



WARRANTS | NOTES | DEFERRED PURCHASE AGREEMENTS

Market Linked Investment

Product Disclosure Statement – 24 June 2010

MLI Income Plus

Deferred Purchase Agreement

- AUD MLI 2010 – 07

- USD MLI 2010 – 07

Important information about the Market Linked Investment

Product Disclosure Statement: This product disclosure statement ("PDS") is dated 24 June 2010 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.

Purpose: The Market Linked Investment ("MLI") is issued by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832) Australian Financial Services Licence ("AFSL") number 240992 ("Citi", "Issuer", "we" or "us"), a participant of ASX Group. 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 10 of this PDS. It is important that Investors and potential Investors read the Terms in full as these set out the Investor's rights and obligations in relation to the MLI.

Capitalised terms: Capitalised words used in this PDS have the meaning given to them in clause 15 of the Terms, unless the context requires otherwise.

Disclaimer: The MLI and any securities recommended, offered, or sold by the Issuer: (i) are not insured or guaranteed 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 income and the principal amount invested in the event of an Early Maturity and possible delays in repayment. The MLI does not represent a deposit or other liability of Citigroup 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, or assets held by the Issuer, except as specified in the PDS, nor are these entities issuers of the MLI. The Issuer is not subject to regulatory supervision by APRA.

Variation of times and dates: The Issuer reserves the right to vary the dates and times associated with the offer. This means that the Issuer has the 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 an extensive period having regard to standard market practice. The Issuer may also vary the Maturity Date if an Early Maturity Event occurs or if an Investor requests Early Maturity and that request is accepted by the Issuer. The term "Early Maturity Event" is defined in clause 4.1 of Section 10 of this PDS. The risks associated with Early Maturity are more fully discussed in Section 4 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 Assets 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 those places where it is received. 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 of the places where the PDS is received.

Updates relating to this PDS: The Issuer may make available updated information relating to this PDS. Investors may access this information at www.citifirst.com.au or, alternatively, may request a paper copy of this information free of charge from their licensed 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. It is recommended that you review any such additional material before making a decision whether to acquire the MLI. If there is any material adverse change, a supplementary product disclosure statement will be issued.

Electronic copies: This PDS is available on the internet at www.citifirst.com.au. Any person receiving this PDS electronically should note that applications can only be accepted if the Issuer receives an original, completed Application Form which accompanied the electronic or paper copy of this PDS. A paper copy of this PDS (with attached Application Form) will be sent by the Issuer to any person who requests one, free of charge. To obtain a paper copy free of charge, 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 the MLI.

Social or ethical considerations: The MLI does not take into account labour standards or environmental, social or ethical standards.

Nature of Units: Please note that references to a "Unit" throughout this PDS mean an investment in the MLI of an amount equal to the Issue Price. It is not a unit in a managed investment scheme. The MLI is an agreement between the Investor and Issuer under which the Investor agrees to purchase the Delivery Parcel from the Issuer on a deferred basis governed by the Terms.

Contents

Part 1 – What is the MLI?

| | |
|------------------------------------------------------------------------|----|
| Key Dates | 3 |
| Term Sheet | 4 |
| Section 1 - Introducing the MLI | 6 |
| Section 2 - Information about the Reference Assets and Delivery Assets | 10 |

Part 2 – General Information on the MLI

| | |
|--------------------------------------------------------|----|
| Section 3 – How does the MLI work? | 17 |
| Section 4 - Risks of investing in the MLI | 23 |
| Section 5 - Scenario analysis | 26 |
| Section 6 - Fees associated with the MLI | 30 |
| Section 7 - Information about the Issuer and Guarantor | 31 |
| Section 8 - Tax considerations | 32 |
| Section 9 - Additional information | 34 |
| Section 10 - Terms and conditions | 36 |
| Section 11 - How to invest in the MLI | 49 |
| Application Form | 53 |
| Investor Sale Form | 57 |

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PROTECTION

Part 1 – What is the MLI?

Key Dates

| Event | Date |
|-----------------------------|-------------------------------------------------------------------------------------------|
| Initial Offer Opening Date: | 24 June 2010 at 9:00 am (Sydney time) |
| Initial Offer Closing Date: | 23 July 2010 at 5:00 pm (Sydney time) |
| Issue Date: | 29 July 2010 |
| General Offer Period: | 30 July 2010 to 17 June 2014 |
| Coupon Record Dates: | Quarterly after the Issue Date and continuing until the 3rd anniversary of the Issue Date |
| Coupon Payment Dates: | 5 Business Days after each Coupon Record Date |
| Maturity Date: | 29 July 2014 |

The key dates are indicative only and may be changed by the Issuer. All times are Sydney time, unless otherwise stated.

If you have any questions concerning the information contained in this PDS, please contact Citi on 1300 30 70 70 or email citifirst.au@citi.com.

Term Sheet

| | |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer: | Citigroup Global Markets Australia Pty Limited |
| Guarantor: | Citigroup Inc. |
| Reference Assets: | <p>A share in the following Australian companies is a 'Reference Asset' and together they are the "Reference Assets":</p> <ul style="list-style-type: none"> ■ Australia and New Zealand Banking Group Limited; ■ BHP Billiton Limited; ■ National Australia Bank Limited; and ■ QBE Insurance Group Limited. |
| Initial Offer Opening Date: | 24 June 2010 at 9:00 am (Sydney time) |
| Initial Offer Closing Date: | 23 July 2010 at 5:00 pm (Sydney time) |
| Initial Offer Period: | <p>The 'Initial Offer Period' is the period during which Investors can invest in the MLI before the Issue Date.</p> <p>The Initial Offer Period opens on the Initial Offer Opening Date and expires on the Initial Offer Closing Date.</p> <p>During the Initial Offer Period, Units will be issued at the Issue Price.</p> |
| Issue Date: | <p>AUD Series: 29 July 2010</p> <p>USD Series: 29 July 2010</p> |
| General Offer Period: | <p>The 'General Offer Period' is the period during which Investors can invest in the MLI after the Issue Date. Any such Investment will be for the balance of the relevant Term so that it expires on the same Maturity Date as all other Investments.</p> <p>The General Offer Period is 30 July 2010 to 17 June 2014.</p> <p>During the General Offer Period, Units will be issued at the Purchase Price. Note that the Purchase Price may not be the same as the Issue Price. Also, during the General Offer Period, Applications will be processed on a weekly basis or such other timing determined by the Issuer in its discretion. Please contact Citi to obtain the details for the processing of Applications during the General Offer Period.</p> <p>The General Offer Period may include dates where Citigroup Inc. may have earnings releases and potential corporate actions that may adversely affect the credit quality of the MLI. By investing in the MLI, the Investor acknowledges the above. For more details, please refer to Section 4 of this PDS.</p> |
| Maturity Date: | <p>AUD Series: 29 July 2014</p> <p>USD Series: 29 July 2014</p> |
| Term: | <p>AUD Series: 4 years</p> <p>USD Series: 4 years</p> |
| Denomination: | <p>AUD Series: Australian dollars (AUD)</p> <p>USD Series: United States dollars (USD)</p> |
| Issue Price: | <p>AUD Series: AUD 1.00 per Unit</p> <p>USD Series: USD 1.00 per Unit</p> |
| Purchase Price: | <p>The 'Purchase Price' is the market price of Units determined by the Issuer at the time of the issue of Units on the Purchase Date. Note that the Purchase Price may not be the same as the Issue Price.</p> <p>The prevailing Purchase Price before the Purchase Date will be available from the Issuer or your licensed financial adviser. Potential Investors should not make an investment decision without considering the prevailing Purchase Price.</p> |
| Purchase Date: | The 'Purchase Date' is a date in any given week during the General Offer Period in which the Issuer receives cleared funds from the Investor and on which the Issuer issues Units. |
| Investment: | The MLI which is an agreement between the Investor and the Issuer governed by the Terms. |
| Investment Amount: | The total amount paid in respect of an Investment by the Investor to the Issuer by the Initial Offer Closing Date (if the Investment in the MLI is entered into during the Initial Offer Period), or the Purchase Date (if the Investment in the MLI is entered into during the General Offer Period). |
| Minimum Investment Amount: | <p>AUD Series: AUD 10,000 and multiples of AUD 1,000 thereafter.</p> <p>USD Series: USD 10,000 and multiples of USD 1,000 thereafter.</p> |
| Capital Protection *: | The value of each Unit on the Maturity Date will be no less than the Issue Price (subject to certain restrictions as described in Section 4)*. Investors should note that if they are applying for the MLI during the General Offer Period, Capital Protection applies only to the Issue Price, which may not equal the Purchase Price. |

| | | |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Coupon Rates: | <p>AUD Series: Years 1 - 3: A simple, (non-compounding) rate of return to be set by the Issuer on the Issue Date and specified in the Confirmation. Expected to range between 4.60%p.a. and 5.60% p.a. As an indication, if the Units had been issued on 22 June 2010, the Coupon Rate would have been 5.10% p.a.</p> | <p>USD Series: Years 1 - 3: A simple, (non-compounding) rate of return to be set by the Issuer on the Issue Date and specified in the Confirmation. Expected to range between 1.00%p.a. and 1.50%p.a. As an indication, if the Units had been issued on 22 June 2010, the Coupon Rate would have been 1.25% p.a.</p> |
| Coupon Payments: | <p>A Coupon Payment will be payable per Unit to a holder of the MLI for the AUD and USD Series on the Coupon Payment Date in accordance with the formulas below.</p> <p style="text-align: center;">AUD Series: Coupon Payment (Years 1 - 3) = Issue Price x 3/12 x Coupon Rate USD Series: Coupon Payment (Years 1 - 3) = Issue Price x 3/12 x Coupon Rate</p> <p>Coupon Payments are payable Quarterly up to and including the 3rd anniversary of the Issue Date. Investors <i>will not</i> be entitled to Coupon Payments throughout the fourth year of the Term.</p> | |
| Coupon Record Dates: | Quarterly after the Issue Date and continuing up to and including the 3 rd anniversary of the Issue Date. | |
| Coupon Payment Dates: | 5 Business Days after each Coupon Record Date. | |
| Initial Price: | In respect of each Reference Asset, the 'Initial Price' is the Official Closing Price of the Reference Asset on the Issue Date. | |
| Reference Price: | In respect of each Reference Asset, the 'Reference Price' is the Official Closing Price of the Reference Asset as at the date on which it is observed. | |
| Reference Asset Return: | <p>In respect of each Reference Asset:</p> <p style="text-align: center;">Reference Asset Return (%) = (Reference Price – Initial Price) / Initial Price</p> | |
| Worst Performing Reference Asset: | <p>The Worst Performing Reference Asset is the Reference Asset with the lowest Reference Asset Return, as determined by the Issuer at Maturity.</p> <p>Potential returns in the MLI are linked to the Worst Performing Reference Asset. Hence, Investors should be aware that their exposure is not based on the average performance of all of the Reference Assets. Accordingly, the negative performance of the Worst Performing Reference Asset will not be offset by the positive performance of another Reference Asset.</p> | |
| Cap Level: | <p>AUD Series: 50%</p> <p>USD Series: 15%</p> | |
| Final Value per Unit: | <p>At Maturity, the Final Value per Unit is calculated as follows, regardless of whether the Investor has invested in the MLI during the Initial Offer Period or the General Offer Period:</p> <p style="text-align: center;">Issue Price x [100% + Max (0%, Min (Reference Asset Return of the Worst Performing Reference Asset, Cap Level))]</p> <p>This means that the Final Value per Unit cannot be less than the Issue Price and that if the Reference Asset Return of each Reference Asset exceeds 0%, then the Final Value per Unit will be the lesser of:</p> <ul style="list-style-type: none"> ■ the Issue Price multiplied by one plus the Reference Asset Return of the Worst Performing Reference Asset; or ■ the Issue Price multiplied by one plus the Cap Level. <p>Investors should note that the Purchase Price may not equal the Issue Price. As such, Investors applying in the General Offer Period may make a capital loss or gain as the Final Value per Unit is only calculated by reference to the Issue Price. Investors should refer to Section 1 for more information on how the Final Value per Unit is calculated.</p> | |
| Delivery Asset: | Ordinary shares in National Australia Bank Limited ("NAB") (an ASX listed share, ASX code: NAB) | |
| Fees: | <p>Distributor Fee: An upfront fee payable by the Issuer of up to 3.00% (including GST if applicable) of the Investment Amount.</p> <p>This fee is payable by the Issuer out of its own funds and is not an additional cost to the Applicant, nor is it deducted from the Applicant's Investment Amount.</p> | |

* Capital Protection only applies to Investments held at Maturity provided that Early Maturity does not occur. Capital Protection safeguards the MLI from market risks up to the value of the Issue Price, and is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. Accordingly, if Investors acquire their Investment during the General Offer Period at a time when the Purchase Price is greater than the Issue Price, they may incur a loss compared with Investors who acquire Units during the Initial Offer Period at the Issue Price. For more details, please refer to Section 4 of this PDS.

Section 1 - Introducing the MLI

What is the MLI?

This Market Linked Investment (“MLI”) is linked to the performance of shares in the following Australian companies listed on the ASX:

| Reference Asset | Currency | ASX Code |
|-------------------------------------------------|----------|----------|
| Australia and New Zealand Banking Group Limited | AUD | ANZ |
| BHP Billiton Limited | AUD | BHP |
| National Australia Bank Limited | AUD | NAB |
| QBE Insurance Group Limited | AUD | QBE |

The MLI offers fixed income payments (being the Coupon Payments) for the first three years of the Term, along with the safety of Capital Protection for Investments held at Maturity, provided that Early Maturity does not occur. Capital Protection safeguards the MLI from market risks up to the value of the Issue Price, and is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to Section 4 of this PDS.

Potential returns in the MLI are linked to the Reference Asset Return of the Worst Performing Reference Asset. Hence, Investors should be aware that their exposure is not based on the average performance of the Reference Assets and, therefore, the negative performance of one Reference Asset will not be offset by the positive performance of the other Reference Asset.

The MLI is classified as a “security” under the Corporations Act because it gives Investors an equitable interest in a portion of the Delivery Assets for the duration of the Investment. The Portion is a 1/1000th interest in a Delivery Asset, held by the Issuer (or its nominee) for an Investor. The Portion cannot be dealt with separately to the rest of the MLI.

How is the MLI structured?

The MLI is structured as a deferred purchase agreement. Under a deferred purchase agreement, an Investor agrees to purchase the Delivery Assets (including the Portion) and either:

- elects to accept physical delivery of the Delivery Assets on the Settlement Date; or
- elects to take advantage of the Agency Sale Arrangement upon physical delivery of the Delivery Assets on the Settlement Date and subsequently receive the Sale Proceeds.

For more details, please refer to the section titled “What happens at Maturity?” in Section 3 of this PDS.

What are the Delivery Assets?

On the Settlement Date, the Issuer will be required to deliver to the Investor the Delivery Assets, which are ordinary shares in NAB. In the absence of Early Maturity, the value of these shares will be equal to the Final Value per Unit at Maturity (as explained below) multiplied by the number of Units held by an Investor.

The Issuer will only deliver a whole number of Delivery Assets (which will include the Portion). If any fraction of a Delivery Asset (including the Portion) would otherwise be transferable by the Issuer to the Investor, the Issuer may keep that fraction of the Delivery Asset (which includes the Portion) and pay an amount equal to the value of the fraction of the Delivery Asset foregone, based on the Official Closing Price on the Trading Day immediately following 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 the Terms), provided that the amount exceeds twenty Australian dollars (AUD 20.00). If the amount does not exceed twenty Australian dollars (AUD 20.00), the Issuer is entitled to keep that amount and is under no obligation to the Investor to make any payment for the fraction of the Delivery Asset.

What is the investment strategy of the MLI?

The investment strategy of the MLI is to provide:

- the fixed Quarterly Coupon Payments specified in the Term Sheet throughout the first 3 years of the Term;
- exposure to the positive performance in the Worst Performing Reference Asset at Maturity, as per the Final Value per Unit, subject to the relevant Cap Level; and
- Capital Protection, so that the value of each Unit held at Maturity is not less than the Issue Price, provided that Early Maturity does not occur.

All payments, including Capital Protection, are subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more information on the investment strategy, please refer to Section 3 of this PDS. For more details on the risks, please refer to Section 4 of this PDS.

Investors should also be aware that where Capital Protection applies, the Final Value per Unit is calculated by reference to the Issue Price and therefore if Investors acquire their Investment during the General Offer Period at a Purchase Price greater than the Issue Price they may incur a loss compared with Investors who acquire Units during the Initial Offer Period at the Issue Price.

What are the investment objectives of the MLI?

The investment objective of the MLI is to provide Investors with regular fixed income return in the form of Quarterly Coupon Payments payable during the first 3 years of the Term, and participation in the positive performance of the Worst Performing Reference Asset, whilst providing Capital Protection on the Investment Amount. Capital Protection is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc.

The investment objective of the MLI does not take into account labour standards or environmental, social or ethical standards.

The following table indicates considerations an Investor should take into account in relation to an investment in the MLI. The MLI may be a suitable investment for an Investor if the following apply to the Investor:

| Investor Seeks | Investor Can Accept |
|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Exposure to the Australian equity market | The risks associated with investing in the Australian equity market |
| Income in the form of fixed Quarterly Coupon Payments payable during the first 3 years of the Term | Fixed Quarterly Coupon Payments payable during the first 3 years of the Term |
| | No dividends received on the Reference Assets if any are offered |
| Potential for capital growth | A return in the 4th year of the Term based on the positive performance (if any) of the Worst Performing Reference Asset subject to the Cap Level |
| Capital Protection at Maturity provided no Early Maturity occurs [†] | The possibility of losing part of the Investment Amount if the MLI is not held to Maturity |
| A medium-term market linked investment | A holding period of up to 4 years |
| No entry, exit, management or brokerage fees payable on Investments held until Maturity | The possibility that returns may be limited or could be less than the return you could earn on other investments |

* Investors should be aware that if they are applying for the MLI during the General Offer Period, the Purchase Price may not equal the Issue Price. Accordingly, if Investors acquire their Investment during the General Offer Period at a Purchase Price greater than the Issue Price they may incur a loss compared with Investors who acquire Units during the Initial Offer Period at the Issue Price. For more details, please refer to Section 4 of this PDS.

[†] Capital Protection only applies to Investments held at Maturity, provided that Early Maturity does not occur. Capital Protection safeguards the MLI from market risks up to the value of the Issue Price, and is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. Please refer to Section 4 of this PDS for more details.

What factors affect the Coupon Rate?

The calculation to determine the Coupon Rate on the Issue Date is influenced by a number of market variables that change daily and may differ from that calculated as at the date of this PDS. These variables and their impact on the Coupon Rate for both the AUD and USD Series are summarised in the table below.

| Variable | Change in variable | Effect on Coupon Rate |
|-----------------------------------|--------------------|-----------------------|
| Volatility of market | ▲ | ▼ |
| Interest rates (both AUD and USD) | ▲ | ▲ |

Each of the variables mentioned above is subject to continuous market movement. Hence, the Coupon Rate cannot be determined until all Investment Amounts have been received and are available for investment on the Issue Date. Once this has occurred, the Issuer will set the Coupon Rate for both the AUD and USD Series for all Investors in the MLI as at the Issue Date. The Coupon Rate will then be communicated to all Investors in a confirmation of investment letter ("Confirmation").

The Issuer will set the Coupon 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 a Coupon Rate of at least 4.60% p.a. (AUD Series) or at least 1.00% p.a. (USD Series) on the Issue Date, the Issuer may return all Investment Amounts (without interest) to the Investors and the MLI will not proceed.

How are Coupon Payments calculated?

Both the AUD Series and USD Series pay fixed Coupon Payments every Quarter in arrears for the first three years of the Term, unless Early Maturity occurs. Investors are not entitled to receive Coupon Payments in the fourth year of the Term.

The calculation method per Unit for each fixed Coupon Payment in relation to each series (AUD or USD) is shown in the table below:

| AUD Series | | USD Series | |
|--------------|-------------------------------------------------------------------|--------------|-------------------------------------------------------------------|
| Years 1 to 3 | $Coupon\ Payments = Issue\ Price \times 3/12 \times Coupon\ Rate$ | Years 1 to 3 | $Coupon\ Payments = Issue\ Price \times 3/12 \times Coupon\ Rate$ |
| Year 4 | No Coupon Payment applicable | Year 4 | No Coupon Payment applicable |

When are Coupon Payments made?

Coupon Payments are paid every Quarter in arrears for the first 3 years of the Term unless Early Maturity occurs. Coupon Payments will be paid each Quarter on the Coupon Payment Dates which occur 5 Business Days after the relevant Coupon Record Date.

How is the Final Value per Unit determined at Maturity?

At Maturity, for each Unit the Investor will receive the Final Value per Unit which is the amount calculated as:

$$Issue\ Price \times [100\% + Max(0\%, Min(Reference\ Asset\ Return\ of\ the\ Worst\ Performing\ Reference\ Asset, Cap\ Level))]$$

The Final Value per Unit will not be less than the Issue Price and reflects the participation in the positive performance (if any) of the Worst Performing Reference Asset, subject to the relevant Cap Level and provided that Early Maturity does not occur.

The Investor will receive the Final Value per Unit in accordance with the above calculation, regardless of whether the Investor invested in the MLI during the Initial Offer Period or the General Offer Period. Investors should note that the Issue Price *may not* equal the Purchase Price. As such, Investors applying in the General Offer Period may make a capital loss or gain depending on whether the Purchase Price was greater or less than the Issue Price, as the Final Value per Unit is only calculated by reference to the Issue Price.

Examples of how the Reference Asset Return of the Worst Performing Reference Asset is calculated are set out in Section 5. The formula for calculating the Reference Asset Return is found in the Term Sheet.

What is the Cap Level?

The Final Value per Unit that an Investor receives at Maturity (provided Early Maturity does not occur) will not be less than the Issue Price and reflects the participation of the Investor's Units in the positive performance (if any) of the Worst Performing Reference Asset subject to the relevant Cap Level and provided that Early Maturity does not occur.

The Cap Level represents the maximum return which Investors can receive at Maturity, above the return of the Issue Price.

How does the Cap Level impact the return on Investment?

The Cap Level represents the maximum return above the return of the Issue Price that Investors may receive at Maturity, subject to the performance of the Worst Performing Reference Asset. The greater the Cap Level, the greater the maximum return possible from the performance of the Worst Performing Reference Asset.

The Cap Levels for both the AUD and USD Series are fixed and will be the same for all Investors in their respective series as follows:

■ **AUD Series:** 50%

■ **USD Series:** 15%

The table below illustrates how the return to an Investor in the AUD Series is impacted by the Cap Level, given a series of examples of the Reference Asset Return of the Worst Performing Reference Asset:

| Example of Reference Asset Return of the Worst Performing Reference Asset | Final Value per Unit |
|---------------------------------------------------------------------------|----------------------|
| | 50% Cap Level |
| 75% | 1.50 |
| 50% | 1.50 |
| 25% | 1.25 |
| 0% | 1.00 |
| -25% | 1.00 |

This table is for illustrative purposes only. It does not intend to reflect the actual return to the Investor at Maturity, nor is it a prediction of the Reference Return of the Worst Performing Reference Asset. Rather, it gives an example of the sensitivity of the return with respect to the Cap Level.

If the Reference Asset Return of the Worst Performing Reference Asset is 70% and the Cap Level is 50%, the Final Value per Unit will equal 150% of the Issue Price.

If the Reference Asset Return of the Worst Performing Reference Asset is equal to or less than zero, then Capital Protection will apply and the Final Value per Unit will equal 100% of the Issue Price.

Section 2 – Information about the Reference Assets and the Delivery Assets

The value of the MLI is linked to the performance of the Reference Assets over the Term. At Maturity, the Issuer is required to deliver to Investors the Final Value per Unit multiplied by the number of Units held by the Investor. The Issuer will deliver the Total Value to the Investor in the form of ordinary shares in NAB (the "Delivery Assets") on the Settlement Date if:

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

This section of the PDS provides some further information about the Reference Assets and the Delivery Asset.

Information on the Reference Assets

Information (including historical data and trading information) about the Reference Assets and the Delivery Asset can be obtained from a variety of sources including the ASX, the issuers of the Reference Assets and the Delivery Asset themselves, brokers and investment advisors. Information may also be found on the websites of the issuers of the Reference Assets and the Delivery Asset, the ASX website and related sites. Citi takes no responsibility and accepts no liability for, and makes no representation or warranty (whether express or implied) as to the accuracy or completeness of, any information obtained by an Investor about the Reference Assets and the Delivery Asset. Investors should make their own inquiries and, where appropriate, obtain advice in relation to any investment decisions.

Information on the Reference Assets will also be provided on the website of the Issuer at www.citifirst.com.au.

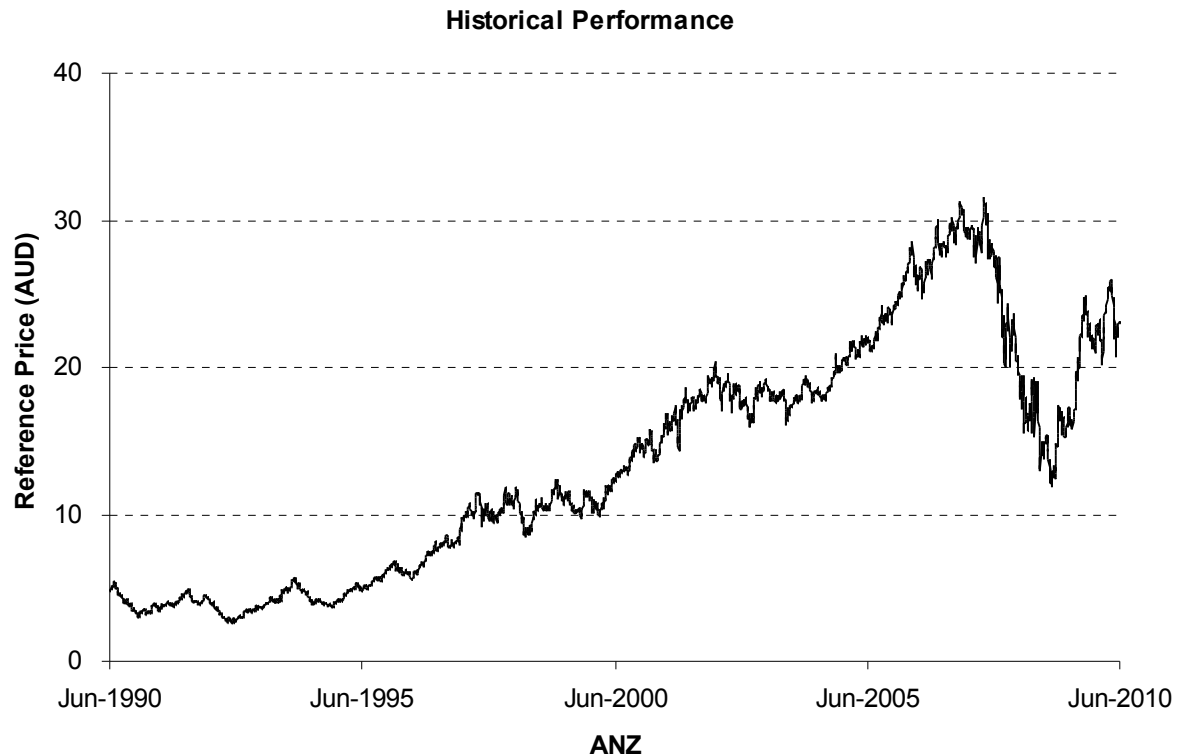
Australia and New Zealand Banking Group Limited

Australia and New Zealand Banking Group Limited ("ANZ") is a major Australian-based bank operating a retail and business bank in Australia, New Zealand, Asia and throughout the South Pacific. Australian operations make up the largest part of ANZ's business including commercial, retail banking and funds management.

For more information on the company, including information about its historical share price performance, pricing and company information, Investors can visit the company's website at www.anz.com.

ANZ is subject to continuous disclosure obligations and makes regular releases to the ASX that are publicly available.

Citi makes no recommendation, representation or assurance about the performance or prospects of ANZ.



Source: Citi

Past performance is not a reliable indicator of future performance.

References in this PDS to ANZ are included solely for the purpose of identification of the Reference Assets. These references are not an express or implied endorsement by ANZ, or any of its related entities, of the MLI. No member of the ANZ group of entities 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.

BHP Billiton Limited

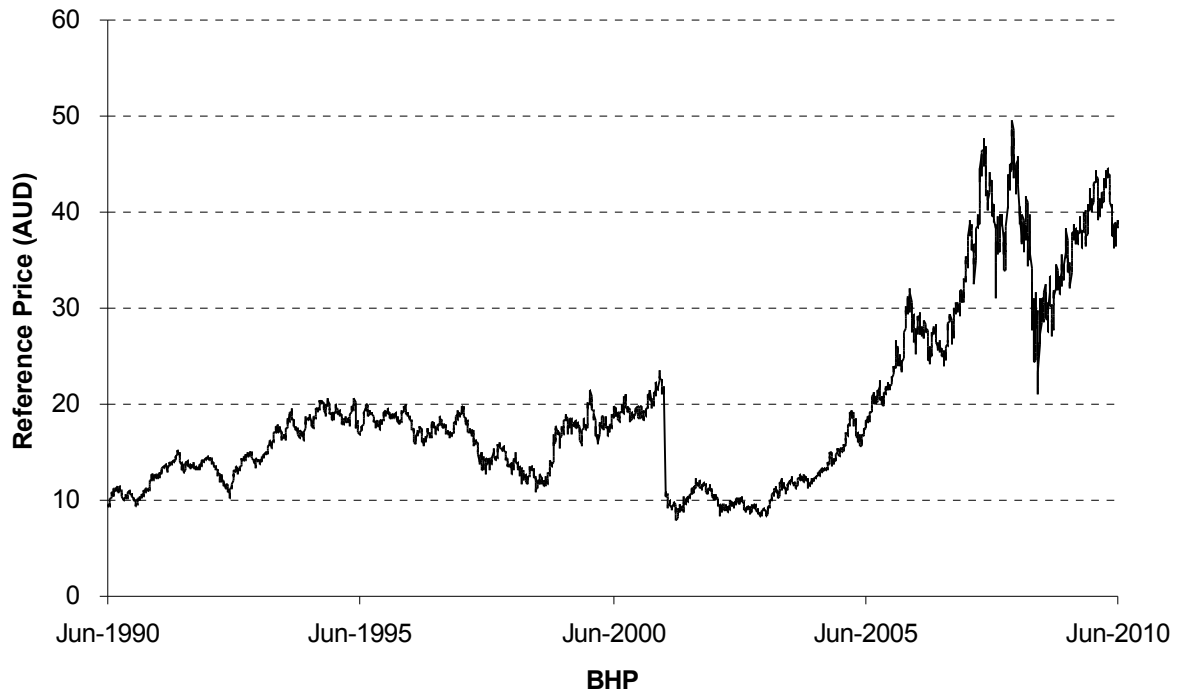
BHP Billiton Limited ("BHP") is the world's largest diversified resources group with a global portfolio of high quality assets. Core activities comprise of production and distribution of minerals, mineral products and petroleum.

For more information on the company, including information about its historical share price performance, pricing and company information, Investors can visit the company's website at www.bhpbilliton.com.

BHP is subject to continuous disclosure obligations and makes regular releases to the ASX that are publicly available.

Citi makes no recommendation, representation or assurance about the performance or prospects of BHP.

Historical Performance



Source: Citi.

Past performance is not a reliable indicator of future performance.

References in this PDS to BHP are included solely for the purpose of identification of the Reference Assets. These references are not an express or implied endorsement by BHP, or any of its related entities, of the MLI. No member of the BHP group of entities 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.

National Australian Bank Limited

National Australia Bank ("NAB") is one of the largest financial services groups in Australia, providing a comprehensive and integrated range of banking and financial services including wealth management throughout Australia, New Zealand, and parts of the UK. Australian banking operations dominate and represent 60% of group assets.

For more information on the company, including information about its historical share price performance, pricing and company information, Investors can visit the company's website at www.nab.com.au.

NAB is subject to continuous disclosure obligations and makes regular releases to the ASX that are publicly available.

Citi makes no recommendation, representation or assurance about the performance or prospects of NAB.

Historical Performance



Source: Citi

Past performance is not a reliable indicator of future performance.

References in this PDS to NAB are included solely for the purpose of identification of the Reference Assets. These references are not an express or implied endorsement by NAB, or any of its related entities, of the MLI. No member of the NAB group of entities 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.

QBE Insurance Group Limited

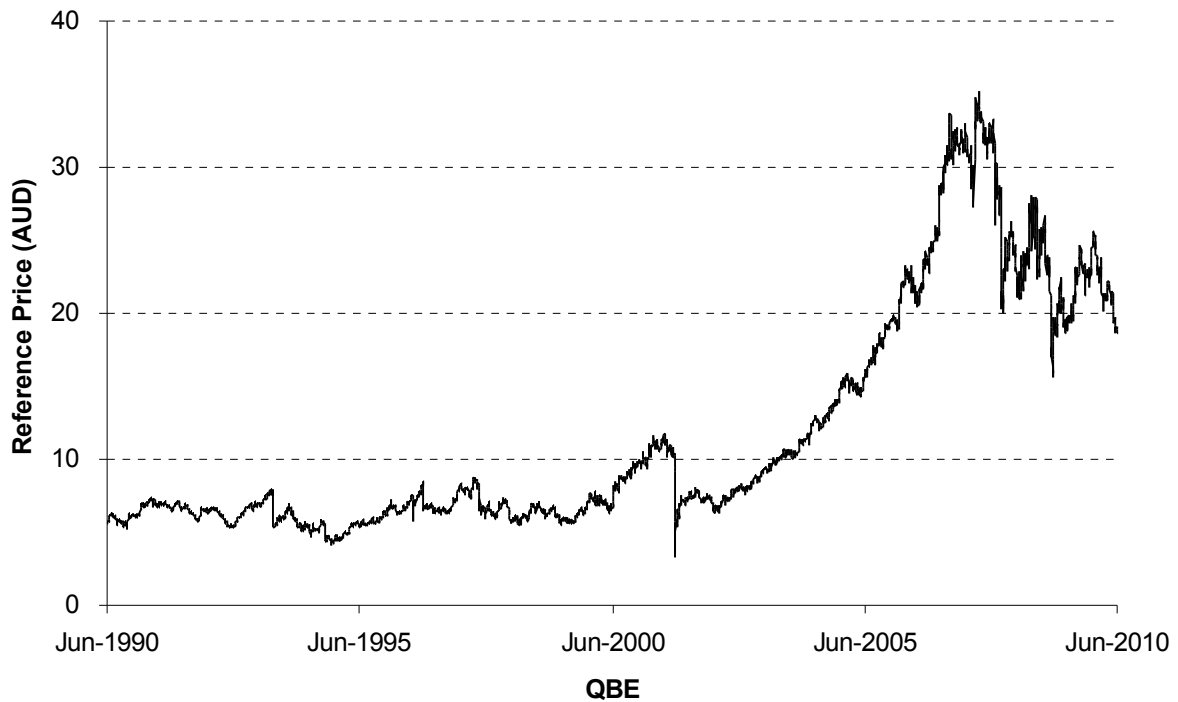
QBE Insurance Group ("QBE") is Australia's largest international insurance and reinsurance group and operates in 45 countries. Around 40% of its gross written premium is derived from the Americas, 20% from Lloyds, 20% from Europe and the remainder from Australia and the Asia-Pacific. It also operates a captive in Bermuda, which manages reinsurance coverage for the group.

For more information on the company, including information about its historical share price performance, pricing and company information, Investors can visit the company's website at www.qbe.com.au.

QBE is subject to continuous disclosure obligations and makes regular releases to the ASX that are publicly available.

Citi makes no recommendation, representation or assurance about the performance or prospects of QBE.

Historical Performance



Source: Citi.

Past performance is not a reliable indicator of future performance.

References in this PDS to QBE are included solely for the purpose of identification of the Reference Assets. These references are not an express or implied endorsement by QBE, or any of its related entities, of the MLI. No member of the QBE group of entities 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.

Information on the Delivery Asset

National Australian Bank Limited

The Delivery Assets are ordinary shares in NAB, which is one of Australia's leading financial services providers. Financial services offered by NAB include retail, institutional and business banking, funds management, superannuation, insurance, investment and broking services. NAB is currently one of the largest listed companies on the Australian Stock Exchange.

The performance of the MLI and the Final Value per Unit are not affected by the performance of the Delivery Asset 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 NAB ordinary shares as traded on the ASX.

For more information on the company, including information about its historical share price performance, pricing and company information, Investors can visit the company's website at www.nab.com.au.

NAB is subject to continuous disclosure obligations and makes regular releases to the ASX that are publicly available.

Cit makes no recommendation, representation or assurance about the performance or prospects of the Delivery Assets.

NAB had no involvement in this PDS

References in this PDS to NAB are included solely for the purpose of identification of the shares that comprise the Delivery Assets and the Delivery Parcel. These references are not an express or implied endorsement by NAB, or any of its related entities, of the MLI.

No member of the NAB group of entities 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.

Changes to the Delivery Assets or Reference Assets

If an Adjustment Event occurs, the Issuer may:

- (a) substitute the Delivery Asset with any other security or managed investment product quoted and trading on a Relevant Exchange operated by ASX where that security or managed investment product is in a class of financial products that is a constituent of the S&P/ASX 200 Price Index; and/or
- (b) substitute the Reference Asset with another reference asset at the discretion of the Issuer. The new reference asset will be chosen by the Issuer to match as closely as possible the old Reference Asset.

The Issuer will notify Investors of any such changes and 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 fully understand their rights and obligations if an Adjustment Event occurs.

Part 2 – General Information on the MLI

Section 3 – How does the MLI work?

What are the significant benefits of investing in the MLI?

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

- **Fixed income payments** – The MLI returns Quarterly fixed Coupon Payments in the first three years of the Term.
- **Growth potential** - The MLI provides exposure to the growth potential of the Australian equity market by linking the investment to the performance of the Worst Performing Reference Asset.
- **Capital Protection** – The MLI offers Investors the comfort of Capital Protection, so that the value of each MLI held on the Maturity Date is not less than the Issue Price, provided that Early Maturity does not occur. Capital Protection safeguards the Investment from market risks up to the value of the Issue Price, and is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to the section headed 'Does the MLI offer any Capital Protection?' below.

What are the significant risks of investing in the MLI?

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

- **Early Maturity risk** - In certain circumstances, the MLI may be terminated before Maturity and, where Early Maturity applies, the value of the MLI may be less than the Investment Amount and Break Costs may apply.
- **Tax and change of law risk** - Changes to laws or their interpretation in Australia, including taxation and corporate regulatory laws, could have a negative impact on the return for Investors.
- **Market risk** - There is no guarantee that the return of the MLI will exceed the return generated by other investments.
- **Reference Asset Return** - There is no guarantee that the Reference Asset Return of the Worst Performing Reference Asset will, on the Maturity Date, be positive.
- **Agency Sale Arrangement** – If you elect the Agency Sale Arrangement, the Official Closing Price on the Trading Day immediately following the Maturity Date may not be achievable and you may therefore receive less than the Total Value.
- **Credit risk** - The Investor is exposed to the credit risk of the Issuer and the Guarantor. All payments, and Capital

Protection, are subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to Section 4 of this PDS.

- **Reinvestment risk** – There is no guarantee that Investors will be able to reinvest the Coupon Payments at the same rate as the Coupon Rate for the remainder of the Term.

Is the MLI transferable?

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

When are returns paid?

Coupon Payments are paid every Quarter in arrears for the first three years of the Term, unless Early Maturity occurs. Investors are not entitled to receive Coupon Payments in the fourth year of the Term of the Investment.

Coupon Payments are calculated on Coupon Record Dates which occur every Quarter from the Issue Date until the third anniversary of the Issue Date, unless Early Maturity occurs. If the Coupon Record Date does not fall on a Business Day, the Coupon Payment will be calculated on the next Business Day.

Coupon Payment Dates are 5 Business Days after each Coupon Record Date.

If the Investor enters into the MLI during the General Offer Period and is therefore issued Units on a Purchase Date, the Investor will be entitled to the Quarterly Coupon Payments that relate to Coupon Record Dates from, and including, the Purchase Date until the expiry of the relevant Term, unless Early Maturity occurs.

When the Final Value per Unit will be delivered to Investors depends on whether Investors choose to take physical delivery of the Delivery Parcel or elect the Agency Sale Arrangement (see "What happens at Maturity?" below):

- **Physical delivery of the Delivery Parcel:** Investors will receive their Delivery Assets on the Settlement Date or as soon as possible thereafter; or
- **Agency Sale Arrangement:** Investors will receive their Sale Proceeds within 10 Business Days after the Settlement Date or as soon as reasonably practicable.

What is the Final Value per Unit at Maturity?

At Maturity, provided that Early Maturity does not occur (as explained below), the Final Value per Unit will be calculated as follows regardless of whether the Investor has invested in the MLI during the Initial Offer Period or the General Offer Period:

$$\text{Issue Price} \times [100\% + \text{Max}(0\%, \text{Min}(\text{Reference Asset Return of the Worst Performing Reference Asset, Cap Level}))]$$

This means that the Final Value per Unit cannot be less than the Issue Price and that if the Reference Asset Return of each Reference Asset exceeds 0%, then the Final Value per Unit will be the lesser of:

- the Issue Price multiplied by one plus the Reference Asset Return of the Worst Performing Reference Asset; or
- the Issue Price multiplied by one plus the Cap Level.

On the Settlement Date, or as soon as possible thereafter, the Issuer will be required to deliver to the Investor ordinary shares in NAB. The value of these shares, provided that Early Maturity does not occur (as explained below), will be equal to the Final Value per Unit multiplied by the number of Units held by an Investor. The Issuer will only deliver a whole number of Delivery Assets (which will include the Portion). If any fraction of a Delivery Asset would otherwise be transferable by the Issuer to the Investor, the Issuer may keep that fraction of the Delivery Asset (which includes the Portion) and pay an amount equal to the value of the fraction of the Delivery Asset foregone, based on the Official Closing Price on the Trading Day immediately following the Maturity Date, provided that the amount exceeds twenty Australian dollars (AUD 20.00). If the amount does not exceed twenty Australian dollars (AUD 20.00), the Issuer is entitled to keep that amount and is under no obligation to the Investor to make any payment for the fraction.

Investors should note that the Purchase Price may not equal the Issue Price. As such, Investors applying in the General Offer Period may make a capital loss or gain as the Final Value per Unit is only calculated by reference to the Issue Price and *not* the Purchase Price.

Can Investors purchase Units after the relevant Initial Offer Closing Date?

An Investor may use the Application Form and apply to the Issuer for Units after the Initial Offer Closing Date during the General Offer Period. The Purchase Date is the date on which the Investor will be issued Units at the Purchase Price.

The prevailing Purchase Price before the Purchase Date will be available from the Issuer or your licensed financial adviser. Potential Investors should not make an investment decision without considering the prevailing Purchase Price.

The Issuer will provide you (or your licensed financial adviser on your behalf) with a Confirmation in relation to

each Application which will set out the particulars of your Investment including:

- the Purchase Date and Purchase Price;
- the Maturity Date;
- the Coupon Rate set by the Issuer;
- the Reference Assets, including the Initial Price of each Reference Asset; and
- the number of Units issued.

Investors who have acquired their Investment during the General Offer Period at a Purchase Price greater than the Issue Price may incur a loss compared with Investors who acquire Units during the Initial Offer Period at the Issue Price.

The Issuer will send the Confirmation to the Investor within 10 Business Days after the Purchase Date.

What factors should Investors consider before acquiring Units during the General Offer Period?

An Investor should consider the following factors before acquiring Units during the General Offer Period:

- the Purchase Price will be determined by Citi, in its absolute discretion, on the Purchase Date and taking into account factors including the current value of issued Units, the price and volatility of the Reference Assets, the prevailing interest rate environment, and the correlation between the Reference Assets;
- the calculation of the Final Value per Unit and the Investor's exposure to the performance of the Worst Performing Reference Assets will be calculated by reference to the Issue Price. Accordingly, if the Investor purchased Units after the Initial Offer Closing Date at a Purchase Price greater than the Issue Price, this may represent a greater loss per Unit than Investors who invested at the Issue Price;
- the Investor's broker or financial adviser may charge a commission or brokerage at their discretion which will be payable by the Investor in addition to the Purchase Price. This is not a fee charged by the Issuer;
- the Investor will not receive any Coupon Payments in relation to any Coupon Record Dates which occurred prior to the Purchase Date; and
- the Investor may make a capital loss or gain as the Final Value per Unit is only calculated by reference to the Issue Price and not the Purchase Price.

Units issued to Investors during the General Offer Period will be subject to the same Terms and receive the same Coupon Payments (where the Coupon Payment Date falls on or after the Purchase Date) and the same Final Value per Unit as Units issued to Investors during the Initial Offer

Period. In other words, all calculations of amounts per Unit will be the same for all issued Units, regardless of whether the Purchase Price was above or below the Issue Price.

Can the Reference Assets change?

The Reference Assets are fixed for the term of Investment. However, if any of the Reference Assets are removed from quotation or suspended, the relevant Reference Asset may be substituted in whole or in part with another Reference Asset at the discretion of the Issuer. The new Reference Asset will be chosen by the Issuer to match as closely as possible to the original Reference Asset. Substitution of the Reference Asset may only occur following an Adjustment Event or 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 Reference Asset Return will be determined by the original Reference Asset up until the time the Reference Asset is substituted and, after this time, by the new Reference Asset.

More information on the Reference Assets can be found in Section 2 of this PDS. Please also see clause 5 of the Terms in relation to Adjustment Events.

What fees are payable in relation to the MLI?

There are no direct fees or commissions payable by the Investor. The Issuer will pay to distributors an upfront Distributor Fee of up to 3.00% (including GST if applicable) of the Investment Amount. This fee is paid by the Issuer out of its own funds and is not an additional cost to the Investor, nor is it deducted from the Investment Amount.

For information on what fees and commissions are payable in connection with an investment in the MLI, please refer to Section 6 of this PDS.

What are the currency risks in relation to the MLI?

For both the AUD Series and USD Series, direct currency risk is minimised since all payments associated with the MLI are denominated in the same currency. Investors in the USD Series that do not elect to take advantage of the Agency Sale Arrangement and accept the Delivery Assets may incur currency risk beyond the Maturity of the MLI. For more details on currency risk, please refer to Section 4 of this PDS.

What are the potential tax implications of investing in the MLI?

Investors who are Australian tax residents for the purposes of Australian income tax should include Coupon Payments in their ordinary assessable income when received.

The Issuer will withhold interest withholding tax from Coupon Payments paid to Investors whose Postal Address

or Settlement Account, as provided on the Application Form, is outside Australia.

Investors who hold the MLI on capital account for tax purposes in certain circumstances may make a capital gain or loss on the Settlement Date even if they hold their Delivery Assets following the Settlement Date. If so:

- a capital gain arising to Investors that are natural persons, trusts, or complying superannuation funds should be eligible for the discount capital gains concession; and
- a capital loss is not deductible against assessable income but can be used to offset other current year capital gains or can generally be carried forward to future income years.

It is important that potential Investors carefully review the comments in Section 8, which sets out the general tax implications of investing in the MLI. Investors should be aware that Section 8 of this PDS is provided in general terms only and is not tailored to any Investors' specific circumstances. Investors should seek their own independent advice as to the tax consequences of investing in the MLI.

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 the Delivery Parcel on the Settlement Date; or
- **Option 2:** elect to take advantage of the Agency Sale Arrangement and receive the Sale Proceeds.

If Investors do not choose either option, the MLI will automatically default to physical delivery of the Delivery Assets.

The option that is best for each individual Investor depends on their preferences.

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 and register those Delivery Assets in the Investor's name on the Settlement Date in accordance with the CHES details on the Maturity Notice returned by the Investor. If the Investor is not CHES 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 any fraction of a Delivery Asset (including the Portion) would otherwise be transferable by the Issuer to the Investor, the Issuer may keep that fraction of the Delivery Asset and pay an amount equal to the value of the fraction of the Delivery Asset foregone, based on the Official Closing Price on the Trading Day immediately following the Maturity Date, provided that the amount exceeds twenty Australian dollars (AUD 20.00). If the amount does not exceed twenty Australian dollars (AUD 20.00), the Issuer is entitled to keep that amount and is under no obligation to the Investor to make any payment for the fraction.

Option 2 - The Agency Sale Arrangement

To take advantage of the Agency Sale Arrangement and 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 Investor's behalf and will sell the Investor's Delivery Parcel on the Investor's behalf. If the Issuer is unable to sell the Investor's Delivery Parcel at the Official Closing Price on the Trading Day immediately following the Maturity Date, the Issuer authorises the Issuer to use its best endeavours to sell the Delivery Parcel as soon as practicable at the best price the Issuer can obtain. The Issuer will pay the Investor the Sale Proceeds by cheque or directly into the Investor's nominated Settlement Account. The Sale Proceeds will equal the number of Delivery Assets sold multiplied by the Official Closing Price on the Trading Day immediately following the Maturity Date (see "How is the price of the Delivery Assets calculated?" below). The Investor may therefore receive less than the Total Value. Payment will be made within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter.

If the Delivery Parcel would otherwise include any fraction of the Delivery Assets, the Issuer will transfer the equivalent value of the fraction 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).

How is the price of the Delivery Assets calculated?

The Issuer will calculate the price of the Delivery Assets 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 4:10 pm Sydney time on the Trading Day immediately 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:

- nominate another time to determine the Official Closing Price; or
- determine the Official Closing Price to be the price determined by the Issuer as its best estimate of the Delivery Asset value at or around 4:10 pm Sydney time on the Trading Day immediately following the Maturity Date (or in the case of an Early Maturity, the Early Maturity Date).

What happens if an Investor does not make an election or fails 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.

Can the MLI be terminated early?

Investors may terminate their investment in the MLI before the Maturity Date by submitting a completed Investor Sale Form (located at the back of this PDS or available by contacting the Issuer on 1300 30 70 70) to the Issuer and requesting in writing an Early Maturity for the full amount of the Investor's MLI. 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.

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

- the normal Maturity process will apply (as set out in "What happens at Maturity?" in Section 3); or
- the Issuer will pay an Exit Payment.

If the normal Maturity process applies, then the Investor will receive the Early Maturity Value which means the fair economic value of each 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 the Unit 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 an Exit Payment, 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 Exit Payment, the Issuer may adjust the Exit Payment 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.

If an Investor requests Early Maturity, they may receive an amount less than the Investment Amount. Investors should refer to Section 4 of this PDS which discusses the risks associated with Early Maturity Events. Investors should also read clause 4 of the Terms to fully understand their rights and obligations if they request an Early Maturity.

The Early Maturity Value or Exit Payment will take into account all accrued (but unpaid) Coupon Payments up until the Early Maturity Date. However, Investors will not be paid any Coupon Payments in respect of the period after the Early Maturity Date.

It is important to note that the Issuer only provides Capital Protection to Investors who hold the MLI at Maturity and provided that Early Maturity does not occur. This Capital Protection ensures that the value of each MLI on the Maturity Date will be the Issue Price but Capital Protection is also subject to the creditworthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. If an Investor requests Early Maturity, they may well receive an amount less than the Investment Amount. Investors should refer to Section 4 of this PDS which discusses the risks associated with Early Maturity Events. Investors should also read clause 4 of the Terms to fully understand their rights and obligations if they request an Early Maturity.

Please note Capital Protection will not apply to the Early Maturity of the MLI.

Can the Issuer terminate the MLI early without Investor approval?

Yes. The MLI may be terminated early by the Issuer if an Early Maturity Event occurs. An example of an Early Maturity Event is if any of the Reference Assets are suspended for a period of 24 hours or more. Investors should refer to Section 4 of this PDS which discusses the risks associated with Early Maturity Events. 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 the Sale Proceeds from the Agency Sale Arrangement will be determined by reference to the Exit Payment or 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. The Issuer may also deduct Break Costs in relation to the Early Maturity. The Early Maturity Value or Exit Payment will take into account all accrued Coupon Payments owing up until the Early Maturity Date. However, Investors will not be paid any Coupon Payment in respect of the period after the Early Maturity Date.

Can the Issuer change the Terms of the MLI?

Yes. 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 4 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.

Does the MLI offer any Capital Protection?

The obligation to deliver to an Investor the Delivery Assets and any return on the MLI is an obligation of the Issuer. Investors should be aware that Capital Protection does not apply if the MLI is terminated because Early Maturity occurs. The Issuer may 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 10 of this PDS) describes the events that 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 paragraph titled "Can the MLI be terminated early?" (earlier in this section) to understand their rights and obligations if an Early Maturity Event occurs.

Capital Protection provides that the value of each MLI held at Maturity will be the Issue Price but does not apply where Early Maturity occurs. Capital Protection safeguards the Investment from market risks up to the value of the Issue Price, and is subject to the creditworthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to Section 4 of the PDS. Capital Protection is also subject to rounding (see "What happens at Maturity?" earlier in section).

Investors should also be aware that where Capital Protection applies, the Final Value per Unit is calculated by reference to the Issue Price and therefore if Investors acquire their Investment during the General Offer Period at a Purchase Price greater than the Issue Price they may incur a loss compared with Investors who acquire Units during the Initial Offer Period at the Issue Price.

Guarantee

The guarantee given to each Investor by the Guarantor is a continuous, irrevocable and unconditional guarantee of the due and punctual payment of all monies which may become actually or contingently payable to an Investor by the Issuer under, or in conjunction with, the MLI and the due and punctual performance of the Issuer's obligations under the Terms. Each Investor is entitled severally to enforce the guarantee. The guarantee is subject to the credit worthiness of the Guarantor (Citigroup Inc.)

Any payments under the guarantee must be made to Investors in the same manner and currency as the Issuer would be required to make to satisfy its obligations under the MLI. The Guarantor must also pay interest on any amount payable by it under the terms of the guarantee during any period when it remains unpaid. All payments made by the Guarantor under the guarantee will be made free and clear and without any deduction for present or future taxes. If any law requires the Guarantor to withhold on account of any taxes, then the amount payable by the Guarantor will be increased so that after making such withholding the Investor receives the same amount it would have received had no such withholding occurred.

Investors may obtain a copy of the deed of guarantee by contacting the Issuer on 1300 30 70 70.

Issue size

The Issuer aims to raise the equivalent of AUD 3-5 million, taking into account both AUD Series and USD Series of the MLI. If less than the equivalent of AUD 3 million is raised, the Issuer may, in its absolute discretion, issue the MLI anyway. However, the Issuer retains the discretion to reject any Applications. If the Issuer rejects Applications, the Investment Amounts (without interest) will be returned to Applicants either by bank transfer or by cheque at the risk of the Applicant within 14 Business Days after the Initial Offer Closing Date.

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 Ombudsman Service ("FOS") at:

Financial Ombudsman Service

GPO Box 3
Melbourne, Victoria, 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Email: info@fos.org.au

FOS is an independent dispute resolution scheme. In order for a complaint to be considered by FOS, the claim involved must be under the equivalent of AUD 150,000.

Section 4 – Risks of investing in the MLI

Risk Factors

Capital Protection

The Final Value per Unit is protected where Capital Protection applies.

Capital Protection only applies to Units held at Maturity and provided Early Maturity does not occur. Capital Protection safeguards the MLI from market risks up to the value of the Issue Price, and is subject to the credit worthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc.

The MLI does not represent a deposit or other liability of Citigroup Pty Limited or Citibank, N.A. (Sydney Branch) and these entitles do not stand in any way behind the capital value and/or performance of the MLI.

The MLI is subject to investment risks, including the risk that the fair economic value received on an Early Maturity may be less than the Investment Amount.

Any Investor who acquires Units during the General Offer Period may pay a Purchase Price greater than the Issue Price. Where Capital Protection applies, the Final Value per Unit is calculated by reference to the Issue Price. Therefore, Investors who acquired their Investment at a Purchase Price greater than the Issue Price may incur a loss, or a greater loss, compared with Investors who acquired Units at the Issue Price.

Early Maturity risk

In certain circumstances, the MLI may be terminated early where an Investor requests Early Maturity or an Early Maturity Event occurs. If an Early Maturity Event occurs, Investors will be given approximately 20 Business Days' notice of any proposed Early Maturity unless it is otherwise impracticable to do so. The Issuer only provides Capital Protection for the MLI at Maturity provided that Early Maturity does not occur. Capital Protection is also subject to the creditworthiness of Citigroup Global Markets Australia Pty Limited and Citigroup Inc. For more details, please refer to "Credit risks" below.

Prior to Maturity, Investors will receive the fair economic value of the MLI or the Exit Payment (as determined by the Issuer) which will be based on various market factors such as the performance of the Reference Assets volatility and time remaining to Maturity. This may result in the value of the MLI being less than the Investment Amount in instances where Early Maturity applies. In determining the fair economic value or the Exit Payment, the Issuer may

deduct Break Costs (which may be substantial) in relation to the Early Maturity.

Liquidity risk

It is at the Issuer's absolute discretion to permit Early Maturity once a week. However, the MLI obtains exposure to the Reference Assets using over the counter ("OTC") transactions. These OTC transactions must be unwound to allow Early Maturity and consequently the MLI may be illiquid and Break Costs and Costs and Taxes may be significant.

The MLI is not quoted on the ASX or any other financial market. The MLI is transferable with the consent of the Issuer (for more detail please refer to clause 14.9(b) of the Terms) but there is no guaranteed ability to sell a MLI before Maturity.

Market risk and economic factors

There is no guarantee that the Final Value per Unit will, on the Maturity Date, be higher than the Issue Price.

Also, if the Reference Asset Return of the Worst Performing Reference Asset exceeds the Cap Level then the Cap Level will operate to "cap" or limit the Final Value per Unit and so may limit the maximum return which Investors can receive.

The value of the MLI at any time will be affected by a number of market variables that change daily, such as the performance of each Performance Asset, interest rates volatility, the trading liquidity of the Reference Assets, prevailing and anticipated economic conditions, technological, legal or political conditions, other inter-related factors which affect the performance of markets generally and the interest rate markets specifically, and time remaining to Maturity.

Credit risk

The Issuer is a wholly owned subsidiary of Citigroup Inc., a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers with more than 200 million customer accounts doing business in more than 100 countries.

Copies of financial statements of Citigroup Inc. can be found at www.citifirst.com.au/about_us.html. Hard copies of those financial statements can be obtained by calling Citi on 1300 30 70 70.

The value of the MLI depends on the ability of the Issuer to perform its obligations under the Terms and the ability of the Guarantor to perform under its guarantee of the Issuer's obligations. These obligations are unsecured contractual obligations of the Issuer and Guarantor and will rank equally with other unsecured obligations and debt of the Issuer and Guarantor other than liabilities mandatorily preferred by law.

Investors must make their own assessment of the ability of the Issuer and Guarantor to meet their obligations in respect of the MLI. Nothing in this PDS is, or may be relied upon as being, a representation as to any future event or a promise as to the future of the ability of the Issuer or Guarantor to perform their obligations.

The Issuer also has the right to transfer its obligations by giving notice to Investors in accordance with the Terms (see clause 14.9(a) of the Terms).

Exercise of discretion by the Issuer

Investors should note that a number of provisions of the Terms confer discretions on the Issuer and its associates which could affect the value of the MLI. These include the powers to nominate Adjustment Events and Early Maturity Events, to substitute the Delivery Assets or Reference Assets, to adjust or modify the method of any calculation as set out or used in the Terms and to make adjustments to the terms of the MLI as contemplated in the Terms.

Adjustment 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, changes to the Issuer's hedging arrangements, trading suspension, material change in the calculation and/or composition of the Reference Assets and/or Delivery Assets and changes in Corporations Act or taxation laws. Investors should read clause 5 of the Terms set out in Section 10 of this PDS.

Tax risk

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

In particular, Investors should note that Section 8 of this PDS assumes that Investors will take physical delivery of, and hold, the Delivery Assets for the purposes of deriving assessable dividends.

Change of law risk

Changes to laws or their interpretation in Australia, including taxation and corporate regulatory laws, could have a negative impact on the return of Investors.

As set out in Section 8 of this PDS, the ATO has examined deferred purchase agreements. It is important that potential Investors carefully review the comments in Section 8 as regards the ATO views and implications for the MLI.

Potential conflicts of interest

The Issuer and other Citi companies may be, as a result of investment banking or other engagements, in possession of material price sensitive information relating to the Delivery Assets. However, consistent with our long standing policy to hold in confidence the affairs of our customers, we will not use confidential information obtained from customers, except in connection with our services to that customer. We may also conduct transactions as principal or as agent in various financial instruments, including the Delivery Asset and Performance Assets. These investment banking activities, trading activities or any other activities of Citi may affect (positively or negatively) the price at which the Delivery Asset or Reference Asset trade at any point in time.

Citi may have a potential conflict of interest of which you are not aware and which we are unable to disclose to you.

Investment decisions

The information in this PDS is intended to provide Investors and their professional advisors with the information they would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the capacity of the Issuer to fulfil its obligations under the MLI and the risks, rights and obligations associated with the MLI. It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each Investor. 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 investment in a MLI.

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 to invest.

Factors affecting the Reference Assets

An Investor in the MLI should be familiar with shares and with investments in equity securities markets generally. In particular, Investors should be familiar with the securities market on which shares in the S&P/ASX 200 Price Index are traded and the economic, political and other aspects

relevant to investments in that market which may have a material effect on those investments.

Performance of the Reference Assets

The value of the MLI will vary over time. The performance of the Reference Assets will have a direct effect on the value of the MLI and on the Final Value per Unit. There is no guarantee that the performance of any of the Reference Assets will, on the Maturity Date, be positive.

The performance of the Reference Assets will not have any direct effect on the value of the fixed Coupon Payments.

Return of the MLI may be different to the performance of the Worst Performing Reference Asset

Investors should be aware that the return they receive from investing in the MLI may be less than the performance of the Worst Performing Reference Asset. For example, the Cap Level may operate to “cap” or limit the Final Value per Unit and therefore limit the maximum return which Investors could receive.

Past performance of the Reference Assets is not a reliable indicator of future performance.

Currency risk

The USD Series is denominated in United States dollars (“USD”). The Issue Price for the USD Series must be paid in USD. Accordingly, if an Investor holds Australian dollars or any other currency which is not USD, that currency will need to be converted to USD before the Investor invests in the USD Series. Such Investors may be subject to currency risk. Investors in the USD Series that do not elect to take advantage of the Agency Sale Arrangement and accept the Delivery Assets may incur currency risk beyond the Maturity of the MLI as the Delivery Assets are an Australian dollar denominated security. If the Investor chooses to use the Agency Sale Arrangement, there is currency risk if the exchange rate at the time the Issuer purchases and delivers the Delivery Assets and sells those Delivery Assets under the Agency Sale Arrangement are not the same. Currency risk is the risk that the value of an investment in the USD Series in non-USD terms changes relative to its value in USD. In particular, Investors should be aware that if the non-USD currency was to appreciate in value against the USD, the value of the investment in the MLI in non-USD terms would decrease, and vice versa.

Interest rate risk

Fluctuations in interest rates can affect the value of the MLI prior to the Maturity Date. If long-term interest rates increase then, all other things being equal, the value of the

MLI is expected to fall. Conversely, if long-term interest rates decrease then, all other things being equal, the value of the MLI is expected to increase.

Agency Sale Arrangement risk

If an Investor elects the Agency Sale Arrangements, the Issuer may be unable to sell the Investor’s Delivery Parcel at the Official Closing Price on the Trading Day immediately following the Maturity Date. Although the Issuer will use its best endeavours to sell the Delivery Parcel as soon as practicable at the best price the Issuer can obtain, there is a risk that Investors may receive less than the Total Value.

No reinvestment of income

An Investor may not be able to reinvest Coupon Payments at, or above, the same Coupon Rate on each Coupon Payment Date during the relevant Term. Each Coupon Amount is calculated using the Issue Price and will not be capitalised.

Section 5 – Scenario analysis

The calculations and charts in this Section are illustrative examples designed to indicate how an investment in the MLI in the AUD Series could perform under different scenarios. Each scenario assumes that Early Maturity does not occur, the Cap Level is set at 50%, the Coupon Rate equals 5% and that the Term is 4 years. In each of the following numerical examples, assume that the Investor has subscribed for 100,000 Units in the AUD Series with an Investment Amount of AUD 100,000.

These scenarios have been included solely so that Investors may gain insight into the possible returns that an Investor may receive over the Term of the Investment. The Reference Asset Return of the Worst Performing Reference Asset, Coupon Rate and the Final Value per Unit calculations below are not forecasts, projections or predictions. Investors are cautioned that the Reference Asset Return of the Worst Performing Reference Asset, Coupon Rate and the Final Value per Unit calculations are subject to risks and uncertainties, and are not a statement about likely future performance.

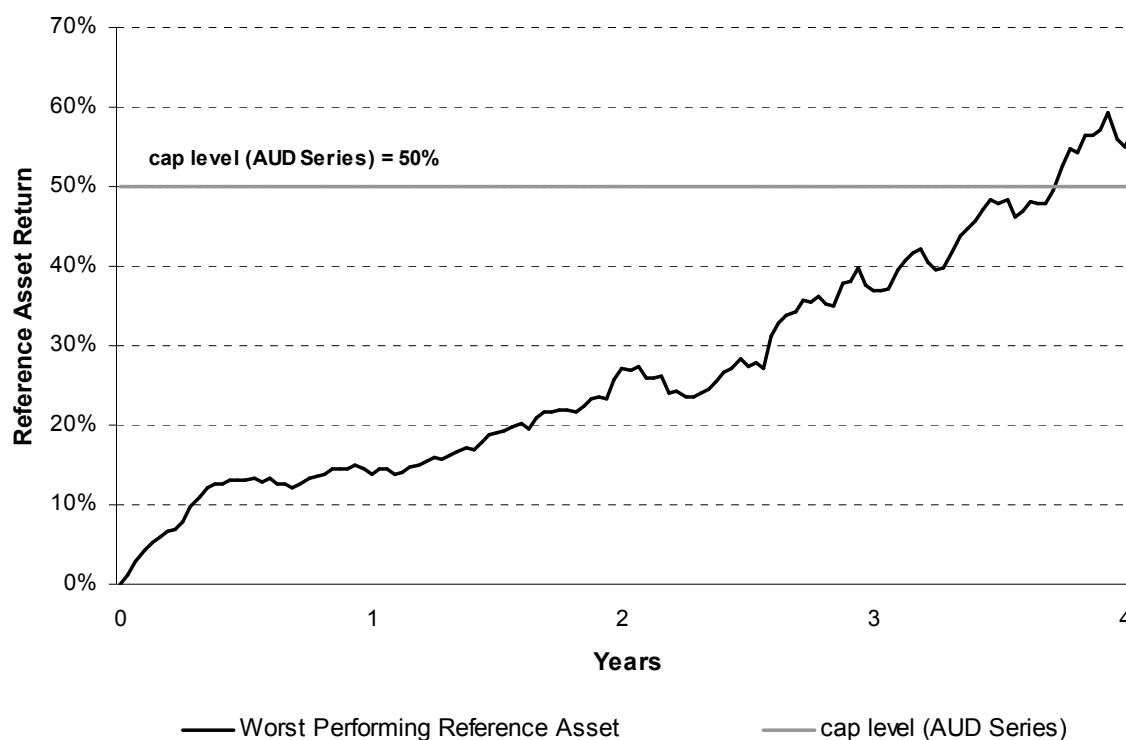
These hypothetical numerical examples do not take into consideration tax implications or any costs associated with the MLI.

Investors whose Postal Address or Settlement Account, as provided on the Application Form, is outside Australia will be subject to interest withholding tax on Coupon Payments paid by the Issuer. The rate of interest withholding tax is currently 10% and will be deducted from the payments shown below.

Investors should be aware that their entitlement to receive the Coupon Payments and the Final Value per Unit are obligations of the Issuer and Guarantor. If the Issuer and the Guarantor default on their obligations to pay any of these amounts, the Investor will be an unsecured creditor in relation to that defaulted obligation.

Bullish Scenario

In this first example, we describe an Investment in the MLI (AUD Series), where the Reference Asset Return of the Worst Performing Reference Asset is positive and exceeds the relevant Cap Level.



The Coupon Rate is 5% p.a. (AUD Series) and is paid Quarterly in arrears for Years 1-3.

| Years | Quarterly Coupon Payment per Unit (AUD Series) |
|-------|------------------------------------------------|
| 1-3 | AUD 0.0125 |

Thus, an Investor that subscribed for 100,000 units would receive the following Coupon Payment on each Coupon Payment Date throughout Years 1-3: AUD 1,250 (Issue Price x 3/12 x Coupon Rate x number of Units held, i.e. AUD 1.00 x 3/12 x 5% x 100,000).

In addition, the Investor would receive the Total Value at Maturity (i.e. Final Value per Unit x the number of Units held by the Investor).

| Initial Price of the Worst Performing Reference Asset | Reference Price of the Worst Performing Reference Asset | Reference Asset Return of the Worst Performing Reference Asset |
|-------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------|
| AUD 22.00 | AUD 34.54 | 57% |

The Final Value per Unit is calculated as follows:

Final Value per Unit = Issue Price x [100% + Max (0%, Min (Reference Asset Return of the Worst Performing Reference Asset, Cap Level))]

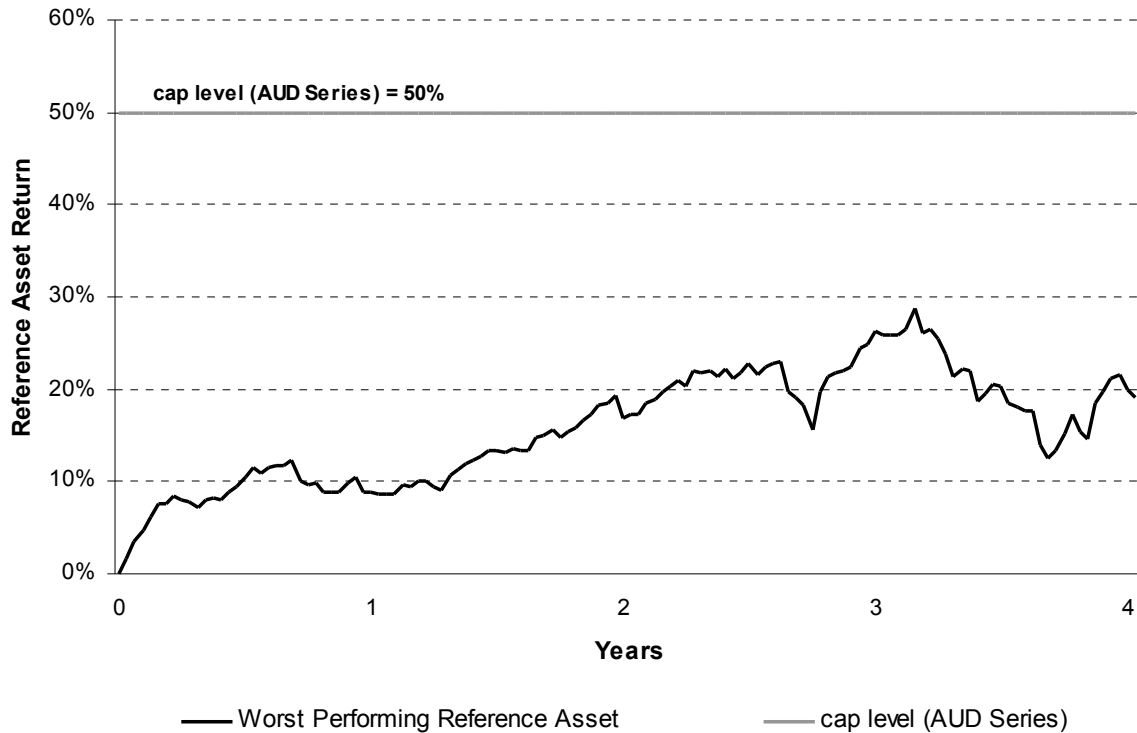
$$= \text{AUD } 1.00 \times [100\% + \text{Max } (0\%, \text{Min } (57\%, 50\%))] = \text{AUD } 1.50$$

Therefore, the maturity value for an Investor that subscribed for 100,000 Units will equal AUD 150,000 (AUD Series).

In overall terms, the Investor will receive AUD 165,000 (AUD 15,000 Coupon Payments + AUD 150,000 in Delivery Parcel) over the Term of the Investment.

Moderate Scenario

In this second example, we describe an Investment in the MLI (AUD Series), where the Reference Asset Return of the Worst Performing Reference Asset is moderately positive and does not exceed the relevant Cap Level.



The Coupon Rate is 5% p.a (AUD Series) paid Quarterly in arrears for Years 1-3.

| Years | Quarterly Coupon Payment per Unit (AUD Series) |
|-------|------------------------------------------------|
| 1-3 | AUD 0.0125 |

Thus, an Investor that subscribed for 100,000 units would receive the following Coupon Payment on each Coupon Payment Date throughout Years 1-3: AUD 1,250 (Issue Price x 3/12 x Coupon Rate x number of Units held, i.e. AUD 1.00 x 3/12 x 5% x 100,000).

In addition, the Investor would receive the Total Value at Maturity (i.e. Final Value per Unit x the number of units held by the Investor).

| Initial Price of the Worst Performing Reference Asset | Reference Price of the Worst Performing Reference Asset | Reference Asset Return of the Worst Performing Reference Asset |
|-------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------|
| AUD 22.00 | AUD 26.18 | 19% |

The Final Value per Unit is calculated as follows:

Final Value per Unit = Issue Price x [100% + Max (0%, Min (Reference Asset Return of the Worst Performing Reference Asset, Cap Level))]

$$= \text{AUD } 1.00 \times [100\% + \text{Max } (0\%, \text{Min } (19\%, 50\%))] = \text{AUD } 1.19$$

Therefore, the maturity value for an Investor that subscribed for 100,000 units will equal AUD 119,000 (AUD Series).

In overall terms, the Investor would receive AUD 134,000 (AUD 15,000 Coupon Payments + AUD 119,000 in Delivery Parcel) over the Term of the Investment.

Bearish Scenario

In this third example, we describe an Investment in the MLI (AUD Series), where the Reference Asset Return of the Worst Performing Reference Asset is negative and does not exceed the relevant Cap Level.



The Coupon Rate is 5% p.a. (AUD Series) paid Quarterly in arrears for Years 1-3.

| Years | Quarterly Coupon Payment per Unit (AUD Series) |
|-------|------------------------------------------------|
| 1-3 | AUD 0.0125 |

Thus, an Investor that subscribed for 100,000 units would receive the following Coupon Payment on each Coupon Payment Date throughout Years 1-3: AUD 1,250 (Issue Price x 3/12 x Coupon Rate x number of Units held, i.e. AUD 1.00 x 3/12 x 5% x 100,000).

In addition, the Investor would receive the Total Value at Maturity (i.e. Final Value per Unit x the number of units held by the Investor).

| Initial Price of the Worst Performing Reference Asset | Reference Price of the Worst Performing Reference Asset | Reference Asset Return of the Worst Performing Reference Asset |
|-------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------|
| AUD22.00 | AUD 18.92 | -14% |

The Final Value per Unit is calculated as follows:

Final Value per Unit = Issue Price x [100% + Max (0%, Min (Reference Asset Return of the Worst Performing Reference Asset, Cap Level))]

$$= \text{AUD } 1.00 \times [100\% + \text{Max } (0\%, \text{Min } (-14\%, 50\%))] = \text{AUD } 1.00$$

Therefore, the Total Value for an Investor that subscribed for 100,000 units will equal AUD 100,000 (AUD Series).

In overall terms, the Investor would receive AUD 115,000 (AUD 15,000 Coupon Payments + AUD 100,000 in Delivery Parcel) over the Term of the Investment.

Section 6 – Fees associated with the MLI

Investors do not pay any direct fees to the Issuer associated with an investment in the MLI.

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 if applicable). The Issuer will notify the Investor of any such Costs and Taxes (including GST if applicable) in the Maturity Notice. At the date of this PDS, the Issuer is not aware of any Costs and Taxes payable.

If Early Maturity occurs, the Issuer may charge the Investor any Costs and Taxes and Break Costs associated with the early termination. The Break Costs may include all costs, expenses and losses incurred by the Issuer and notified by the Issuer as payable by the Investor as a result of the early termination, unwind of a hedge position or any loss of profits that the Issuer may suffer as a result of the early termination. The Break Costs may be substantial. The Issuer will notify the Investor of such Break Costs in the Early Maturity Notice and will also provide indicative Break Costs prior to Early Maturity if requested and where possible.

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

The Issuer will pay to distributors an upfront Distributor Fee* of up to 3.00% (including GST if applicable) of the Investment Amount. This fee is payable by the Issuer out of its own funds and is not an additional cost to the Investor, nor is this fee deducted from the Investment Amount.

* For example, if you invest AUD 1,000,000, the Distributor Fee payable to the distributor would be up to AUD 30,000 (i.e. AUD 1,000,000 x 3.00%). This is paid by the Issuer at no additional cost to Investors.

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

Section 7 – Information about the Issuer and Guarantor

Who are the Issuer and the Guarantor?

The Issuer of the MLI is Citigroup Global Markets Australia Pty Limited. The Issuer is a wholly owned subsidiary of Citigroup Inc. and a member of the Citigroup Inc. group of companies ("Group"). Citigroup Inc. guarantees the performance of the Issuer's obligations under this PDS and the Terms, but does not guarantee the performance of the MLI.

The Issuer has previously provided credit rating information in retail disclosure documents. However, due to changes in the regulatory environment, most credit rating agencies are no longer consenting to the inclusion of credit rating information in retail disclosure documents issued in Australia. Therefore no credit ratings have been included in this document.

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.

General information about Citigroup Inc.

Citigroup Inc. is a leading global financial services company, has more than 200 million customer accounts and does business in more than 140 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Additional information may be found at www.citigroup.com or www.citi.com.

At 31 December 2009, Citi had approximately 265,300 full-time employees and 3,700 part-time employees.

The principal executive offices of the companies are located at 399 Park Avenue, New York, New York 10043, U.S.A.

Citi 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 (now Citigroup 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.

Copies of financial statements of the Issuer can be found at www.citifirst.com.au/about_us.html.

Hard copies of those financial statements can be obtained free of charge by calling Citi on 1300 30 70 70.

No Citi company other than the Issuer makes any statement or representation in this PDS.

Section 8 – Tax considerations

This section is general in nature and does not take into account the specific taxation circumstances of each Investor. The Issuer is not in the business of providing tax advice and cannot be relied upon to do so. Accordingly Investors should not rely on this section and should obtain specific taxation advice referable to their own circumstances.

This section is a summary of the taxation consequences arising for Investors who are Australian resident taxpayers, including individuals, companies, trusts, and complying superannuation funds, who hold the MLI on capital account, and who take physical delivery of the Delivery Assets on the Settlement Date and hold the Delivery Assets for the purpose of deriving assessable dividends, rather than utilising the Agency Sale Arrangement.

This section is based on the law, and the administrative practice of the ATO, as at the date of this PDS. Subsequent changes in the law or its administration by the ATO may affect the tax consequences to Investors.

Coupon Payments

Investors should include the Coupon Payments received in a year of income as assessable income.

Where an Investor acquires a USD series MLI, for tax purposes, the Investor should translate the USD amount of the Coupon Payment to AUD using the prevailing USD/AUD spot exchange rate at the time of receipt.

Capital Gains Tax

Based on the approach adopted by the ATO in Taxation Determination TD 2008/21 the gain or loss on Maturity of the MLI should be on capital account and subject to Capital Gains Tax.

Investors should note that the gain or loss would not be on capital account where the transaction was entered into as an ordinary incident of carrying on a business or in a business operation or commercial transaction carried out with a profit-making purpose by the Investor. Such Investors should obtain tax advice specific to their circumstances as the comments below do not apply to them.

Based on the approach adopted by the ATO in Taxation Determination TD 2008/22 Investors will be subject to Capital Gains Tax on the Maturity Date of the MLI whether or not they take delivery of the Delivery Assets or elect to sell the Delivery Assets using the Agency Sale Arrangement.

For Investors in the AUD Series, the amount of the capital gain will be the market value of the MLI at the Maturity

Date less the Issue Price paid by the Investor on Application.

For Investors in the USD Series the amount of the capital gain or loss will be the market value of the MLI at the Maturity Date (expressed in AUD) less the USD denominated Issue Price paid by the Investor on Application translated into AUD using the exchange rate on the Issue Date of the MLI. For Investors in the USD Series, but not the AUD Series, it is possible this calculation could give rise to a capital loss. Capital losses cannot be applied to reduce ordinary income but may only be used to reduce capital gains from other sources in the current or later years.

A capital gain computed above should first be reduced by any capital losses from other sources before applying any CGT discount applicable below.

Apart from Investors who made an Early Maturity within 12 months of the Issue Date, Investors will hold the MLI for at least 12 months. Accordingly, Investors who are natural persons should apply the 50% CGT discount to the amount of the capital gain computed above. And Investors who are trusts or complying superannuation funds should apply the one-third CGT discount to the amount of the capital gain computed above.

Investors who take delivery of the Delivery Assets on the Settlement Date rather than utilising the Agency Sale Arrangement will also be subject to Capital Gains Tax upon any subsequent sale of those Delivery Assets. Based on the approach adopted by the ATO in TD 2008/22, the amount of that capital gain or loss will be the sale proceeds of the Delivery Assets less the market value of the MLI at the Maturity Date. Accordingly, the capital gain or loss on sale of the Delivery Assets will only reflect the increase or decrease in value of the Delivery Assets after the Maturity Date of the MLI. The CGT discount would only apply to a capital gain in this instance where Investors held the Delivery Assets for at least 12 months after the Maturity Date of the MLI.

Discount Securities

The return on discount securities is brought to tax on an accruals basis over the life of the security. Based on the approach adopted by the ATO in Taxation Determination TD 2008/21, the MLI should not be regarded a discount security.

Traditional Securities

Gains and most losses on disposal or maturity of Traditional Securities are excluded from being on capital account. However, based on the approach adopted by the ATO in TD 2008/21, the MLI should not be regarded as a Traditional Security.

Financial Arrangements

An investment in the MLI may constitute a financial arrangement. New rules for the taxation of financial arrangements ("TOFA") apply to financial arrangements acquired after 1 July 2010. Investors have the choice to elect that the TOFA rules apply from 1 July 2009. Investors also have a choice to apply the TOFA rules to financial arrangements acquired prior to whichever of those dates applied to them.

Investors who acquire the MLI before 1 July 2010 should not be subject to the TOFA rules unless they make either of the choices specified above, in which case they should obtain tax advice specific to their circumstances.

Investors who acquire the MLI from 1 July 2010 or who make either of the choices specified above will come within the ambit of the TOFA rules. However, unless investors elect otherwise, on the basis that the MLI is not a discount security, the TOFA rules will not apply to the MLI for those investors who are:

- individuals; or
- superannuation funds, or managed investment schemes, with assets of less than \$100 million; or
- non-financial sector investors with assets of less than \$300 million, financial assets less than \$100 million, and turnover less than \$100 million.

Other investors should obtain tax advice in relation to the application of the TOFA rules specific to their own circumstances.

General Anti-Avoidance Rule

The Tax Act contains a general anti-avoidance rule which gives the ATO power to cancel a tax benefit where a taxpayer enters into a scheme, where there was a dominant purpose of deriving the tax benefit. While the application of this rule can only be determined by considering the specific circumstances of each Investor, in general the rule should not apply to Investors in the MLI.

GST

The MLI should not give rise to any liability for Investors to pay Goods & Services Tax.

Section 9 – Additional information

Consents

Freehills has given, and not withdrawn, its written consent to being named as lawyers to the issue in the form and context in which it is named. Freehills has not provided any taxation advice in, or in relation to, this PDS and has not authorised or caused the issue of this PDS. Freehills does not make, or purport to make, any statement in this PDS or any statement on which a statement in this PDS is based except as stated in this paragraph. Freehills takes no responsibility for any part of this PDS to the maximum extent permitted by law other than references to its name to which it has consented.

Freehills has not authorised or caused the issue of this PDS.

Experts' and advisors' 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.

Freehills will receive fees for its professional services in connection with this PDS as legal advisor to the Issuer. Some partners of Freehills may, from time to time, have an interest in the MLI, the Delivery Asset, the Reference Assets or securities 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 Asset or the Reference Assets 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 Assets or the Delivery Asset except that:

- 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 Inc. group of companies, as part of their employee remuneration arrangements, conduct an incentive system based on the success of their activities. The directors and senior executive officers of the Issuer, being also employees of a Citigroup Inc. group 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

financial instruments dependent on the Reference Assets or the Delivery Asset, or advise or act for other clients in relation to the issuer of the Reference Assets or the Delivery Asset, or publish research reports on the issuer of the Reference Asset or 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 financial instruments dependent on the Delivery Assets for trading purposes, including market making, or to hedge the MLI. Related bodies corporate of the Issuer may deal in financial instruments dependent on the Reference Assets or the Delivery Asset, options and other derivative contracts in respect of them.

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 (such as distributors of the MLI and your licensed broker or financial advisor) during the course of managing the MLI is required to process your MLI Application, manage your Investment and comply with relevant laws.

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

We may also disclose information about you to process your Application, manage your Investment, comply with relevant laws or as otherwise permitted under the *Privacy Act 1988* (Cth).

We store information about you in databases which may be maintained outside Australia by other Citigroup Inc. group of 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, issue the MLI 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 Citi Privacy Officer:

Citi Privacy Officer
GPO Box 204
Sydney NSW 2001
Telephone: +61 2 8225 1000
E-mail: privacy.officer@citi.com.au

Section 10 - 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 Initial Offer Closing Time or, if applicable, the Purchase Date; and
- (b) by ensuring that an amount equal to the Investment Amount is received by the Issuer in cleared funds by the Initial Offer Closing Time or, if applicable, the Purchase Date.

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 Initial Offer Closing Time or, if applicable, the Purchase Date (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 or, if applicable, the Purchase Date.
- (c) Subject to clause 1.3(d), for each 1.00 of the Investment Amount paid by the Initial Offer Closing Time, the Applicant will be entitled to one Unit. For Applications received after the Initial Offer Closing Time, the Applicant will be entitled to the number of Units equal to the Investment Amount divided by the Purchase Price. If the Investment Amount is paid in Australian dollars, then the MLI will be issued in the AUD Series. If the Investment Amount is paid in United States

dollars, then the MLI will be issued in the USD Series.

- (d) Within 10 Business Days after the Issue Date, or, if applicable, the Purchase 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 of these Terms). Following Maturity, the Issuer will deliver the Delivery Parcel to the Investor in accordance with clause 3 of these Terms.

2.2. Payment of the Investment Amount

- (a) The Investor must pay the Investment Amount to the Issuer in cleared funds by the Initial Offer Closing Time or, if applicable, the Purchase Date.
- (b) The minimum Investment Amount that will be accepted by the Issuer under these Terms is the Minimum Investment 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 20 Business Days before the Maturity Date.

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.
 - (i) If the Issuer:
 - i. does not receive the Investor's Maturity Notice by the Closing Time; or
 - ii. receives the Investor's Maturity Notice 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 deferred purchase will complete.

(ii) the Issuer (or its nominee) agrees to sell the Delivery Parcel on behalf of the Investor for an amount per Delivery Asset equal to the Official Closing Price on the Trading Day immediately following the Maturity Date; and

(iii) 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 (whether from negligence or otherwise), except to the extent that such loss, cost or expense arises as a result of the Issuer's (or the nominee's) default, fraud or dishonesty.

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 the 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 nominee) is 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 nominee) to sell, and irrevocably directs and authorises the Issuer (or its nominee) to take all actions necessary or desirable to effect the sale by the Issuer (or its nominee) of the Delivery Parcel;
- (c) the Issuer (or its nominee) 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 after the Settlement Date or as soon as reasonably practicable thereafter; and
- (d) the Investor acknowledges and agrees that:

The Investor agrees and acknowledges that the Issuer (or its nominee) 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 Official Closing Price on the Trading Day immediately following the Maturity Date, 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. Payment of Coupon Amounts by the Issuer

In respect of each MLI, the Issuer must pay (to the holder of the MLI the Coupon Payments applicable to that MLI on the applicable Coupon Payment Dates

3.6. 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) to the Investor of the relevant amount in respect of the Delivery Parcel under clause 3.4(c), and any payment of amounts due under clause 3.5, the Issuer's obligations to the Investor under these Terms are satisfied and discharged.

3.7. 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 fraction of a Delivery Asset (including the Portion) would otherwise be transferable by the Issuer on the Settlement Date, the Issuer may keep that fraction of the Delivery Asset and cause to be paid to the Investor (within 10 Business Days after the Settlement Date or as soon as reasonably practicable thereafter) an amount equal to the value of the fraction of the Delivery Asset forgone based on the Official Closing Price on the Trading Day immediately following the Maturity Date, provided that such amount exceeds twenty Australian dollars (AUD 20.00). If the amount does not exceed twenty Australian dollars (AUD 20.00), the Issuer is entitled to keep that amount and is under no obligation to the Investor to make any payment for the fraction of the Delivery Asset. Upon performance of its obligations under this clause, the Issuer is discharged of its obligation to deliver the fraction of the Delivery Asset.

4. Early Maturity

4.1. Early Maturity by the Issuer

The Issuer may at any time, in its absolute discretion, nominate or declare 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 that occurs or is proposed to occur where, 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) where there is a suspension or material limitation of trading in financial products generally on the Relevant Exchange or any other exchange on which the Delivery Asset or a Reference Asset is traded for a period of 24 hours or more;
- (d) where there is a suspension or material limitation of trading in the Delivery Asset or a Reference Asset traded on a Relevant Exchange (or any successor) for a period of 24 hours or more;
- (e) 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;
- (f) a Hedging Event as described in clause 5.2; or
- (g) 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.

4.2. Early Maturity at the request of the Investor

The Investor may only request an Early Maturity on a weekly basis by completing and giving the Investor Sale Form to the Issuer. An Early Maturity can only be requested in respect of the full amount of the Investor's MLI. 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 after the request is received and will complete accordingly.

4.3. 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.

4.4. Early Maturity Mechanism

- (a) If the Issuer determines that there will be an Early Maturity in accordance with clause 4.1 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 4.4(a)(ii) or by Exit Payment in accordance with clause 4.4(a)(iii);
 - (ii) if specified in the Maturity Notice and subject to clause 4.4(b), Early Maturity will take place in accordance with the procedures set out in clauses 3.2 to 3.6 of these Terms; and
 - (iii) if specified in the Maturity Notice, Early Maturity will occur by the Issuer paying to the Investor the Exit Payment to the Investor's Settlement Account (or by paying the Exit Payment by cheque to the Investor if no Settlement Account is nominated) within 10 Business Days after the Settlement Date or as soon as practicable thereafter.
- (b) After the Delivery Parcel is delivered to the Investor under clause 3.3(a) or after the Issuer (or its nominee) pays the Investor the Exit Payment in accordance with clause 4.4(a)(iii) or after the relevant amount in respect of the Delivery Parcel under clause 3.4(c) is paid to the Investor's Settlement Account 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.
- (c) If there is an Early Maturity by the Issuer under clause 4.1 only or if the Investor has requested an Early Maturity, for the purposes of determining the Delivery Parcel, the definition of "Delivery Parcel" in clause 15 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:

Delivery Parcel =

Early Maturity Value × no. of Units held by Investor
Official Closing Price for the Delivery Asset on the
Trading Day immediately following the Early Maturity
Date

4.5. 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 4.4(a)) except that the Issuer may substitute any other security or managed investment product quoted and trading on a Relevant Exchange operated by ASX (including any other security or any other fund or entity listed on ASX, provided that other security or managed investment product is in a class of financial products that is a constituent of the S&P/ASX 200 Price Index) for the Delivery Asset and deliver that substituted security or managed investment product in accordance with these Terms as if the definition of "Delivery Asset" was amended to refer to the substituted security.

4.6. 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, Capital Protection will not apply and the Issuer does not guarantee to deliver to the Investor a Delivery Parcel either based on the Final Value per Unit 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 to apply) the Delivery Parcel will only be determined in accordance with clause 4.4(b).

4.7. 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 to any other Term that it considers to be appropriate.

5. Adjustment Events and Hedging Events

5.1. Adjustment Events

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 or managed investment product quoted and trading on a Relevant Exchange operated by ASX, where that other security or managed investment product is in a class of financial products that is a constituent of the S&P/ASX 200 Price Index; and/or

- (b) substitute the Reference Asset with any other security quoted and traded on the Relevant Exchange at the discretion of the Issuer; 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 and/or vary any of the terms referred to in the PDS under the heading "Changes to the Delivery Assets or Reference Assets"; and/or
- (e) determine to suspend any of the necessary calculations referred to in these Terms as appropriate until reliable values can be obtained,

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 or declare 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. Hedging Event

The Issuer has discretion, to be exercised in good faith and in a reasonably commercial manner, to make such adjustments to the Terms if a Hedging Event occurs or is proposed to occur, where:

- (a) on any day the Issuer is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the MLI, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s) (a "Hedging Disruption"); or
- (b) on any day the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the MLI, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s) (an "Increased Cost of Hedging" and together with the Hedging Disruption, each a "Hedging Event"), provided that any such materially increased amount that is incurred solely due to the deterioration of the

credit worthiness of the Issuer shall not be deemed an Increased Cost of Hedging, then the Issuer shall, in its sole and absolute discretion, determine if such Hedging Event has a material effect on the MLI and, if so, the Issuer may make such adjustments (as described in clause 5.1 above) to any of the Terms of the MLI as it determines appropriate to account for any such Hedging Event and determine the date(s) on which any such adjustments will be effective. If in the reasonable opinion of the Issuer it is not possible or desirable to deal with the occurrence of the Hedging 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.

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. Interest in the Delivery Assets

For each MLI an Investor holds, the Investor receives a Beneficial Interest on the Issue Date. The Investor holds the Beneficial Interest until the earlier of Maturity or transfer of each MLI in accordance with clause 14.9.

An Investor may only deal with the Beneficial Interest in accordance with these Terms.

The Issuer (or its nominee) will hold the Portion of the Delivery Assets for the Investor from the Issue Date until Maturity and will be entitled to retain any dividends or other distributions made in connection with those assets, exercise all voting rights and will not be required to pass any notice of meeting or other material in connection with the Delivery Assets to the Investor.

The Issuer (or its nominee) may administer its holding of Portions such that Portions of an Investor or Investors may be aggregated.

The Issuer (or its nominee) has all the powers that a natural person would have in relation to the Portions, subject to these Terms.

The Beneficial Interest for each MLI forms part of that MLI and may not be severed from the balance of the rights in

connection with that MLI or dealt with separately in any way.

When an Investor deals with an MLI in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding Beneficial Interest. When an Investor deals with a Beneficial Interest in any way, then without the need for any additional writing or action, the same dealing between the same parties shall occur in respect of the corresponding MLI. For example, when an Investor (the "old holder") transfers a MLI to another person (the "new holder"):

- (a) all the rights and obligations that attach to that MLI, including the Beneficial Interest, are transferred from the old holder to the new holder;
- (b) the old holder's interest in the MLI will be removed from the Register and the new holder will be added to the Register; and
- (c) the old holder ceases to have any rights in relation to the MLI or the Beneficial Interest.

If any Investor purports to deal with a MLI without an equivalent dealing in the corresponding Beneficial Interest, or if any Investor purports to deal with a Beneficial Interest without an equivalent dealing in the corresponding MLI, or if any Investor purports to contract out of this clause in any way, any such dealing will be void and the MLI and the Beneficial Interest will remain with the Investor recorded on the Register.

At Maturity, the Portion will form part of each Delivery Parcel, and so will either:

- (a) be delivered to the Investor if physical delivery applies; or
- (b) be sold and form part of the Sale Proceeds if the Agency Sale Arrangement applies.

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 other than the Beneficial Interest in a Portion of the Delivery Assets. The parties agree and acknowledge that the legal or beneficial interest in the balance of the Delivery Assets will transfer to the Investor only on the Settlement Date. If the Issuer fails to deliver the balance of the Delivery Assets 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.

The Issuer (or its nominee) is indemnified in its capacity as holder of the Portions for all costs, expenses, outgoings, loss or damages paid, suffered or incurred in that capacity, from the Portions so held, unless such cost, expense, outgoing, loss or damage arises by virtue of dishonesty or wilful breach of trust.

The liability of the Issuer (or its nominee) to Investors or any other person in relation to the holding of Portions, is

limited to the extent to which the liability can be satisfied out of the Portions held for Investors, unless the liability arises by virtue of dishonesty or wilful breach of trust.

9. Taxes

- (a) The Issuer is not liable for any Taxes or other charges payable by:
 - (i) the Investor in relation to or in connection with these Terms; or
 - (ii) any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or on the maturity of the purchase and sale of a Delivery Asset.
- (b) The Investor must pay all Taxes (including GST if applicable) and other charges, if any, payable by:
 - (i) the Investor in relation to or in connection with these Terms; or
 - (ii) any person on, as a consequence of, or in connection with, the purchase, sale or transfer of, or on 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 in 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 8 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 its 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; and
 - (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 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; or
 - (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 a 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 or permitted 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, materially 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

14.1. Currency

All amounts payable by either party under these Terms will be paid in the corresponding Denomination specified in the Term Sheet in respect of the AUD Series or USD Series. All calculations will be performed in currency specified as the "Denomination" in the Term Sheet and any necessary foreign exchange will be calculated by applying the AUD/USD spot rate as at the date of that calculation.

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 director, secretary or authorised officer of 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

For valuable consideration the Investor irrevocably appoints 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 attorney of the Investor to do (either in the name of the Investor or the name of the attorney) all acts and things that the Investor is obliged to do under the 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 (and in the case of the Issuer transferring obligations, the power of attorney in clause 14.6 will extend to any novation deed or agreement that the Issuer considers desirable to give effect to the transfer of obligations).
- (b) The rights and obligations under these Terms may, with the prior consent of the Issuer:
 - (i) be assigned by the Investor; or

- (ii) be made the subject of any encumbrance, charge, trust or fiduciary obligation.
- (c) Any action that purports to do so without the prior consent of the Issuer is invalid, void and without effect as between the Investor, the Issuer and any third party.
- (d) When an Investor deals with an MLI in a manner that does not involve the transfer of legal ownership of the MLI, the Issuer has no duty to record the dealing on the Register. Each Beneficial Interest corresponding to a particular MLI will pass to a new investor upon registration of a transfer of the MLI in the Register. The Issuer and the registrar are entitled to rely on the Register as the definitive record of ownership of MLIs.

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 to 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 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 Postal 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 the 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

- (a) The words defined in the Term Sheet have a meaning ascribed to them in the Term Sheet.
- (b) 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 Delivery Asset;

"**Adjustment Event**" means, in respect of each Reference Asset and the 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); or
 - (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; or

- (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 Index Provider, but is calculated and announced by a successor to the 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) 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) or (b) above occurring; or

(d) 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

(e) any circumstances arise which are described in the PDS as potentially giving rise to an Adjustment Event; or

(f) any other event which the Issuer reasonably declares to be an Adjustment Event;

"**AFSL**" means Australian Financial Services Licence;

"**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;

"**ANZ**" means Australia and New Zealand Banking Group Limited;

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

"**Application**" means an offer by the Applicant 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;

"**APRA**" means Australian Prudential Regulation Authority;

"**ASIC**" means Australian Securities and Investment Commission;

"**ASTC**" means the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532);

"**ASTC Settlement Rules**" means the settlement rules of the ASTC as amended or varied from time to time;

"**ASX**" means ASX Limited (ABN 98 008 624 691);

"**ASX Business Rules**" means the business rules of ASX as amended or substituted from time to time;

"**ASX Group**" is comprised of ASXO, ASX and any of their related bodies corporate;

"**ASXO**" means ASX Operations Pty. Ltd. (ABN 42 004 523 782);

"**ATO**" means the Australian Taxation Office.

"**AUD**" means the Australian dollar which is the lawful currency of Australia;

"**Beneficial Interest**" means the equitable interest in the Portion of Delivery Assets, which is part of each MLI;

"**BHP**" means BHP Billiton Limited;

"**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 MLI;

(b) the termination or reversal of any arrangements or hedge position entered into by the Issuer in connection with any MLI which is terminated early; or

(c) any loss of profits that the Issuer may suffer by reason of the early termination of a MLI;

"**Business Day**" means a day on which banks are open for business, but does not include a Saturday, Sunday or public holiday:

(a) in relation to the AUD Series, in Sydney; or

(b) in relation to USD Series, in Sydney, London or New York;

"**Cap Level**" has the meaning given in the Term Sheet;

"**Capital Protection**" has the meaning given in the Term Sheet;

"**Capital Gains Tax**" or "**CGT**" means the taxation of capital gains in accordance with the provisions of the Tax Act;

"**Change**" has the meaning attributed to it in clause 13 of these Terms;

"**CHES**" means Clearing House Electronic Sub register System;

"**Citi**" means the Issuer;

"**Closing Time**" means 5:00 pm Sydney time on the Trading Day immediately prior to the Maturity Date;

"**Confirmation**" means a notice given by the Issuer to an Investor in relation to each Application confirming the terms of the MLI, including the relevant Issue Date, Coupon Rate, Maturity Date, Term and number of Units issued;

"**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 (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 Arrangement, if applicable;

"**Coupon Payment**" has the meaning given in the Term Sheet;

"**Coupon Payment Dates**" has the meaning given in the Term Sheet;

"**Coupon Rates**" has the meaning given in the Term Sheet;

"**Coupon Record Dates**" has the meaning given in the Term Sheet;

"**Delivery Asset**" means the security specified in the Term Sheet as the "Delivery Asset" (including the Portion) or any other Delivery Asset specified in the PDS or determined by the Issuer in accordance with these Terms;

"**Delivery Parcel**" means, subject to clause 4.4(b) of the Terms, the number of Delivery Assets to be delivered by the Issuer to the Investor on the Settlement Date as determined by the following formula:

$$\frac{\text{Final Value per Unit} \times \text{number of Units held by Investor}}{\text{Official Closing Price for the Delivery Asset on the Trading Day immediately following the Maturity Date}}$$

"**Denomination**" means the currency specified in the Term Sheet as the "Denomination", in respect of either the AUD Series or the USD Series;

"**Distributor Fee**" has the meaning given in the "Fees" section of the Term Sheet;

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

"**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 a 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 a Unit 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;

"**Exit Payment**" 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 Exit Payment, the Issuer may adjust the Exit Payment 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;

"**Fees**" has the meaning given in the Term Sheet;

"**Final Value per Unit**" has the meaning given in the Term Sheet;

"**General Offer Period**" has the meaning given in the Term Sheet;

"**GST**" has the same meaning as in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth) as amended from time to time, or in any subsequent act dealing with a tax of a similar nature;

"**Guarantor**" has the meaning given in the Term Sheet;

"**Hedging Disruption**" has the meaning given in clause 5.2(a) of these Terms;

"**Hedging Event**" has the meaning given in clause 5.2 of these Terms;

"**HIN**" means Holder Identification Number;

"**Increased Cost of Hedging**" has the meaning given in clause 5.2(b) of these Terms;

"**Initial Offer Closing Date**" has the meaning given in the Term Sheet;

"Initial Offer Closing Time" means the time on the Initial Offer Closing Date;

"Initial Offer Opening Date" has the meaning given in the Term Sheet;

"Initial Offer Period" has the meaning given in the Term Sheet;

"Initial Price" has the meaning given in the Term Sheet;

"Investment" has the meaning given in the Term Sheet;

"Investment Amount" has the meaning given 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;

"Investor Sale Form" means the form used to request an Early Maturity, located at the back of this PDS or available on the Issuer's website at www.citifirst.com.au;

"Issue Date" has the meaning given in the Term Sheet;

"Issue Price" has the meaning given in the Term Sheet;

"Issuer" has the meaning given in the Term Sheet;

"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;

"Maturity Date" means the date specified in the Term Sheet as the "Maturity Date", unless there is an Early Maturity under clause 4 of these Terms, in which case references in these Terms to the Maturity Date are to be read as the date specified by the Issuer in the Early Maturity Notice;

"Maturity Notice" means a notice issued by the Issuer in accordance with clauses 3.1 or 4.4(a) of these Terms as the case may be;

"Minimum Investment Amount" has the meaning given in the Term Sheet;

"MLI" means a deferred purchase agreement between the Issuer and the Investor 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. 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(d) of the Terms;

"NAB" means National Australia Bank;

"Official Closing Price" means:

- (a) for the purpose of determining the Official Closing Price of the Reference Assets and the Delivery Assets at the Maturity Date, either the price paid by the Issuer to acquire the Reference Assets and

the Delivery Assets or the amount determined in accordance with paragraph (b);

- (b) in respect of a security on a specified day, the last traded price of the security as reported and disseminated by the Relevant Exchange at the close of trading on the Relevant Exchange on that specified day (or in the case of a day that is not a Trading Day, the Trading Day immediately following the specified day), unless it is not possible to determine the price of the security at that time, in which case the Issuer may either:

- (i) nominate another time to determine the Official Closing Price; or

- (ii) determine the Official Closing Price to be the price determined by the Issuer as its best estimate of the security value at the close of trading on the Relevant Exchange on the specified day;

- (c) in respect of an exchange traded financial product on a specified day, the last traded price of the financial product as reported and disseminated by the Relevant Exchange at the close of trading of that Relevant Exchange (or in the case of a day that is not a Trading Day, the Trading Day immediately following the specified day), unless it is not possible to determine the price of the financial product at that time, in which case the Issuer may either:

- (i) nominate another time to determine the Official Closing Price; or

- (ii) determine the Official Closing Price to be the price determined by the Issuer as its best estimate of the financial product at the close of trading of the Relevant Exchange on the specified day;

- (d) in respect of an index on a specified day, the last traded price of the index, at the close of trading of the Relevant Exchange, as reported by the price source.

"Portion" of the Delivery Assets means 0.001 of one Delivery Asset;

"Postal Address" means the postal address nominated by the Investor as the Postal Address in the Application Form completed by the Investor;

"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;

"Purchase Price" has the meaning given in the Term Sheet;

"QBE" means QBE Insurance Group Limited;

"Quarter" or **"Quarterly"** means a period of 3 calendar months;

"Reference Assets" has the meaning given in the Term Sheet;

"Reference Asset Return" has the meaning given in the Term Sheet;

"Reference Price" has the meaning given in the Term Sheet;

"Register" means the register of MLIs to be maintained by a registrar chosen by the Issuer;

"Relevant Exchange" means, in the case of a security, the primary exchange upon which that security is traded, and in the case of any exchange traded financial product, the primary exchange upon which that financial product is 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 (including the Portion) sold multiplied by the Official Closing Price on the Trading Day immediately following the Maturity Date less any Costs and Taxes applicable to the sale of the Delivery Parcel (subject to clause 3.4 of these Terms);

"Settlement Account" means the transactional banking account held with an authorised deposit-taking institution which is nominated by the Investor as the Settlement Account in the Application Form completed by the Investor;

"Settlement Date" means the fifth 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 a cessation of the trading or quotation of financial products, as formally announced by the Relevant Exchange and does not include a trading halt;

"Tax" or **"Taxes"** means any income tax (including tax on capital gains), goods and services tax, withholding tax, stamp duties, registration and any other duties, 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;

"Tax Act" means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) as applicable;

"Term" has the meaning given in the Term Sheet;

"Term Sheet" means the term sheet set out in this PDS and headed "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 10 of the PDS;

"Total Value" means the Final Value per Unit multiplied by the number of Units held by the Investor;

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

"Unit" means an investment in MLI of an amount equal to the Issue Price, or the Purchase Price for Units issued during the General Offer Period;

"US" means United States of America;

"USD" means the United States dollar which is the lawful currency of the United States of America;

"Worst Performing Reference Asset" has the meaning given in the Term Sheet;

"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; and
 - (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 11 – How to invest in the MLI

The Minimum Investment Amount for the AUD Series of the MLI is AUD 10,000 with additional investments in multiples of AUD 1,000 thereafter and for the USD Series of the MLI is USD 10,000 with additional investments in multiples of USD 1,000 thereafter. If you wish to make an investment in the MLI you will need to complete an Application Form in accordance with the instructions on the following page and attach a cheque (in AUD or USD corresponding with the AUD Series or USD Series respectively) made payable to the “**MLI TRUST A/C**” for the AUD Series or “**CGMA MLI USD TRUST A/C**” for the USD Series and crossed “**Not Negotiable**”. Applications, including cleared funds, must be received by the Issuer no later than the **Initial Offer Closing Time** of 5:00 pm Sydney time on 24 June 2010.

Applications received during the General Offer Period will be treated as Applications for Units at the Purchase Price. The prevailing Purchase Price is available from the Issuer or your licensed financial adviser.

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 it will accept an Application, acceptance of your offer will take place on the Issue Date. Within 10 Business Days after accepting your offer, you will be sent an acknowledgement of acceptance which will set out the number of Units acquired and other information confirming your investment in the MLI.

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. The Issuer is 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.

Who may apply for the MLI?

Application for the MLI is open to:

- Australian residents;
- non-residents of Australia;
- companies registered in Australia; or
- trust entities,

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

- natural person resident in the US;
- partnership or corporate organisation under the law of the US;
- estate of which the administrator is a US person;
- trust of which the trustee is a US person;
- agency or branch of a foreign entity located in the US or operated under the laws of the US; or
- 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.

Applicants are bound by the Terms when they make an Application

The MLI is issued by Citi on the Terms set out in Section 10 of this PDS. Applicants should ensure that they read and understand the Terms. Applicants should note that by signing and lodging an Application Form an Applicant will become bound by the Terms and the Applicant's declaration set out in the Application Form. Applicants are taken to agree that the interest earned on all application monies (whether accepted or refunded) will belong to the Issuer.

Client verification information

If you apply directly to Citi, you must supply the client verification information listed below with your Application Form. Citi will be unable to process your Application if you apply directly to Citi and do not supply the client verification information as requested. Please note that the following client verification information is not required if you apply through a Citi approved distributor (for example Citigroup Pty Limited).

Citi requires the following information for each investor category to satisfy its client verification requirements. Please refer to the appropriate investor category when submitting your Application Form.

(a) Private Individual Applicants

The following information is required with your Application Form if you are applying for a MLI as a private individual:

- **certified copy** of your current passport or driver's licence;
- **original or certified copy** of a utility bill or bank statement dated within the last 3 months, evidencing the residential address provided in the Application Form;
- a statement from you stating:
 - (i) your nationality, country of birth and occupation; and
 - (ii) your source of wealth (brief sentence advising how you generated your wealth, e.g. savings from employment, line of business if self-employed).

(b) Company Applications or Corporate Trustee Applicants

The following information is required with your Application Form if you are applying for a MLI as a company or a corporate trustee:

- full legal name of company (and ABN/ACN if applicable);
- for at least two directors (or one director if sole director company), all of the information requested for private individuals above; and
- in the event of a company acting in the capacity of trustee (e.g. for a superannuation fund), an original or certified copy of the trust deed.

(c) Individual Trustee or Partnership Applicants

The following information is required with your Application Form if you are applying for a MLI as an individual trustee or partnership:

- certified copy of trust deed, partnership agreement, or deed of formation;
- the names of all trustees, partners, or equivalent officers; and
- for at least two trustees, partners or equivalent officers, all of the information requested for private individuals above.

In all cases, documents must either be an original, or a certified copy of an original. Certified copy means a

document that has been certified as a true copy of an original document by one of the persons given in the list below. Faxed copies will not be accepted.

In all cases, Citi reserves the right to request additional information for the purposes of determining the identity, beneficial ownership, or source of funds of an Applicant.

Categories of acceptable referees

1. a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described);
2. a judge of a court;
3. a magistrate;
4. a chief executive officer of a Commonwealth court;
5. a registrar or deputy registrar of a court;
6. a Justice of the Peace;
7. a notary public (for the purposes of the Statutory Declaration);
8. a police officer;
9. an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
10. a permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
11. an Australian consular officer or an Australian diplomatic officer (within the meaning of the *Consular Fees Act 1955* (Cth));
12. an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the *Statutory Declaration Regulations 1993* (Cth));
13. a finance company officer with 2 or more continuous years of service with one or more finance companies (for the purposes of the *Statutory Declaration Regulations 1993* (Cth));
14. an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees; or
15. a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold the MLI. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

| Type of Investor | Correct Form | Incorrect Form |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------|
| Individual: Use given name(s) in full, not initials | Mr John Alfred Smith | J.A. Smith |
| Joint Holdings: Use given name(s) in full, not initials | Mr John Alfred Smith & Mrs Susan Jane Smith | John Alfred & Susan Jane Smith |
| Company: Use company title, not abbreviations | ABC Pty Limited | ABC P/L or ABC Co |
| Trust: Use the trustee(s) personal name(s) Do not use the name of the trust | Applicant 1: Mrs Susan Jane Smith Account Name: <Susan Smith Family A/C> | Susan Smith Family Trust |
| Partnerships: Use partners personal name(s) Do not use the name of the partnership | Mr John Smith & Mr Michael Smith <John Smith & Son A/C> | John Smith & Sons |
| Superannuation Fund: Use the name of the trustee(s) of the fund Do not use the name of the fund | Applicant 1: Mr John Alfred Smith Account Name: <Superannuation Fund A/C> | John Smith Superannuation Fund |

How to complete the Application Form

Please complete the Application Form in BLOCK LETTERS in accordance with the instructions below, read the Applicant's Declaration and sign in the appropriate space(s) provided. You should return your signed and completed Application Form either to us, your stockbroker or financial planner. Applications close at the Initial Offer Closing Time. Applications received during the General Offer Period will be treated as Applications for Units at the Purchase Price. The prevailing Purchase Price is available from the Issuer or your licensed financial adviser.

A. Applicant Details:

Please tick the appropriate box to indicate whether you are a resident or a non-resident for Australian tax purposes.

Enter the full name you wish to appear on the statement of holding. This must be either your own name or the name of a company. Up to 2 joint Applicants may register. You should refer to the table on the previous page for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Where applicable, please enter the date of birth of each Applicant. Please enter the residential address or registered office of each Applicant. Please note that PO Box is not accepted.

B. Tax File Number, Exemption Category or ABN:

Please enter your tax file number ("TFN") or exemption category. Business enterprises may alternatively quote their Australian Business Number ("ABN"). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory. However, if these are not provided, we may be required to deduct tax at the highest marginal rate of tax (including Medicare levy) from distributions.

C. Postal Address:

Enter your postal address for all correspondence. All communications to you from Computershare Investor Services Pty Limited will be mailed to the person(s) and address as shown. For joint Applications, only one address can be entered. If you change your address before the Settlement Date, please contact Structured Products Support on 1300 368 301 and notify us of the new details.

D. Contact Details:

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

E. Investment Details & Payment Details:

Please insert the investment details and the number of Units you wish to apply for and write the Investment Amount in the spaces provided. The Investment Amount is the dollar amount that you wish to invest (expressed in the corresponding Denomination for either the AUD Series or USD Series) 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 Initial Offer Closing Time or, if applicable, the Purchase Date, the Application will be rejected. You must attach a cheque to your Application Form made payable to "MLI TRUST A/C" for the AUD Series or "CGMA MLI USD TRUST A/C" for the USD Series and crossed "Not Negotiable" for an amount equal to the Investment Amount. Please tick the box to acknowledge you have attached a cheque for the correct series.

F. Settlement Account Details:

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 any 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 under Postal Address.

G. Tracking of Application:

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

H. & I. Applicant's Declaration & Signature:

Please ensure you read and understand the Applicant's declaration before signing the Application Form. 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 a director and company secretary. For a proprietary company that has a sole director who is also the sole company secretary, the Application Form should be signed by that director. To sign under a power of attorney, a certified copy of the power of attorney should accompany the Application Form.

Lodgement of Application

Application Forms must be received at the Sydney office of Citi by no later than 5:00 pm Sydney time on 23 July 2010. Return the Application Form with cheque(s) attached to:

Structured Products Support
MLI Income Plus (MLI 2010 - 07) Offer
Citigroup Global Markets Australia Pty Limited
GPO Box 557 Sydney NSW 2001

APPLICATION FORM – MLI INCOME PLUS (MLI 2010 – 07) OFFER

APPLICATIONS CLOSE AT 5:00 PM SYDNEY TIME ON 23 JULY 2010

This Application Form is to be used for investing in the MLI, governed by the Terms set out in the PDS dated 24 June 2010 ("PDS"). Capitalised terms in the Application Form will have the same meaning as given to them in the PDS (unless otherwise defined in this Application Form). If this PDS is distributed electronically, then those receiving it electronically should note that Applicants can only be accepted by the Issuer if the Issuer receives an original, completed Application Form which accompanied the electronic or paper copy of this PDS dated 24 June 2010. Paper copies of this PDS (with attached Application Form and Investor Sale Form) are available from the Issuer free on request.

Applications received during the General Offer Period will be treated as Applications for MLI Income Plus (MLI 2010 – 07) at the Purchase Price. The prevailing Purchase Price is available from the Issuer or your licensed financial adviser.

PLEASE RETURN THIS APPLICATION FORM TOGETHER WITH YOUR PAYMENT TO YOUR STOCKBROKER OR FINANCIAL ADVISOR, OR ALTERNATIVELY SEND TO:

Structured Products Support
MLI Income Plus (MLI 2010 – 07) Offer
Citigroup Global Markets Australia Pty Limited
GPO Box 557 Sydney NSW 2001

FINANCIAL ADVISER / BROKER DETAILS (TO BE COMPLETED BY YOUR FINANCIAL ADVISER / BROKER)

FINANCIAL ADVISER/BROKER Stamp

Please note: by stamping your broker stamp you are hereby representing and warranting to Citigroup Global Markets Australia Pty Limited ("Citi") (AFSL 240992) that you have complied with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and rules of Australia and any other applicable law or regulation, in your collection and verification of required information and permit Citi to rely on this customer identification and verification (including granting Citi reasonable access to records) for the purposes of Citi fulfilling its legal obligations.

Licensee

Adviser company name

Adviser Name

Adviser email address

Adviser postal address

PO Box or Street
No. & Name

Suburb

State

Postcode

Country

Adviser work number

Adviser fax number

Adviser mobile number

INVESTOR DOCUMENTATION (TO BE COMPLETED BY PRIVATE INDIVIDUAL APPLICANTS ONLY)

I/we have attached the required documents as specified in "Client verification information" in Section 11 of the PDS.

OFFER PERIOD ELECTION (TO BE COMPLETED BY ALL APPLICANTS)

1. I/We apply for the MLI during the Initial Offer Period, OR

If you tick this box, your investment will be issued at the Issue Price.

2. I/We apply for the MLI during the General Offer Period.

If you tick this box, your investment will be issued at the Purchase Price per Unit determined by the Issuer on the Purchase Date.

A APPLICANT DETAILS (TO BE COMPLETED BY ALL APPLICANTS)

I/We apply for the MLI as indicated in this Application Form on the terms set out in the PDS, Terms and this Application Form.

Applicant 1 Details (Individual, Joint, Trust, Company and Superannuation Applicants)

I am a resident and I have provided my TFN or exemption details below. If not, I understand that tax may be withheld at the maximum rate.

I am a non-resident and my address outside Australia has been provided below. Should an overseas address not be provided, I understand that tax may be withheld at the maximum rate.

| | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|-------------------|--|--|--|--|--|--|---------------|---------------|---|---|----------|---|---|
| Name | | | | | | | | | | | | | | | Date of Birth | | | | | |
| | | | | | | | | | | | | | | | D | D | M | M | Y | Y |
| Address or registered office (Please note that PO Box is not accepted) | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| Account name (if applicable) | | | | | | | | | | | | | | | | | | | | |
| < > | | | | | | | | | | | | | | | | | | | | |
| Applicant 2 Details (Individual, Joint, Trust, Company and Superannuation Applicants) | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> I am a resident and I have provided my TFN or exemption details below. If not, I understand that tax may be withheld at the maximum rate. <input type="checkbox"/> I am a non-resident and my address outside Australia has been provided below. Should an overseas address not be provided, I understand that tax may be withheld at the maximum rate. | | | | | | | | | | | | | | | | | | | | |
| Name | | | | | | | | | | | | | | | Date of Birth | | | | | |
| | | | | | | | | | | | | | | | D | D | M | M | Y | Y |
| Address or registered office (Please note that PO Box is not accepted) | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| Account name (if applicable) | | | | | | | | | | | | | | | | | | | | |
| < > | | | | | | | | | | | | | | | | | | | | |
| B TAX FILE NUMBER, EXEMPTION CATEGORY OR ABN (IF APPLICABLE) | | | | | | | | | | | | | | | | | | | | |
| Applicant 1 | | | | | | | | | | | | | | | | | | | | |
| < > | | | | | | | | | | | | | | | | | | | | |
| Applicant 2 | | | | | | | | | | | | | | | | | | | | |
| < > | | | | | | | | | | | | | | | | | | | | |
| C POSTAL ADDRESS FOR CORRESPONDENCE | | | | | | | | | | | | | | | | | | | | |
| PO Box or Street No. & Name | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| Suburb | | | | | | | | | | | | | | | State | | | Postcode | | |
| Country | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| D CONTACT DETAILS | | | | | | | | | | | | | | | | | | | | |
| Contact Name | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| Daytime Telephone | | | | | | | After Hours Phone | | | | | | | Mobile number | | | | | | |
| () | | | | | | | () | | | | | | | | | | | | | |
| Email address | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| E INVESTMENT DETAILS AND PAYMENT DETAILS (TO BE COMPLETED BY ALL APPLICANTS) | | | | | | | | | | | | | | | | | | | | |
| Example: Series (A) Number of Units (B) Issue Price (C) = (A x B) Investment Amount | | | | | | | | | | | | | | | | | | | | |
| AUD 1 0 0 , 0 0 0 AUD 1.00 A U D 1 0 0 , 0 0 0 | | | | | | | | | | | | | | | | | | | | |
| Series (A) Number of Units (B) Issue Price (C) = (A x B) Investment Amount | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> AUD Series - I/We have attached a cheque made payable to "MLI TRUST A/C" for an amount equal to the Investment Amount <input type="checkbox"/> USD Series - I/We have attached a cheque made payable to "CGMA MLI USD TRUST A/C" for an amount equal to the Investment Amount | | | | | | | | | | | | | | | | | | | | |

F 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 | | | | | | | | | | Account Title or Name | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| Branch Address | | | | | | | | | | | | | | | | | | | |
| BSB Number | | | | | | | | | | Account Number | | | | | | | | | |

For the purposes of the instructions given above, you should specify your bank account details here. The bank account must be in the same name as the name inserted above in the "Applicant Details". Third party payments will not be accepted.

G TRACKING OF APPLICATION (HOW DID YOU FIND OUT ABOUT THE MLI?)

Financial Adviser
 Advertisement
 Accountant
 Stockbroker
 Internet
 Other (specify)

H 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 am/we are at least 18 years of age, 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 received and read the whole of the Terms contained in the PDS (even if the PDS was received electronically) 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 9 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 or as otherwise permitted under the *Privacy Act 1998* (Cth). 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 wish to be contacted for this purpose.

I/we wish to be contacted by the Issuer about investment opportunities in the future.

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Directory

Issuer

Citigroup Global Markets Australia Pty Limited
Level 40
Citigroup Centre
2 Park Street
Sydney NSW 2000

Broker

Citigroup Global Markets Australia Pty Limited
Level 40
Citigroup Centre
2 Park Street
Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited
60 Carrington Street
Sydney NSW 2000

Legal Advisor

Freehills
MLC Centre
Martin Place
Sydney NSW 2000

CitiFirst

CitiFirst offers smart investments across any asset class to suit your individual needs.

CitiFirst – putting you first

CitiFirst has the investment products and expertise you need to take advantage of global market opportunities fast.

CitiFirst – first in smart investments

CitiFirst gives you instant access to smart investments that are easy to understand and select.

CitiFirst – get there first



CitiFirst Protection
Full capital protection



CitiFirst Performance
Some capital protection



CitiFirst Opportunity
No capital protection

CitiFirst is the family name for Citi's offering of warrants, turbos, certificates, funds and notes. Tailored to meet the needs of a broad range of investors, these smart investment solutions fall into three categories, each with a defined level of capital protection.



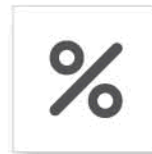
Equities



Commodities



Currencies



Interest Rates



Alternative Investments

Five symbols represent the assets underlying a CitiFirst smart investment product. When depicting a product, the relevant underlying asset will be shown as a symbol on the cube.

For details of our CitiFirst product range, please go to www.citifirst.com

