Market Linked Investment

Investors Guide

S&P/ASX 200 Index and MSCI World Index

MLI World Basket (Series I)

January 2004

citigroup

Product Description

This 6-year AUD denominated Market Linked Investment (the "**MLI**") is linked to the performance of the following equally weighted Australian and global equity indices (the "**Basket**"):

Index	Currency	Weight	Bloomberg Code	Reuters Code
S&P/ASX 200	AUD	50%	AS51	.AXJO
MSCI World Index	USD	50%	MXWO	.MSCIWO

The MLI offers the potential for capital growth linked to the performance of the Basket, along with the safety of 100%[1] capital protection on the Maturity Date. The weighting of each Index in this calculation is in proportion to its weighting in the Basket. Capital protection only applies to investments held for the full term until the Maturity Date and provided no Early Maturity Events occur.

At Maturity investors will receive 100% of their initial investment plus participation (at the "**Participation Rate**"[2]) in the weighted averaged upside performance (if any) of the Basket above the initial Basket Level on the Issue Date (the "**Basket Performance**"). The Basket Performance is uncapped and is calculated by taking the average of the weighted Basket Level at each quarterly Observation Date for the 6-year life of the MLI compared with the initial Basket Level on the Issue Date. Where the observed Basket Level is lower than the initial Basket Level on any Observation Date, the Basket Level used to calculate the Basket Performance will be the initial Basket Level.

Investment Objectives

You Seek	You Can Accept
Exposure to Australian and global equity markets	A holding period of 6 years
100%[1] 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 Australian and global equity indices
A medium-term market-linked investment	The possibility that returns could be less than the return you could earn on other investments
Access to global equities without currency risk	The risks associated with investing in medium-term financial products

Investment Strategy

The investment strategy provides an Investor in the MLI with access to the growth potential of Australian and global equity markets and the opportunity to take advantage of volatile markets with the safety of capital protection. The MLI offers exposure to a broad and diverse selection of Australian and global equities represented by the indices which comprise the Basket.

Investment Profile

Minimum Time Horizon (Years)	1 or Less	2	3	4	**5+**
Risk	Very Low	**Low**	Moderate	High	Very High
Investment Objective	**Capital Protection**	Income	Income/ Growth	**Growth**	Enhanced Growth

[1] Capital protection only applies to investments held for the full term until the Maturity Date, and provided no Early Maturity Events occur. Capital protection is also subject to the credit worthiness of the Issuer, Citigroup Global Markets Australia Pty Limited. See "Risk Factors and Credit Risk".
[2] To be fixed on the Issue Date. The Participation Rate is expected to range between 150% and 180%.

Summary Term Sheet

Issuer	Citigroup Global Markets Australia Pty Limited ("Issuer" or "CGMA")
The Basket (Reference Index)	50% S&P/ASX 200 (Reuters: .AXJO); and 50% MSCI World Index (Reuters: .MSCIWO)
Offer Closes	12 February 2004
Issue Date	13 February 2004
Maturity Date	13 February 2010
Term of Investment	6 Years
Denomination	Australian Dollars
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.
Issue Price	AUD1.00 per Unit
Minimum Investment Amount	AUD 5,000 and in multiples of AUD 1,000 above that amount.
Capital Protection	Investors are guaranteed by the Issuer that the value of each Unit on the Maturity Date will be at least equal to the Issue Price (subject to certain restrictions as described in the PDS).
Participation Rate	Expected to range between 150% and 180% (but will not be less than 150%). Please see the PDS for more details.
Basket Performance	$BasketPeformance = \frac{\sum_{i=1}^{24}(Basket(i)-1)}{24}$ $Basket(i) = Max\left[Weight_{ASX200}\frac{IndexLevel_{ASX200}(i)}{IndexLevel_{ASX200}(0)} + Weight_{MSCI}\frac{IndexLevel_{MSCI}(i)}{IndexLevel_{MSCI}(0)},1\right]$ $Weight_{ASX200}$ =0.5 $Weight_{MSCI}$ =0.5 $IndexLevel_{ASX200}(i)$ =Closing level of the S&P/ASX 200 index in AUD on the *i*'th observation date $IndexLevel_{MSCI}(i)$ =Closing level of the MSCI World index in USD on the *i*'th observation date *i*=0 represents index level on the Issue Date
Observation Dates	Quarterly with the first Observation Date being 3 months from the Issue Date (24 Observation Dates in total over the Term of Investment). Please refer to the PDS for the actual dates.
Final Value per Unit	The Final Value per Unit on the Maturity Date will be the higher of the: (a) the Issue Price (AUD1.00); or (b) the amount calculated as **AUD1.00 x [1 + Basket Performance x Participation Rate]**
Delivery Asset	Units in the StreetTRACKS® S&P/ASX 200® Fund
Distributor Fees	0.40% per annum (including GST) of the initial Investment Amount paid quarterly in arrears
Financial Adviser Fees	(a) Upfront fee of 1.00% (including GST) of the initial Investment Amount (b) Trailing fee of 0.45% per annum (including GST) based on the initial Investment Amount, payable in quarterly instalments in arrears

This term sheet is a summary only of the terms of the MLI. The actual Terms and Conditions are contained in the Product Disclosure Statement ("PDS") dated 27 January 2004. Investors should read and understand the PDS prior to making any decision to invest.

What is the effect of the averaging feature on the MLI?

The effect of the averaging feature is that it places an emphasis on gains or losses in the value of the Basket prevailing on the Observation Dates. If the Basket rises over the life of the investment and then drops in value close to Maturity, Investors will still participate in the early year gains. Averaging therefore reduces the volatility of the Basket and allows for a significantly higher Participation Rate than would be possible without averaging.

Example

The table below shows the effect of the averaging feature in various hypothetical market scenarios. For the purposes of this table the level of the Basket is expressed as a percentage of the level of the Basket on the Issue Date and is calculated after applying the respective weights to the Indices.

	Scenario 1 Rising Market with drop in value close to maturity	**Scenario 2** Steadily rising market	**Scenario 3** Falling Market*
Basket Level on Issue Date	100%	100%	100%
Basket Level on 1st Observation Date	102%	102%	98%
Basket Level on 2nd Observation Date	104%	104%	96%
Basket Level on 3rd Observation Date	106%	106%	94%
Basket Level on 4th Observation Date	108%	108%	92%
Basket Level on 5th Observation Date	110%	110%	90%
Basket Level on 6th Observation Date	112%	112%	88%
Basket Level on 7th Observation Date	114%	114%	86%
Basket Level on 8th Observation Date	116%	116%	84%
Basket Level on 9th Observation Date	118%	118%	82%
Basket Level on 10th Observation Date	120%	120%	80%
Basket Level on 11th Observation Date	122%	122%	78%
Basket Level on 12th Observation Date	124%	124%	76%
Basket Level on 13th Observation Date	126%	126%	74%
Basket Level on 14th Observation Date	128%	128%	72%
Basket Level on 15th Observation Date	130%	130%	70%
Basket Level on 16th Observation Date	132%	132%	68%
Basket Level on 17th Observation Date	134%	134%	66%
Basket Level on 18th Observation Date	136%	136%	64%
Basket Level on 19th Observation Date	130%	138%	62%
Basket Level on 20th Observation Date	124%	140%	60%
Basket Level on 21st Observation Date	118%	142%	58%
Basket Level on 22nd Observation Date	112%	144%	56%
Basket Level on 23rd Observation Date	106%	146%	54%
Basket Level on 24th Observation Date	100%	148%	52%
Basket Performance	**118.00%**	**125.00%**	**100.00%**
Return at Maturity assuming 180% Participation	**132.40%**	**145.00%**	**100.00%**

*As the Basket Level is floored at 100%, where the quarterly Basket Level is lower than the initial Basket Level (i.e. less than 100%), the Basket level used to calculate the average level of the basket will be 100%.

This table is for illustrative purposes only. It does not intend to reflect the actual return of the MLI at Maturity, rather, it gives an example of how the formula is used to calculate the return. It is NOT a simulation or an indication of past or future performance.

Participation Rate Sensitivity Analysis

The table below shows the sensitivity of the return on the MLI that an Investor receives at Maturity in relation to the Basket Performance, assuming a Participation Rate of 150% and 180%. Please note that the actual Participation Rate will not be fixed until the Issue Date and may be higher than 180% but will not be lower than 150%. The Basket Performance is calculated by averaging the weighted upside performance of the Basket on a quarterly basis over the six-year life of the MLI. The weights of the indices within the Basket are fixed and will not be adjusted during the life of the product, subject to an Adjustment Event occurring. The sensitivity 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.

Basket Performance at Maturity versus initial Basket Level on Issue Date (%)	Return at Maturity	
	150% Participation	180% Participation
150%	175%	190%
140%	160%	172%
130%	145%	154%
120%	130%	136%
110%	115%	118%
100%	**100%**	**100%**
90%	100%	100%
80%	100%	100%
70%	100%	100%
60%	100%	100%
50%	100%	100%

This table is for illustrative purposes only. It does not intend to reflect the actual return of the MLI at Maturity, rather, it gives an example of the sensitivity of the return to differing Participation Rates.

How to Apply

Further information regarding this product is available in the Product Disclosure Statement ("PDS") dated 27 January 2004. Anyone wishing to subscribe for the MLI will need to complete the Application Form contained in the PDS. A copy of the PDS can be obtain from your stockbroker or financial adviser or by contacting Citigroup Structured Products on 1300 30 70 70.

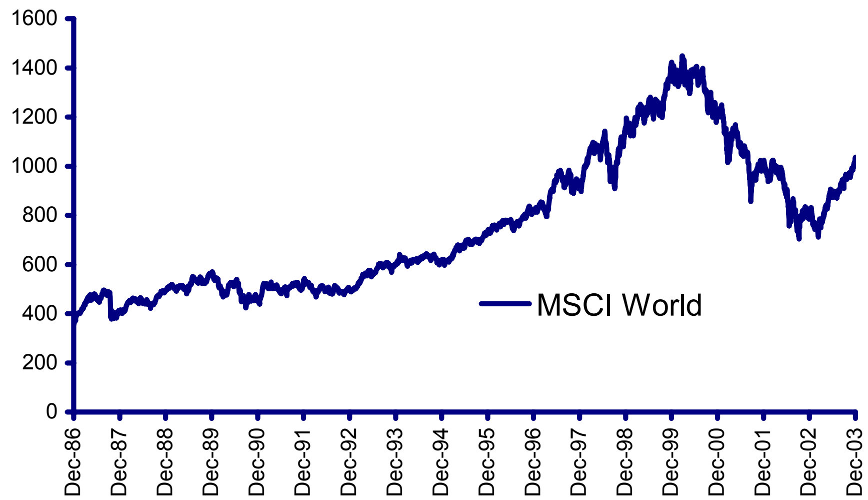
Prior to making any investment decision investors should read the PDS in full and, to the extent necessary, seek their own tax, legal and accounting advice to determine whether investing in this product is suitable for their own investment needs and objectives. All capitalised terms not defined in this document have the meaning as set out in the PDS.

Information on the Indices

MSCI World Index

The MSCI World is a market capitalization index that is designed to measure global developed market equity performance. As of September 2003, the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and the United States.

Historical Performance(data available from December 1986)

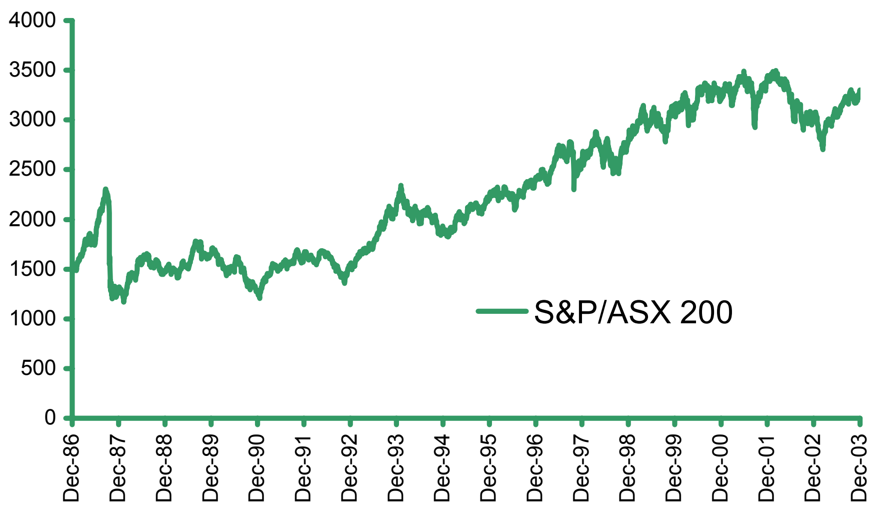


Source: MSCI. Past performance is not a reliable indicator of future performance.

S&P/ASX 200 Index

The S&P/ASX 200 index is recognised as the investable benchmark for the Australian equity market. It addresses the needs of investment managers to benchmark against a portfolio characterized by sufficient size and liquidity. The S&P/ASX 200 is comprised of the S&P/ASX 100 plus an additional 100 stocks. It forms the basis for the SPI 200 and the ASX mini200 futures contract, and the streetTRACKS S&P/ASX 200 exchange-traded fund.

Historical Performance(data available from December 1986)



Source: Iress. Past performance is not a reliable indicator of future performance.

Risk Factors

Summary

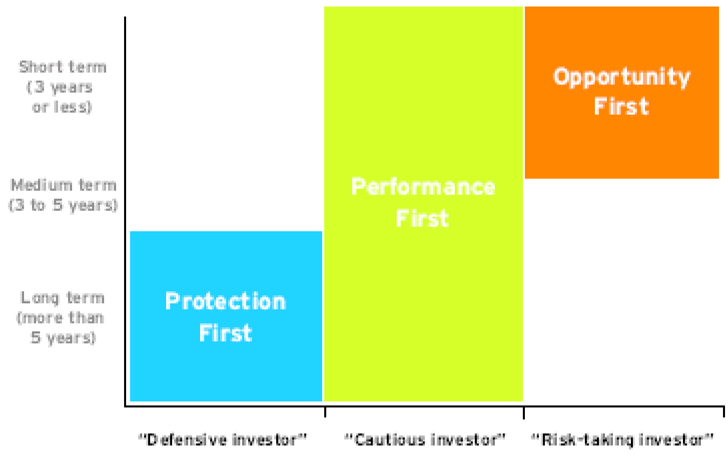
There are a number of risks associated with the MLI and investments in equity markets generally. Some of the key risks include:

- Market Risk & Economic Factors
- Performance of the Basket
- Credit worthiness of the Issuer
- Risk of Early Maturity
- Adjustment Events
- Liquidity Risk
- Interest Rates

A more detailed explanation of the risks associated with an investment in the MLI are set out in the Product Disclosure Statement ("PDS") dated 27 January 2004.

Market Linked Investments

Market Linked Investments are products tailored by Citigroup to meet the diverse needs of a broad range of investors. Each product range within the MLI family is designed for investors with a specific investment strategy in mind.



Protection First

This product falls within the Protection First product range and is intended for the "defensive investor". Protection First products are designed for the longer-term investors who seek the comfort of full principal protection, with the possibility of capital growth through equity market exposure.

For more information call your stockbroker of financial adviser.

Alternatively, call Citigroup Structured Products on 1300 30 70 70 or e-mail equityfirst.au@citigroup.com

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Disclaimer

We are pleased to present to you the proposed transaction or transactions described herein. This proposal is being made by Citigroup Global Markets Australia Pty Limited ("CGMA") ABN 64 003 114 832, a Licensed Securities Dealer and Futures Broker and a Participating Organisation of Australian Stock Exchange Limited and a Participant of Sydney Futures Exchange Limited. Not for distribution into the United States.

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This material does not purport to identify the nature of the specific market or other risks associated with a particular transaction. Before entering into a derivative transaction, you should ensure that you fully understand the terms of the transaction, relevant risk factors, the nature and extent of your risk of loss and the nature of the contractual relationship into which you are entering. You should also carefully evaluate whether the transaction is appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances and whether you have the operational resources in place to monitor the associated risks and contractual obligations over the term of the transaction.

The ultimate decision to proceed with any transaction rests solely with you. We are not acting as your advisor or agent. Therefore prior to entering into the proposed transaction you should determine, without reliance upon us or our affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume these risks. In this regard, by acceptance of these materials, you acknowledge that you have been advised that (a) we are not in the business of providing legal, tax or accounting advice, (b) you understand that there may be legal, tax or accounting risks associated with the transaction, and (c) you should receive legal tax and accounting advice from advisors with appropriate expertise to assess relevant risks, If you are acting as a financial adviser or agent, you should evaluate these considerations in light of the circumstances applicable to your principal and the scope of your authority. If you believe you need assistance in evaluating and understanding the terms or risks of a particular derivative transaction, you should consult appropriate advisers before entering into the transaction.

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