

Orb International Enhanced Income – YIELDS2

Update as of: 31st January 2005

Issue Date: 6th December 2004

Maturity Date: 6th December 2010



YIELDS2 offer the potential for quarterly income and capital appreciation through exposure to a selection of high yielding large cap equities, selected from the Dow Jones Global Titans 50SM (DJGT) Index. YIELDS2 are linked to a Dynamic Portfolio, which provides exposure to a combination of the proprietary Income Plus Trading Strategy and the Bond Portfolio (BP), a synthetic zero coupon bond portfolio. YIELDS2 are 100% capital protected at maturity.

Overview

YIELDS II Value	31 Jan 05	30 Dec 04	6 Dec 04
ASX Bid Price (i)	9.35	9.90	9.64
ASX Last Traded Price	9.30	9.97	na

Performance Summary	MoM	Year to date	Since Dec 04
YIELDS2 Total Return (ii)	-3.87%	-3.87%	-1.28%
YIELDS2 Price Return (ii)	-5.56%	-5.56%	-3.01%
YIELDS2 Distribution % (iii)	1.69%	1.69%	1.73%
AUD Distrib collected to date (iv)	0.13 (est)	0.17 (paid)	0.17 (paid)

Market Data	MoM	Year to date	Since Dec 04
AUD DJGT Price Return (ii)	-1.88%	-1.88%	-0.49%
AUD Strategy Total Return (ii)	-2.34%	-2.34%	-1.04%

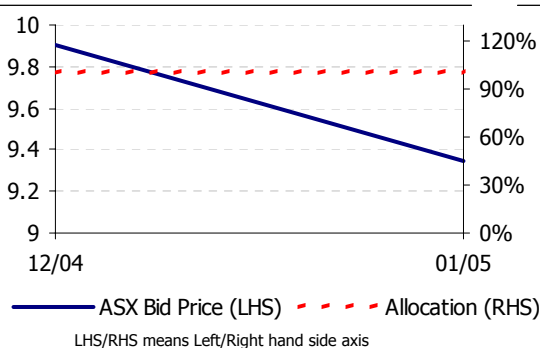
Market Data (cont)	31 Jan 05	30 Dec 04	6 Dec 04
AUD vs. USD	0.77	0.78	0.78
AUD Interest Rate to Maturity	5.7%	5.6%	5.5%

Performance Attribution (v)	31 Jan 05	30 Dec 04	na
Citigroup Bid Price	9.20	9.61	na
Strategy Monthly Change in AUD	-0.41	**	**
BP Monthly Change in AUD	-0.01	**	**
Bid Price Change in AUD	-0.41	na	na

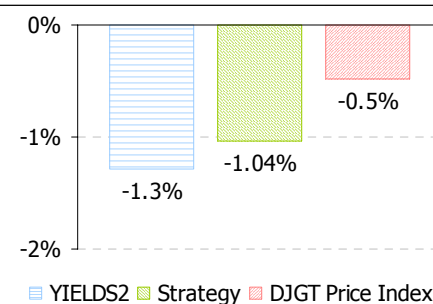
** Estimated breakdown not meaningful because of leverage event intra month

Dynamic Exposure Data	31 Jan 05	30 Dec 04	6 Dec 04
Dynamic Portfolio Reference (vi)	9.34	9.75	9.64
Allocation to Strategy	100%	100%	100%
Uplverage/Deleverage Event	No	na	na
Gap Measure (vii)	0%	23%	22%

Value and Allocation

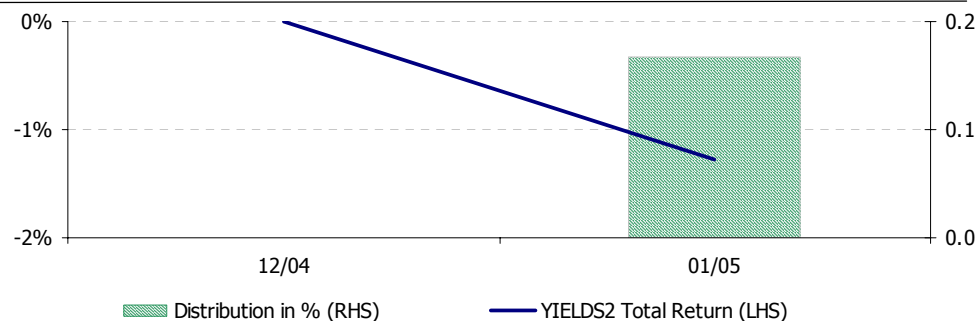


Total Return since Issue Date (ii)



Past performance is not a reliable guide to future results.

Total Return and Distribution paid since Issue Date (ii)



(i) Bid Price is the ASX market bid price of YIELDS2 (ASX code: YLDSO2) as at the respective month end. This price reflects the highest market bid in the security as at the close of trading. In the event of no higher bids this price may represent Citigroup's market bid price for YIELDS2. On the Issue Date the initial value of YIELDS2 was AUD 9.64 per unit. (ii) Price return and total return since Issue Date are calculated as a % change in price versus the YIELDS2 Value at the beginning of the reference period net of any upfront fee and other ongoing fees. Total return figures include distribution paid and assume no reinvestment over life. (iii) YIELDS2 Distribution % is calculated as the total distribution declared per unit during the period as a % of the YIELDS2 ASX bid price at the beginning of the period. % figures are not annualised. (iv) This is the AUD amount collected to date per YIELDS2 unit for the next quarterly distribution. This amount is an estimate as of month end, based on available information at the time and assumes the current allocation remaining constant. It is for indication only and may be subject to change. (v) Strategy and BP monthly change are estimates and are calculated using beginning and end of month Citigroup bid prices and allocations to the Strategy. (vi) The Dynamic Portfolio Reference level is the indicative value of the Net Portfolio Unit NAV as at the respective month end and has been derived from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions. It is for indicative purposes only and subject change. (vii) If the Gap measure rises above 25%, an "up-leverage" event will occur; a fall of the Gap measure below 15% would lead to a "de-leverage" event. MoM means month on month change. Figures are calculated using month end data. Charts are based on month end data.
Source: Bloomberg (DJGT Index and exchange rates) and Citigroup Global Markets Limited.

AUD Income Plus Strategy Performance

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The Income Plus Strategy is based on a proprietary trading model that seeks to offer income and the potential for capital appreciation through exposure to global equity markets. Each year, the Strategy selects a portfolio of 30 high yielding stocks from the Dow Jones Global Titans 50SM (DJGT) Index. Further yield enhancement is achieved by writing quarterly covered call options on each of the stocks within the Strategy. The call option overwriting is intended to help the Strategy outperform a direct investment in the underlying portfolio of stocks in all but strong bull market scenarios.

Performance Table⁽¹⁾

Performance Table	MoM	Year to date	Since Jul 03
AUD Strategy Price Return	-4.06%	-4.06%	-7.07%
AUD Strategy Total Return	-2.34%	-2.34%	6.94%
AUD Strategy Yield	1.71%	1.71%	14.01%
AUD DJGT Price Return	-1.88%	-1.88%	-0.15%

In January, each holding of 100 units of the Strategy distributed income equivalent to AUD2.45. As a consequence of the distribution, the Strategy declined in value leading to a negative month-on-month price performance of -4.06%. On a total return basis the Strategy value decreased by -2.34%. Equivalent price return for the DJGT index was -1.88% month on month.

The decline in most sectors over the last month had a negative impact on the Strategy. The Telecommunications sector was the worst performer with an impact on the strategy of -0.9%.

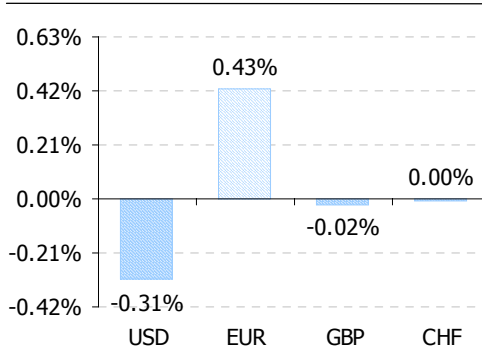
USD holdings weakened against the AUD whereas EUR holdings strengthened. GBP and CHF holdings remained flat against the AUD. The overall impact on the Strategy performance was positive.

Top Ten Holdings⁽⁴⁾

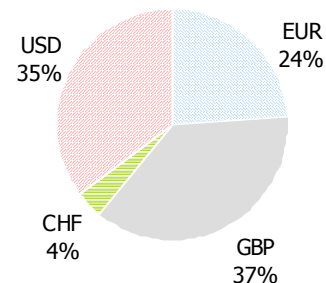
Company	Sector	Currency	Country
Altria Group Inc.	Consumer Noncyclical	USD	US
Barclays	Financial	GBP	UK
DaimlerChrysler AG	Consumer Cyclical	EUR	Germany
ENI SpA	Energy	EUR	Italy
GlaxoSmithKline	Healthcare	GBP	UK
HBOS	Financial	GBP	UK
HSBC Holdings Plc	Financial	GBP	UK
ING Groep NV	Financial	EUR	NL
JP Morgan	Financial	USD	US
SBC Communications Inc.	Telecommunications	USD	US

(1) Return figures are calculated as a % change over the period, include income distributed by the Strategy and assume no reinvestment over life. (N.B. The % coupon paid on the Note is not the same as the % income distributed by the Strategy as the coupon is among other things a function of the allocation to the Strategy). Yield is based on value of Strategy as of beginning of period. (2) Percentage change of each currency holdings within Strategy versus AUD over the past month, using currency weightings as of end of month. (3) Breakdown as of beginning of month using live weights and prevailing exchange rates and showing the exposure of the Strategy holding to the currencies listed. (4) Top ten holdings shown alphabetically as of last rebalancing (5) Price performance showing sector returns as measured in the stocks' respective local currencies over the past month, using live weights as of beginning of month. (6) Breakdown as of beginning of month using live weights reflecting the relative value of each stock/sector as of that time in percentage of the value of the total Strategy holding.

MoM Currency Impact within Strategy⁽²⁾

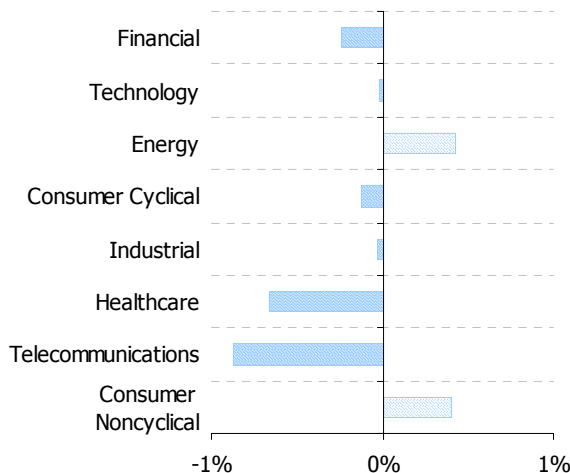


Currency Distribution⁽³⁾

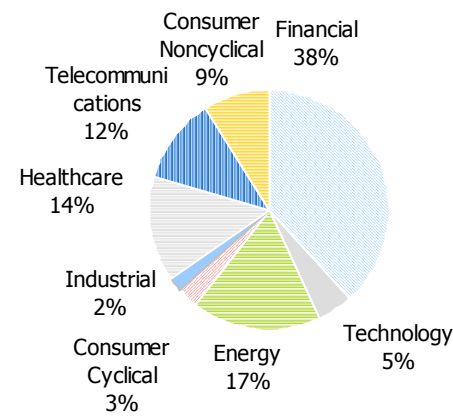


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MoM Sector Returns within Strategy⁽⁵⁾



Sector Distribution⁽⁶⁾



Disclaimer

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