After the Delivery Parcel is delivered to the Investor under clause 3.3(a) or the Issuer (or its nominee) pays the Investor the Refund in accordance with clause 4.5(iii) or the relevant amount in respect of the Delivery Parcel under clause 3.4(c) as a result of an Early Maturity Event occurring, all obligations of the Issuer to the Investor under these Terms are deemed to be satisfied in full and the Issuer is discharged from its obligations under these Terms.
- (b) If there is an Early Maturity by the Investor or by the Issuer under clause 4.2 only, for the purposes of determining the Delivery Parcel, the definition of "Delivery Parcel" in clause 15.1 does not apply and instead the following definition will be applied: "Delivery Parcel" means the number of Delivery Assets to be delivered by the Issuer to the Investor on the Settlement Date as determined by the following formula:

$$\text{Delivery Parcel} = \frac{\text{Early Maturity Value}}{\text{Closing Price}}$$

4.6 Substitution of Delivery Assets

The Issuer may in its reasonable opinion determine that it is not possible to transfer the Delivery Assets comprising the Delivery Parcel to the Investor. In this case, Maturity will take place in accordance with clause 3 (or, in the case of an Early Maturity, in accordance with clause 4.5(a)) except that the Issuer may substitute the Delivery Asset for any other security quoted and trading on ASX (including any other security or any other fund or entity listed on ASX) and deliver that substituted security in accordance with these Terms as if the definition of "Delivery Asset" was amended to refer to the substituted security.

4.7 No Capital Protection on Early Maturity

If there is an Early Maturity, whether it arises because of an Early Maturity Event or because the Investor has requested an Early Maturity, the capital protection will not apply and the Issuer does not guarantee to deliver to the Investor a Delivery Parcel based on either the Final Value or equal to the Issue Price. For the avoidance of doubt, where there is an Early Maturity (and the Issuer elects the normal Maturity processes will apply) the Delivery Parcel will only be determined in accordance with clause 4.5(b).

4.8 Adjustments to this clause

Where the Issuer determines that any of the provisions of this clause 4 are not appropriate in any particular circumstances, or that any event which is not dealt with in clause 4 should have been dealt with, it may make any alterations to the effect of this provision or any other Term that it considers to be appropriate.

5. Adjustment Events

5.1

Subject to clause 5.2, if an Adjustment Event occurs or is proposed to occur on or before the Maturity Date, the Issuer may in its discretion elect to do any or all of the following:

- (a) substitute the Delivery Assets with any other security quoted and trading on ASX; and/or
- (b) substitute the Reference Index with any other index published by either the Reference Index Provider or any other recognised provider; and/or
- (c) adjust or amend any variable, formula, amount or calculation as set out or used in these Terms (including without limitation the Term Sheet); and/or
- (d) adjust, amend or substitute the definition of Delivery Asset, Reference Index and/or vary any of the terms referred to in the PDS under the heading "Changes to the Delivery Assets or the Reference Indices",

in a manner consistent with the PDS provided that in the reasonable opinion of the Issuer the adjustment in accordance with the above paragraphs is appropriate to put both the Issuer and the Investor in substantially the same economic position as the Investor and the Issuer would have been in had the Adjustment Event not occurred. If in the reasonable opinion of the Issuer it is not possible or desirable to deal with the occurrence of the Adjustment Event in accordance with this clause 5, the Issuer may nominate the event as an Early Maturity Event and may deal with that event in accordance with clause 4. The Issuer will notify Investors of any adjustment that it proposes to make under this clause before the adjustment occurs or as soon as reasonably practicable after the adjustment occurs.

5.2

- (a) If an Adjustment Event occurs with respect to one or more Reference Indices, then the Issuer may, in its absolute discretion, substitute the affected Reference Index(ices) in whole or in part with another index at the discretion of the Issuer provided that the Issuer will use its best endeavours to select a new index which matches as closely as possible the substituted index. Substitution of a Reference Index for a new index will only occur where the Issuer believes that not substituting would cause or allow the investment exposure to diverge from that described in the PDS, or failing to make such a variation would otherwise result in an Early Maturity Event.
- (b) If such a substitution occurs, the performance of the MLI Units and the Final Value will be determined by reference to the old index up to but excluding the date on which an Adjustment Event occurs in relation to the old index. From the date on which the Adjustment Event occurs, performance of the MLI Units will be determined by reference to the new index.

6. Accretions

These Terms do not confer on the Investor any right or interest in respect of Accretions to the Delivery Assets. Accretions to the Delivery Assets may lead to adjustments as provided for in clause 5 of these Terms.

7. The Issuer's obligations are unsecured

The Issuer's obligations under these Terms or in relation to the deferred purchase of the Delivery Assets are direct, unconditional and unsecured obligations of the Issuer and these obligations rank equally with the Issuer's existing unsecured debt.

8. No transfer of legal or beneficial interest in the Delivery Assets

The Investor agrees and acknowledges that the agreement to purchase the Delivery Assets as set out in these Terms and the payment of the Investment Amount does not transfer the legal or beneficial interest in the Delivery Assets to the Investor. The parties agree and acknowledge that the legal or beneficial interest in the Delivery Assets will transfer to the Investor only on the Settlement Date. If the Issuer fails to deliver the Delivery Parcel to the Investor in accordance with these Terms, the Investor agrees that it will not be entitled to an injunction, specific performance or any other equitable rights or remedies and will be entitled only to damages.

9. Taxes

- (a) The Issuer is not liable for any Taxes or other charge (i) payable by the Investor in relation to or in connection with these Terms; or (ii) payable by any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or the maturity of the purchase and sale of a Delivery Asset.
- (b) The Investor must pay all Taxes and other charges including goods and services tax, if any payable:
 - (i) by the Investor in relation to or in connection with these Terms; or
 - (ii) by any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or the maturity of the purchase and sale of a Delivery Asset.

10. Investor's representations and warranties

By signing the Application Form and submitting it to the Issuer, the Investor represents and warrants to the Issuer (as a continuing representation and warranty) that:

- (a) the Investor has full legal capacity to make the Application and be bound by these Terms and has taken all actions that are necessary to authorise the Application and be bound by these Terms;
- (b) the Investor has reviewed these Terms and has made its own independent investigations and appraisals of the taxation, legal, commercial and credit aspects associated with the purchase of the Delivery Assets;
- (c) the Investor has not relied in any way on any statements made by the Issuer or its related entities or their servants, agents, employees or representatives in relation to these Terms or the deferred purchase of the Delivery Assets and the Investor acknowledges that the Issuer has not made any representations to the Investor regarding the suitability or appropriateness of the deferred purchase of Delivery Assets pursuant to these Terms;
- (d) the Investor understands that nothing in these Terms or any marketing material associated with these Terms can be considered investment advice or a recommendation to buy the Delivery Assets;
- (e) the Investor has obtained all consents which may be required by law to enable the Investor to acquire the Delivery Assets and to become registered as the holder of the Delivery Assets and that the registration of the Investor as the holder of the Delivery Assets will not contravene any law, regulation or ruling or the constitution of the issuer of the Delivery Assets;

- (f) the MLI being applied for will not breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to the MLI or the Investor and the Investor is not a resident or national of any jurisdiction where the Application for or the Maturity of the MLI is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Issuer or any of its related bodies corporate; and
- (g) the Investor acknowledges that section 6 of the PDS ("Tax Considerations") is provided only for the benefit of the Issuer and is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Investor. The Investor acknowledges that it has sought its own independent advice on the taxation implications relevant to their own circumstances before making an investment decision.

11. Set off Rights

- (a) All monetary obligations imposed on the Investor under these Terms are absolute, free of any right to counterclaim or set off and may only be satisfied once the payment has cleared.
- (b) The Issuer may set off any amount payable to it by the Investor against any amount payable by the Issuer to the Investor. The Issuer may withhold any amount payable by it to the Investor in satisfaction of any amount payable to it by the Investor.

12. Notices

- (a) Any notice or statement to be given or demand to be made on the Investor under these Terms:
 - (i) will be effectively signed on behalf of the Issuer if it is executed by the Issuer, any of its officers, its solicitor or its attorney;
 - (ii) may be served by being delivered personally to, by being left at, by being e-mailed to, or by being posted in a prepaid envelope or wrapper to the Investor's address (or e-mail address) notified to the Issuer or the Investor's registered office, place of business, or residence last known to the Issuer, or by being sent to the Investor by facsimile transmission.
- (b) A demand or notice if:
 - (i) posted will be deemed served two Business Days after posting;
 - (ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission.
- (c) Service by any of these methods will be valid and effectual even if the Investor does not receive the document or if the document is returned to the Issuer unclaimed.

13. Amendment of Terms

The Issuer may from time to time by notice sent to the Investor make any modification, variation, alteration or deletion of, or addition to, these Terms ("Change") where:

- (a) the Change is one determined by the Issuer as being required under either of clauses 4 or 5 of these Terms;
- (b) the Change is necessary or desirable in the reasonable opinion of the Issuer to comply with any statutory or other requirement of law; or
- (c) the Change is desirable to correct an inconsistency or error in these Terms (but only if such Change does not, in the opinion of the Issuer, prejudice the interests of the Investor).

The Issuer will give the Investor notice of any Change to these Terms and the Investor will be bound by any such Change at the time the Investor is served with such notice.

14. General provisions

4.1 Currency

All amounts payable by either party under these Terms will be paid in the Denomination specified in the Term Sheet. All calculations will be performed in currency specified as the "Denomination " in the Term Sheet.

14.2 No merger

The Issuer's rights under these Terms are additional to and do not merge with or affect and are not affected by any mortgage, charge or other encumbrance held by the Issuer or any other obligation of the Investor to the Issuer, despite any rule of law or equity or any other statutory provision to the contrary.

14.3 Rounding

All calculations made by the Issuer for the purposes of these Terms will be made to not fewer than two decimal places. Other than as provided in these Terms, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time the Investor's entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers of Delivery Assets are rounded down to the nearest whole number.

14.4 Certificates

Any document or thing required to be certified by the Investor or the Issuer must be certified by the Investor (if an individual) or a director, secretary or authorised officer of the Investor (if a company) or the Issuer, as the case requires, or in any other manner that the Issuer may approve.

14.5 Execution by attorneys

Each attorney executing the Application Form which binds the Investor to these Terms states that he, she or it has no notice of revocation or suspension of the power of attorney under which the attorney executes the Application Form.

14.6 Power of attorney

The Investor irrevocably appoints the Issuer and its nominees and any of their directors, secretaries and managers from time to time jointly and severally as attorney of the Investor to do (either in the name of the Investor or the attorney) all acts and things that the Investor is obliged to do under these Terms or which, in the opinion of the Issuer, are necessary or desirable in connection with the Delivery Assets or the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer, including without limitation the authority to sell the Delivery Assets on behalf of the Investor in accordance with clause 3.4(b).

14.7 Invalid or unenforceable provisions

If a provision of these Terms is invalid or unenforceable in a jurisdiction, it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability, and that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

14.8 Waiver and exercise of rights

A single or partial exercise of a right by the Issuer does not preclude another exercise or attempted exercise of that right or the exercise of another right. Failure by the Issuer to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

14.9 Assignment and transfer of interests

- (a) The Issuer may transfer its rights and obligations under these Terms at any time by giving notice to the Investor.
- (b) The rights and obligations under these Terms may not without the prior consent of the Issuer:
 - (i) be assigned (whether in law, in equity or otherwise) by the Investor; or
 - (ii) be made the subject of any encumbrance, charge, trust or fiduciary obligation,

and any action that purports to do so is invalid, void and without effect as between the Investor, the Issuer and any third party.

14.10 Recording conversations

The Investor acknowledges that conversations between the Investor and the Issuer (or any officer of the Issuer) may be tape-recorded. The Investor consents to the tape-recording and its use (or any transcript of the recording) in any proceedings that may be commenced in connection with these Terms.

14.11 Calculations and references to dates and times

Calculations or determinations which are to be made on or by reference to a particular day, are to be made on or by reference to that day in the place and time zone of the Relevant Exchange to which that calculation or determination relates.

14.12 Payments by the Issuer

All amounts payable by the Issuer under these Terms will be paid to the Investor's Settlement Account. If the Investor has not nominated a Settlement Account, payment will be made by the Issuer drawing a cheque made payable to the Investor which will be sent to the address provided by the Investor on its Application Form, and on doing so the Issuer is discharged of its obligations under these Terms.

14.13 Governing law and jurisdiction

These Terms are governed by the laws of New South Wales. The Investor irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

14.14 PDS prevails

Except for clauses 4 and 5 of these Terms, if there is an inconsistency between these Terms and statements made in the PDS, the statements made in PDS will prevail. If there is an inconsistency between either or both of clauses 4 and 5 of these Terms and statements made in the PDS, clauses 4 and/or 5 of these Terms will prevail.

14.15 Time is of the essence

Time is of the essence in respect of the obligations of the Investor under these Terms.

15. Definitions and Interpretation

15.1 Definitions

In these Terms, unless the context requires otherwise:

"Accretions" means all rights, accretions and entitlements attaching to the Delivery Assets after the Issue Date including without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options, units or other financial products exercisable, declared, paid or issued in respect of the Reference Index or Delivery Asset;

"Adjustment Event" means in respect of either any of the Reference Indices or Delivery Asset (the **"Relevant Asset"** for the purpose of this definition) any of the following events:

- (a) where the Relevant Asset is a security or an interest in a managed investment scheme:
 - (i) the actual or proposed adoption of any procedure, event or action which is or which is likely to result in any cash return of capital, pro-rata cash distribution, capital reduction, liquidator's distributions, share buy-back, bonus issue, rights issue, arrangement, scheme of arrangement, compromise, merger, demerger, reconstruction, compulsory acquisition, redemption, cancellation, replacement, modification, subdivision or consolidation, takeover bid, special dividend, non cash dividend, share split or any other similar or like event (but excludes the payment by the issuer of the Delivery Assets of cash dividends or distributions);
 - (ii) any event which is or which results in the actual or proposed administration, liquidation, winding up or termination of the issuer of the Relevant Asset or other similar or like event (however described);
 - (iii) any event which is or which results in the actual or proposed de-listing of the Relevant Asset or the actual or proposed removal from quotation of the Relevant Asset or the actual or proposed Suspension from trading of the Relevant Asset;
- (b) where the Relevant Asset is an index:
 - (i) the Relevant Asset is suspended or ceases to be published for a period of 24 hours or more;
 - (ii) the Relevant Asset is not calculated and announced by the Reference Index Provider, but is calculated and announced by a successor to the Reference Index Provider;
 - (iii) the Relevant Asset is replaced by a successor index using the same or a substantially similar formula for and method of calculation;
 - (iv) the Relevant Asset is replaced by a successor index using the same or a substantially similar formula for and method of calculation;
 - (v) there is a Suspension or material limitation on trading of securities generally on a Relevant Exchange for a period of 24 hours or more;

- (c) where the Relevant Asset is a commodity:
 - (i) the commodity price is suspended or ceases to be available for a period of 24 hours or more;
 - (ii) there is a material change in the method of calculation of the commodity price; or
 - (iii) there is a suspension or material limitation in trading of the commodity on any relevant over-the-counter market for a period of 24 hours or more; or
- (d) any actual or proposed event that may reasonably (in the Issuer's opinion) be expected to lead to any of the events referred to in paragraphs (a), (b) or (c) above occurring;
- (e) where any force majeure event occurs, or any other event occurs which the Issuer determines in good faith in the performance of its obligations having or becoming, in circumstances beyond its reasonable control, impossible, unlawful, illegal or otherwise prohibited; or
- (f) any circumstances arise which are described in the PDS as potentially giving rise to an Adjustment Event; or
- (g) any other event which the Issuer reasonably declares to be an Adjustment Event;

"Agency Sale Arrangement" means the agreement by the Issuer to sell the Delivery Parcel for and on behalf of, at the direction of and as agent for the Investor on the Settlement Date in accordance with clause 3.4 of these Terms;

"Applicant" means a person who completes an Application Form and lodges it with the Issuer;

"Application" means an offer by the Investor to the Issuer to acquire the Delivery Parcel on a deferred basis on the terms and conditions set out in these Terms;

"Application Form" means the application form attached to or accompanying this PDS;

"ASTC Settlement Rules" means the business rules of the ASX Settlement and Transfer Corporation Pty Limited as approved as the Securities Clearing House under the Corporations Act or any clearing house or other entity which is substituted for it;

"ASX" means Australian Stock Exchange Limited (ABN 98 008 624 691);

"ASX Market Rules" means the market rules of ASX as amended or substituted from time to time;

"Auto-Call" means the right by the Issuer to elect Early Maturity of all outstanding MLI Units on an Auto-Call Date if the Early Maturity Condition has been satisfied;

"Auto-Call Date" means the dates specified in the Term Sheet;

"Barrier Level" means the level of each Reference Index that is 85% of the verified Closing Level of each Reference Index on the Issue Date, as reported or published by the Reference Index Provider;

"Break Costs" means all costs, expenses and losses incurred by the Issuer and notified by the Issuer as payable by the Investor as a result of:

- (a) the acceleration of the Maturity Date or other early termination of any DPA;
- (b) the termination or reversal of any arrangements or hedge position entered into by the Issuer in connection with any DPA which is terminated early; or
- (c) any loss of profits that the Issuer may suffer by reason of the early termination of a DPA.

"Business Day" means a day on which banks are open for business in Sydney and Melbourne, but does not include a Saturday, Sunday or public holiday;

"Change" has the meaning attributed to it in clause 13;

"Closing Level" means the official closing level of the relevant Reference Index at the close of trading on the Relevant Exchange on the Issue Date, as published and disseminated by the Reference Index Provider;

"Closing Price" means, as determined by the Issuer in its absolute discretion, either the Closing Price paid by the Issuer to acquire the Delivery Assets or the last traded price of the Delivery Asset as reported and disseminated by ASX at or around 4:05pm Sydney time on the Trading Day immediately following the Maturity Date (or in the case of an Early Maturity, the Early Maturity Date), unless it is not possible to determine the price of the Delivery Asset at that time, in which case the Issuer may either:

- (i) nominate another time to determine the Closing Price; or
- (ii) determine the Closing Price to be the price determined by the Issuer as its best estimate of the Delivery Asset value at or around 4:05pm Sydney time on the Trading Day immediately following the Maturity Date (or in the case of an Early Maturity, the Early Maturity Date);

"Closing Time" means 5:00 p.m. Sydney time on the Trading Day immediately prior to the Maturity Date;

"Corporations Act" means the Corporations Act 2001 (Cth) as amended from time to time;

"Costs and Taxes" means any incidental costs or expenses incurred by the Issuer in relation to the transfer of any Delivery Assets to or for the benefit of the Investor following Maturity (whether by way of physical delivery of the Delivery Assets to the Investor or delivery to a nominee of the Issuer under the Agency Sale Arrangement) plus any Taxes and any costs or expenses including brokerage incurred by the Issuer under the Agency Sale Agreement, if applicable;

"Delivery Asset" means one unit in the StreetTRACKS® S&P/ASX 200® Fund, or any other Delivery Asset specified in the PDS or determined by the Issuer in accordance with these Terms;

"Delivery Parcel" means the number of Delivery Assets to be delivered by the Issuer to the Investor on the Settlement Date as determined by the following formula:

$$\frac{(Final\ Value \times number\ of\ MLI\ Units\ held\ by\ Investor) - any\ applicable\ Costs\ and\ Taxes}{Closing\ Price}$$

"Denomination" means the currency specified in the Term Sheet as the "Denomination";

"Early Maturity" means the early Maturity of the deferred purchase of the Delivery Assets as determined and completed in accordance with clause 4;

"Early Maturity Condition" means that, on an Auto-Call Date, each of the five Reference Indices close at or above 100.1% of their Initial Index Level;

"Early Maturity Date" means the date notified to the Investor as such in the Early Maturity Notice;

"Early Maturity Event" has the meaning given in clause 4 of these Terms;

"Early Maturity Notice" means the notice provided by the Issuer to the Investor notifying the Investor of the occurrence of an Early Maturity Event (if relevant) and that an Early Maturity will take place on the specified Early Maturity Date;

"Early Maturity Value" means the fair economic value of an MLI Unit at or around 5.00 pm Sydney time on the Early Maturity Date as determined by the Issuer in its absolute discretion, unless it is not possible to determine the fair economic value of an MLI at that time in which case the Issuer may nominate another time to determine the Early Maturity Value. Without limiting the foregoing, in determining the "Early Maturity Value" the Issuer may deduct any costs, losses or expenses that it incurs in relation to the Early Maturity, including without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain;

"Final Value" per Unit in the MLI is as specified in the Term Sheet;

"Guaranteed Coupon" means the guaranteed fixed payment made to investors at the end of year 1, this payment will be set at 9% of the Investment Amount.

"HIN" means Holder Identification Number;

"Index Futures" means a futures contract that relates to or whose underlying asset is one of the Reference Indices, which is traded on the Relevant Exchanges;

"Initial Index Level" means the verified Closing Level of each Reference Index on the Issue Date, as reported or published by the Reference Index Provider;

"Investment Amount" means the actual amount paid by the Investor to the Issuer by the Offer Close time as specified in the Term Sheet ;

"Investor" means the person or entity whose Application is accepted by the Issuer in accordance with clause 1 of these Terms;

"Issue Date" means the date specified in the Term Sheet as the "Issue Date";

"Issue Price" means the amount per Unit as specified in the Term Sheet;

"Issuer" means Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832);

"Maturity" means the completion by the Investor of the deferred purchase of the Delivery Parcel in accordance with clause 3 of these Terms, and "complete" has a corresponding meaning;

"Market Linked Investment " or **"MLI"** means the agreement under which the Investor agrees to purchase the Delivery Parcel from the Issuer on a deferred basis on the terms and conditions set out in these Terms and the PDS including the Term Sheet;

"Maturity Date" means the date specified in the Term Sheet as the "Maturity Date", unless the Auto-Call is triggered and there is an Early Maturity under clause 4, in which case references in these Terms to the Maturity Date are to be read as the Auto-Call Date or the date specified by the Issuer in the Early Maturity Notice, respectively.

"Maturity Notice" means a notice issued by the Issuer in accordance with clause 3.1, 4.1, 4.2 or 4.5(a) as the case may be;

"Offer Close time" means the time and date specified in the Term Sheet as the "Offer Closes";

"Product Disclosure Statement" or **"PDS"** means the product disclosure statement to which these Terms are attached and issued by the Issuer in relation to the invitation to invest in the MLI;

"Reference Indices" or **"Reference Index"** means the index or indices specified in the Term Sheet;

"Reference Index Provider" means the entity who is responsible for the calculation and dissemination of the relevant Reference Index, where the Reference Index is an index or other non-listed reference item or asset;

"Refund" means the amount determined by the Issuer in its absolute discretion and by whatever means the Issuer deems appropriate. Without limiting the foregoing, in determining the Refund, the Issuer may adjust the Refund for any costs, losses or expenses that it incurs in relation to the Early Maturity, including without limitation, Costs and Taxes, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms, and any cost of funding or any loss of bargain.

"Relevant Exchange" means in the case of:

- (a) any exchange traded financial product, the primary exchange upon which that financial product is traded; and
- (b) an index, the primary exchange upon which the financial products which primarily constitute that index are traded,

as determined in the absolute discretion of the Issuer;

"Sale Proceeds" means the proceeds of the sale of the Delivery Parcel obtained by the Issuer (or its nominee) on behalf of the Investor under the Agency Sale Arrangement, being an amount equal to the number of Delivery Assets sold multiplied by the Closing Price less any Costs and Taxes applicable to the sale of the Delivery Parcel;

"Settlement Account" means the transactional banking account held with an Australian bank which is nominated by the Investor as the Settlement Account in the Application Form completed by the Investor;

"Settlement Date" means the third Trading Day after the Maturity Date or such later date as determined by the Issuer in its discretion as is reasonably necessary for the Issuer to fulfil its obligations under these Terms;

"Suspension" means any temporary cessation of the trading or quotation of the Delivery Asset, including a trading halt on the ASX or the Relevant Exchange (as the context requires);

"Tax" or **"Taxes"** means any income tax, capital gains tax, goods and services tax, withholding tax, stamp, financial institutions, registration and other duties, bank accounts debits tax and other related taxes, levies, imposts, deductions, interest, penalties and charges payable by any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or the completion of the purchase and sale of a Delivery Asset;

"Term of Investment" means the term, if any, specified in the Term Sheet;

"Terms" means these terms and conditions (including the Term Sheet) on which the Investor agrees to acquire the Delivery Parcel from the Issuer as set out in this section 9 of the PDS;

"Term Sheet" means the term sheet set out in this PDS and headed "Term Sheet";

"Trading Day" has the meaning given in the ASX Market Rules;

"Unit" means a deferred purchase agreement entered into by the Issuer and the Investor. The total number of Units held by the Investor will be notified by the Issuer to the Investor in the notice provided by the Issuer in accordance with clause 1.3(c); and

"you" or **"your"** means Applicant or Investor as the context requires.

15.2 Interpretation

- (a) In these Terms, unless the context requires another meaning, a reference:
 - (i) to the singular includes the plural and vice versa;
 - (ii) to a document (including these Terms) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iii) to a person (including a party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Government Agency, and it also includes the person's successors, permitted assigns, substitutes, executors and administrators;
 - (iv) to a law is a reference to that law as amended, consolidated, supplemented or replaced and it includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law, or any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange;
- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) Headings are for convenience only and do not affect interpretation.
- (d) If a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day.
- (e) If a period occurs from, after or before a day or the day of an act or event, it excludes that day.
- (f) These Terms may not be construed adversely to a party only because that party was responsible for preparing them.
- (g) Any term not defined in these Terms and which is defined in the PDS has the same meaning as in the PDS unless the context otherwise requires.
- (h) All references to time are to time in Sydney, Australia (unless otherwise stated).

Section 10 - How to invest in the MLI

Application Form

The Application Form for the MLI is included on page 47 of this PDS. If you wish to invest in the MLI you will need to complete an Application Form in accordance with the instructions on the following page and attach a cheque made payable to the **"MLI Trust A/C"** and crossed **"Not Negotiable"**.

The Minimum Investment Amount for the MLI is AUD 10,000, with additional investments in multiples of AUD 1,000 thereafter. Applications, including cleared funds, must be received by the Issuer no later than the **Offer Closes** time of **5:00 pm AEST** on 28 February 2005.

Investors should note that when you submit an Application Form to us it is an offer by you to acquire the Delivery Assets on a deferred basis in accordance with the Terms. The Issuer may, in its absolute discretion, decide to reject your offer, in which case, your Investment Amount (without interest) will be returned to you.

Acceptance of Applications

The Issuer may, in its absolute discretion refuse or reject any Application (wholly or in part) without giving a reason. If your Application is rejected, the Issuer will return your Investment Amount (without interest) to you. The Issuer also reserves the right to extend the offer or at any time to close the offer early. If the Issuer decides that we will accept an Application, acceptance of your offer will take place on the Issue Date. Within 10 Business Days of accepting your offer, you will be sent an acknowledgement of acceptance which will set out the number of MLI Units acquired and other information confirming your investment in the MLI.

Who may apply for the MLI?

Application for the MLI is open to:

- Australian residents
- Non-residents of Australia
- Companies registered in Australia
- Trust entities

other than US persons who may not apply for the MLI. A US person is defined as:

- Any natural person resident in USA
- Any partnership or corporate organisation under the law of the US
- Any estate of which the administrator is a US Person
- Any trust of which the trustee is a US Person
- Any agency or branch of a foreign entity located in the US or operated under the laws of the US
- Any US citizen or Green card holders residing outside the US

This PDS is not an offer or invitation in relation to the MLI in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

Investing through a master trust or wrap account

Applicants investing through master trusts and wrap accounts should not complete the Application Form attached to this PDS. Instead, Applicants should complete the forms the master trust or wrap account operator requires. Any enquiries should be directed to the operator of the master trust or wrap account.

If investing through a master trust or wrap account then it is important to remember that it is generally the operator of that service which becomes the Investor in the MLI (not you directly). It follows that the operator has the rights of an Investor and can exercise them in accordance with the master trust or wrap account agreement. We are not responsible for the operation of any master trust or wrap account service through which you may invest. You may however still rely on the information in this PDS. Enquiries and complaints should be directed to the operator of that service, not to us. Reports on your investment will come from the operator of that service, not from us.

In addition to reading this document, you should read the document that explains the master trust or wrap account.

How to complete the Application Form

Please complete the Application Form in BLOCK LETTERS, read the Applicant's Declaration and sign in the appropriate space provided. You should return your signed and completed Application Form either to us, your stockbroker or financial planner. Applications close at the Offer Close time.

Part A

Please complete Section A of the Application Form using the table below as a guide. If there is more than one Applicant each Applicant should insert their full name.

Type of Investor	Correct Form	Incorrect Form
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Mrs Mary Orlando Tranche	Peter Paul and Mary Tranche
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith-Jones
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Trust Use the trustee(s) names not the name of the trust	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Super Fund

Part B

Please provide the postal address where you would like all notices to be sent. If you change your address before the Settlement Date, please contact Citigroup on 1300 30 70 70 and notify us of the new details.

Part C

Please provide a contact name and your daytime and after hours contact numbers.

Part D

Please insert the number of MLI Units you wish to apply for and write the Investment Amount in the space provided. The Investment Amount is the Australian Dollar amount that you wish to invest and must be for an amount equal to or greater than the Minimum Investment Amount specified in the Term Sheet. If the correct amount is not available to us as cleared funds by the Offer Close time the Application will be rejected. You must attach a cheque to your Application Form made payable to "**MLI Trust A/C**" and crossed "**Not Negotiable**". Complete the cheque details in the boxes provided, the total amount must equal your Investment Amount.

Part E

Please provide the account details of the bank account that you would like us to make all payments to in relation to the MLI (such as the payment due to you at Maturity). If you do not complete this section, we will pay any amounts that are due to you by cheque made payable to you and sent to the address nominated by you on the Application Form.

Part F

Please indicate how you found out about the MLI by ticking the appropriate box.

Part G

Please sign where indicated. The Application Form must be signed by the Applicant(s) personally, or by the Applicant's attorney(s). Joint Applications must be signed by all Applicants. An Application by a company must be signed by two directors or signed by its authorised attorney(s).

If Applicants have any questions regarding the MLI please call Citigroup Structured Products on 1300 30 70 70.

Applicants are bound by the Terms when they make an Application

The MLI is issued by the Issuer on the Terms set out in section 9 of this PDS. Applicants should ensure that you read and understand the Terms. By signing and lodging an Application Form Applicants will become bound by the Terms.

PART C - CONTACT DETAILS

Contact Name

Daytime Telephone

After Hours Telephone

Mobile Phone

Email address

PART D - INVESTMENT DETAILS AND PAYMENT DETAILS (to be completed by all Applicants)

Series Number

Investment Amount

Number of MLI Units (A)

Issue Price (B)

Investment Amount (C) = (A x B)

Cheque details - make your cheque or money order payable to "MLI Trust Account"

Drawer

BSN Number

Account Number

Cheque Amount

Drawer

BSN Number

Account Number

Cheque Amount

PART E - SETTLEMENT ACCOUNT DETAILS (The Issuer will pay all amounts owed to you into this Account)

Please make all payments due to me/us under the MLI to the following account

Name of Bank or Financial Institution

Branch Address

BSB Number

Account Number

Account Title or Name

PART F - TRACKING OF APPLICATION - How did you find out about the MLI?

Financial Adviser Advertisement Accountant Stockbroker Internet Other (specify)

THIS IS PAGE 2 OF 4 PAGES OF THE APPLICATION FORM. PLEASE READ AND COMPLETE THE APPLICANT'S DECLARATION ON THE FOLLOWING PAGE AND SIGN WHERE INDICATED ON PAGE 4.

APPLICANT'S DECLARATION

Power of Attorney: For valuable consideration I/we irrevocably appoint the Issuer, its nominees and any of their directors and secretaries or any employee whose title includes the words "director", "head" or "manager" severally as my/our attorney to do (either in my/our name or the name of the attorney) all acts and things that I am/we are obliged to do under the Terms or which, in the opinion of the Issuer, are necessary or desirable in connection with the Delivery Assets (as defined in the Terms) or the protection of the Issuer's interests or the exercise of the rights, powers and remedies of the Issuer, including without limitation the authority to sell the Delivery Assets under the Agency Sale Arrangement on my/our behalf in accordance with the Terms.

Representations, warranties and indemnity:

I/We represent and warrant that:

- I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors;
- I/we have full legal capacity to make the Application and be bound by the Terms and have taken all actions that are necessary to authorise the Application and be bound by the Terms. If I am/we are acting as trustee in relation to the holding of the MLI, I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply for and hold the MLI;
- I/we have reviewed the Terms and PDS and I/we have made my/our own independent investigations and appraisals of the taxation, legal, commercial and credit aspects associated with the MLI and the deferred purchase of the Delivery Assets;
- I/we have not relied in any way whatsoever on any statements made by the Issuer or any of its related entities or their servants, agents, employees or representatives in relation to the Terms, the MLI or the deferred purchase of the Delivery Assets and I/we acknowledge that the Issuer has not made any representations to me/us regarding the suitability or appropriateness of the MLI or the deferred purchase of Delivery Assets;
- I/we understand that nothing in the PDS or any marketing material associated with the PDS can be considered investment advice or a recommendation to invest in the MLI or Delivery Assets;
- I/we have obtained all consents which may be required by law to enable me/us to acquire the MLI and the Delivery Assets and to become registered as the holder of the Delivery Assets; and
- the MLI being applied for will not breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to the MLI or me/us and I/we am/are not (a) resident(s) or national(s) of any jurisdiction where the Application for or the Maturity of the MLI is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Issuer or any of its related bodies corporate;

Privacy Declaration

I/We have read and understood the Privacy Statement in section 8 of the PDS and agree that information about me/us written on this form will not be collected, used or disclosed for any purpose other than for the purposes stated in the PDS. Where I/we have provided information about any other individual, I/we will make that individual aware of the provisions of the privacy statement.

The Issuer would like to keep in touch with you about future investment opportunities that may be of interest. Please tick this box if you do NOT wish to be contacted for this purpose.

No thanks, I/we prefer NOT to be contacted by the Issuer about investment opportunities in the future.

General Declaration

I/We whose full name(s) and address(es) appear above, hereby apply for the MLI as set out on this Application Form, to be issued in accordance with the Terms issued by the Issuer. I/We have read and understood the Terms and agree to accept the MLI on and be bound by the Terms.

I/we acknowledge that the MLI:

- is not a deposit or other liability of any insured depository institution (including Citibank, N.A. or Citibank Pty Limited);
- is subject to investment risks, including the possible loss of the principal amount invested, in the event of Early Maturity;
- is not issued or guaranteed by Citibank, N.A. or Citibank Pty Limited and neither Citibank, N.A. nor Citibank Pty Limited stand behind the capital value and/or performance of the MLI; and
- Section 6 of the PDS ("Tax Considerations") is provided only for the benefit of the Issuer and is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Investor. Investors must seek their own independent advice on the taxation implications relevant to their own circumstances before making any investment decision.

THIS IS PAGE 3 OF 4 PAGES OF THE APPLICATION FORM. PLEASE READ AND COMPLETE THE APPLICANT'S DECLARATION ON AND SIGN WHERE INDICATED ON PAGE 4.

Issuer

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