

Australia And New Zealand Banking Group Limited  
Aquila Resources Limited  
Alumina Limited  
BHP Billiton Limited  
Babcock & Brown Limited  
Bluescope Steel Limited  
Brambles Limited  
Commonwealth Bank of Australia  
Computershare Limited  
CSL Limited  
CSR Limited  
Crown Limited  
Dyno Nobel Limited  
Emeco Holdings Limited  
GPT Group  
Insurance Australia Group Limited  
Lihir Gold Limited  
Macquarie Group Limited

National Australia Bank Limited  
Newcrest Mining Limited  
Oil Search Limited  
Oxiana Limited  
Paladin Resources Limited  
QBE Insurance Group Limited  
Rio Tinto Limited  
St George Bank Limited  
Santos Limited  
Suncorp-Metway Limited  
Tabcorp Holdings Limited  
Telstra Corporation Limited  
Toll Holdings Limited  
Valad Property Group  
Westpac Banking Corporation  
Woodside Petroleum Limited  
Western Areas NL  
Zinifex Limited

# Citi Instalments

## Supplementary Product Disclosure Statement

### **IOI, ION, IOS, IOX, IOY Series**

High Yield Instalments

27 June 2008

Issued by

Citigroup Global Markets Australia Pty Limited

(ABN 64 003 114 832 and AFSL 240992)

Guaranteed by

Citigroup Inc.



This document is a Supplementary Product Disclosure Statement for the purposes of Part 7.9 of the Corporations Act (**Supplementary**), and has been issued by Citigroup Global Markets Australia Pty Limited.

**IT SUPPLEMENTS THE COMBINED FINANCIAL SERVICES GUIDE AND PRODUCT DISCLOSURE STATEMENT DATED 21 JANUARY 2008 AND MUST ONLY BE READ IN CONJUNCTION WITH THAT PDS.**

This Supplementary is dated 27 June 2008.

Defined terms in this Supplementary have the same meaning as those terms in the PDS.

This Supplementary has been issued for the purposes of varying the Warrant Code, Underlying Security and Final Instalment of the specified Series of Warrants. The details of the Warrants and the revised Terms appear in the table below.

Warrant ASX Code	Underlying Security	Underlying ASX Code	Final Instalment	Interest Date	Maturity Date	Issue Size
AQAION	Aquila Resources Limited	AQA	\$8.00	N/A	18-Dec-08	10MM
BXBION	Brambles Limited	BXB	\$6.50	N/A	18-Dec-08	10MM
IAGION	Insurance Australia Group Limited	IAG	\$2.50	N/A	18-Dec-08	10MM
STOION	Santos Limited	STO	\$15.00	N/A	18-Dec-08	10MM
TAHION	Tabcorp Holdings Limited	TAH	\$5.00	N/A	18-Dec-08	10MM

**ASIC and ASX**

This Supplementary is not required to be and will not be lodged with ASIC. Citigroup will notify ASIC that this Supplementary is in use in accordance with section 1015D of the Corporations Act. Neither ASIC nor ASX takes any responsibility for the contents of this Supplementary or the Warrants.

**THIS DOCUMENT IS NOT INVESTMENT ADVICE**

**This is an important document and should be read in its entirety before any decision is made to apply for or acquire the Warrants. The information provided in this PDS is not financial product advice and has been prepared without taking into account your personal investment objectives or financial situation. Accordingly, nothing in this PDS is a recommendation by Citigroup, its associates or any other person to invest in the Warrants or in the Securities that make up an Underlying Parcel. YOU SHOULD CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY DECISION TO INVEST IN THE WARRANTS, AND TAKE INTO ACCOUNT YOUR OWN PERSONAL INVESTMENT OBJECTIVES AND FINANCIAL SITUATION.**

**INVESTORS SHOULD NOTE THAT AN INVESTMENT IN TURBO WARRANTS REPRESENTS A GREATER DEGREE OF RISK THAN AN INVESTMENT IN REGULAR EQUITY WARRANTS. IN PARTICULAR, INVESTORS SHOULD NOTE THAT IF A BARRIER LEVEL IS TRIGGERED DURING THE LIFE OF A WARRANT, INVESTORS MAY LOSE THEIR ENTIRE INVESTMENT. YOU SHOULD READ THIS ENTIRE PDS AND CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY DECISION TO INVEST**



ABC Learning Centres Limited  
ALLCO Finance Group Limited  
Asciano Group  
Aristocrate Leisure Limited  
AMP Limited  
Australia And New Zealand Banking Group Limited  
Aquila Resources Limited  
Alumina Limited  
BHP Billiton Limited  
Babcock & Brown Limited  
Bluescope Steel Limited  
Brambles Limited  
Commonwealth Bank of Australia  
Computershare Limited  
CSL Limited  
CSR Limited  
Crown Limited  
Dyno Nobel Limited  
Emeco Holdings Limited  
GPT Group  
Insurance Australia Group Limited

Lihir Gold Limited  
Macquarie Group Limited  
National Australia Bank Limited  
Newcrest Mining Limited  
Oil Search Limited  
Oxiana Limited  
Paladin Resources Limited  
QBE Insurance Group Limited  
Rio Tinto Limited  
St George Bank Limited  
Santos Limited  
Suncorp-Metway Limited  
Tabcorp Holdings Limited  
Telstra Corporation Limited  
Toll Holdings Limited  
Valad Property Group  
Westpac Banking Corporation  
Woodside Petroleum Limited  
Western Areas NL  
Zinifex Limited

# Citi Instalments

## Supplementary Product Disclosure Statement

### **IOI, ION, IOS, IOX, IOY Series**

**High Yield Instalments**

**20 May 2008**

Issued by

Citigroup Global Markets Australia Pty Limited

(ABN 64 003 114 832 and AFSL 240992)

Guaranteed by

Citigroup Inc.



This document is a Supplementary Product Disclosure Statement for the purposes of Part 7.9 of the Corporations Act (**Supplementary**), and has been prepared and issued by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 / AFSL 240992).

**IT SUPPLEMENTS THE COMBINED FINANCIAL SERVICES GUIDE AND PRODUCT DISCLOSURE STATEMENT DATED 21 JANUARY 2008 IN RELATION TO HIGH YIELD INSTALMENT WARRANTS (“PDS”) AND MUST ONLY BE READ IN CONJUNCTION WITH THAT PDS AND ANY OTHER SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT RELATING TO THAT PDS.**

This Supplementary is dated 20 May 2008. Defined terms in this Supplementary have the same meaning as those terms in the PDS.

Section 4 of the PDS noted that an investment in Instalment Warrants is subject to a change of law risk and tax risk. On 13 May 2008 the Government announced in the 2008-09 budget that it proposes to change the capital protection borrowing rules and this Supplementary has been issued to supplement the taxation information in the PDS following this announcement.

This Supplementary supplements the PDS by deleting the text contained in Section 5.1 of the PDS and inserting in substitution the following section 5.1 into the PDS:

**5.1 ACQUIRING YOUR CITI INSTALMENTS**

**5.1.1 Issue of Citi Instalments**

*Applying for and being issued Citi Instalments does not give rise to any immediate tax consequences for a Holder (for example, a Holder cannot deduct any amount for acquiring the Citi Instalments). Rather, the Holder should generally be treated as acquiring two assets for capital gains tax (CGT) purposes, being the beneficial interest in the Underlying Shares and the right to deliver a Request for Purchase Notice. However, Citigroup has confirmed that the right to deliver a Request for Purchase Notice has no market value separate to the Citi Instalments. Accordingly, no further CGT consequences should arise for these Holders in relation to that right.*

*Acquiring Citi Instalments establishes the cost base for a Holder's beneficial interest in the Underlying Shares. The cost base will be relevant to the CGT consequences for the Holder when the Citi Instalments are sold, exercised, terminated, expire, the Holder sells the Underlying Parcel pursuant to a Request for Purchase Notice or if Citigroup exercises its power of sale under the Security Interest. The Holder's cost base for their beneficial interest in the Underlying Shares will include:*

- *for Cash Applicants, the First Instalment and the amount of the Loan applied to purchase the Underlying Shares.*
- *for Shareholder Applicants, the Holder's existing cost base for the Underlying Shares.*
- *for Rollover Applicants, the Holder's existing cost base for the beneficial interest in the Underlying Shares of the Rollover Instalment. That cost base would not be affected by payments made to Citigroup or received from Citigroup in respect of the Loan.*
- *for Cash Applicants, Shareholder Applicants and Rollover Applicants, any amount deemed to be incurred for a put option (see below) if either the right to deliver a Request for Purchase Notice is ultimately exercised or if Citigroup exercises its power of sale under the Security Interest.*

*Depending on the circumstances, an amount may be treated under s.247-20 of the Income Tax Assessment Act 1997 (the “capital protected borrowing provisions”) as being incurred for a put option. Broadly, this will be the case if the relevant rate of interest at the time of issue, or subsequent draw down, exceeds the amount arrived at by applying the relevant benchmark rate to the Loan amount.*

*Currently, the relevant benchmark rate is the Reserve Bank of Australia's Indicator Rate for Personal Unsecured Loans – Variable Rate (the “**Current Benchmark Rate**”).*



Importantly, the Government has announced in the 2008-09 budget that it will change the benchmark rate to the – historically much lower - indicator variable rate for standard housing loans (the “**Proposed Benchmark Rate**”). Although certainty can only be achieved once the legislation giving effect to this announcement is available, it is understood that:

- the Proposed Benchmark Rate will apply to Citi Instalments acquired after 7.30 pm (AEST) on 13 May 2008 - even if they are issued under a PDS dated before that time; and
- the Current Benchmark Rate will continue to apply for a maximum of five years to Citi Instalments acquired before that time. If the unexpired term of such Citi Instalments ends after 13 May 2013, then it is understood that the Proposed Benchmark Rate will apply after 13 May 2013 if the Citi Instalments have been continuously held since 13 May 2008.

#### **5.1.2 Purchasing your Citi Instalments on the ASX**

Purchasing Citi Instalments on the ASX gives rise to similar consequences to those for a Cash Applicant. That is, purchasing the Citi Instalments establishes the cost base for the Holder’s beneficial interest in the Underlying Shares and the right to deliver a Request for Purchase Notice.

The cost base of the Underlying Shares will be relevant to the CGT consequences for the Holder when the Citi Instalments are sold, exercised, terminated, expire, the Holder sells the Underlying Shares pursuant to a right to deliver a Request for Purchase Notice or if Citigroup exercises its power of sale under the Security Interest. The Holder’s cost base for their beneficial interest in the Underlying Shares will include the purchase price of the Citi Instalment, any brokerage and the amount of the Holder’s Loan that is applied to repay the transferring Holder’s Loan.

Citigroup has confirmed that the right to deliver a Request for Purchase Notice has no market value separate to the Citi Instalments. Accordingly, no further CGT consequences should arise for these Holders in relation to that right.

Depending on the circumstances, an amount may be treated under s.247-20 of the capital protected borrowing provisions as being incurred for a put option. Broadly, this will be the case if the relevant rate of interest at the time of acquisition exceeds the benchmark rate (see 5.1.1 above as to the precise benchmark rate to apply).

#### **ASIC and ASX**

This Supplementary is not required to be and will not be lodged with ASIC. Citigroup will notify ASIC that this Supplementary is in use in accordance with section 1015D of the Corporations Act. Neither ASIC nor ASX takes any responsibility for the contents of this Supplementary or the Warrants. The Warrants referred to in the PDS are able to be traded on the ASX.

#### **THIS DOCUMENT IS NOT INVESTMENT ADVICE**

**This Supplementary and the PDS are important documents and should be read in their entirety before any decision is made to apply for or acquire the Warrants. The information provided in this Supplementary and the PDS is not financial product advice and has been prepared without taking into account your personal investment objectives or financial situation. Accordingly, nothing in this Supplementary or the PDS is a recommendation by Citigroup, its associates or any other person to invest in the Instalment Warrants or in the Underlying Shares. YOU SHOULD CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY DECISION TO INVEST IN THE WARRANTS, AND TAKE INTO ACCOUNT YOUR OWN PERSONAL INVESTMENT OBJECTIVES AND FINANCIAL SITUATION.**

**YOU SHOULD READ THIS SUPPLEMENTARY AND THE ENTIRE PDS AND CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY INVESTMENT DECISION.**



Australia And New Zealand Banking Group Limited  
Aquila Resources Limited  
Alumina Limited  
BHP Billiton Limited  
Babcock & Brown Limited  
Bluescope Steel Limited  
Brambles Limited  
Commonwealth Bank of Australia  
Computershare Limited  
CSL Limited  
CSR Limited  
Crown Limited  
Dyno Nobel Limited  
Emeco Holdings Limited  
GPT Group  
Insurance Australia Group Limited  
Lihir Gold Limited  
Macquarie Group Limited

National Australia Bank Limited  
Newcrest Mining Limited  
Oil Search Limited  
Oxiana Limited  
Paladin Resources Limited  
QBE Insurance Group Limited  
Rio Tinto Limited  
St George Bank Limited  
Santos Limited  
Suncorp-Metway Limited  
Tabcorp Holdings Limited  
Telstra Corporation Limited  
Toll Holdings Limited  
Valad Property Group  
Westpac Banking Corporation  
Woodside Petroleum Limited  
Western Areas NL  
Zinifex Limited

# Citi Instalments

## Product Disclosure Statement

### IOI, ION, IOS, IOX, IOY Series

High Yield Instalments

21 January 2008

Issued by

Citigroup Global Markets Australia Pty Limited  
(ABN 64 003 114 832 and AFSL 240992)

Guaranteed by  
Citigroup Inc.



This document is a Combined Financial Services Guide and Product Disclosure Statement (**PDS**) for the purposes of Part 7.9 of the Corporations Act and the Corporations Regulations, and has been issued by Citigroup Global Markets Australia Pty Limited.

This PDS is dated 21 January 2008.

This PDS is not required to be and will not be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS or the Citi Instalments. Citigroup will notify ASIC that this PDS is in use in accordance with Section 1015D of the Corporations Act.

This PDS complies with Section 10 of the Market Rules as varied or waived by ASX. ASX takes no responsibility for the contents of this PDS or the Citi Instalments.

Information in this PDS may change from time to time. Where those changes are not materially adverse to Holders, Citigroup may provide that information on its website [www.citiwarrants.com.au](http://www.citiwarrants.com.au). Citigroup will provide Holders with a paper copy of that information, free of charge, on request.

#### **THIS DOCUMENT IS NOT INVESTMENT ADVICE**

**This is an important document and should be read in its entirety before any decision is made to apply for or acquire the Citi Instalments. The information provided in this PDS is not financial product advice and has been prepared without taking into account your personal investment objectives or financial situation. Accordingly, nothing in this PDS is a recommendation by Citigroup, its associates or any other person to invest in the Citi Instalments or in the Underlying Shares. YOU SHOULD CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY DECISION TO INVEST IN THE CITI INSTALMENTS, AND TAKE INTO ACCOUNT YOUR OWN PERSONAL INVESTMENT OBJECTIVES AND FINANCIAL SITUATION.**

#### **ASX Booklets**

The ASX publishes a number of booklets in relation to warrants, which can be downloaded free of charge from the ASX website [www.asx.com.au](http://www.asx.com.au). Investors are encouraged to read these booklets and the information that is available on the ASX website in relation to warrants, to understand the different types of warrants, the terms and conditions under which warrants are issued and the operation of the warrants market in general.

#### **Overseas Distribution**

Neither the Citi Instalments nor this PDS have been or will be registered in any jurisdiction outside of Australia. The offer of Citi Instalments under this PDS is only made to Australian residents located in Australia. The distribution of this PDS in jurisdictions

outside Australia may be restricted by law. Persons who obtain this PDS in jurisdictions outside Australia should seek advice on and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or an invitation in any place outside Australia where, or to any person to whom, it would be unlawful to make such an offer or invitation. Neither the Citi Instalments or this PDS will be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to, or for the account of, or the benefit of, US Persons. On the exercise of a Citi Instalment the Holder represents and warrants that the Citi Instalment is neither directly or indirectly held in favour of a US Person.

#### **Disclaimer**

The Warrants and any securities recommended, offered, or sold by the Issuer: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations or liabilities of any insured depository institution (including Citibank, N.A.); and (iii) are subject to investment risks, including the possible loss of the principal amount invested in the event of an Early Maturity. The Warrants do 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 Warrants. The Issuer is not subject to regulatory supervision by APRA

#### **Role of Entities**

No Entity has been involved in the preparation of this PDS and no Entity has provided any information to Citigroup for the purposes of the preparation of this PDS. Any information about an Entity that appears in this PDS is information that is publicly available. Citigroup has not verified any information about an Entity that appears in this PDS.

Citigroup 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 about an Entity in this PDS. Potential Holders should make their own enquiries.

Any reference to an Entity in this PDS is only for the purpose of identifying the Underlying Shares and the Entity that issued those Securities. The references are not an express or implied endorsement of the Citi Instalments by an Entity. No Entity accepts any responsibility for any statement in this PDS. No Entity or authorised officer of an Entity has authorised the issue of or any statement in this PDS. No Entity has given its consent to be named in this PDS.



**Cooling-off Period**

There is no cooling off period when you buy or sell the Citi Instalments issued under this PDS.

**Electronic Documents**

A copy of this PDS is available online at [www.citiwarrants.com.au](http://www.citiwarrants.com.au). If this PDS is accessed electronically, it must be downloaded in its entirety. A paper copy of this PDS will be provided, free of charge, on request. A copy of this PDS is also available on the ASX website [www.asx.com.au](http://www.asx.com.au).

**Glossary**

Section 8 contains definitions of certain terms used in this PDS.

## TABLE OF CONTENTS

INVESTMENT OVERVIEW .....	2
SUMMARY TABLE.....	4
SECTION 1 KEY INFORMATION .....	6
SECTION 2 APPLICATION FOR CITI INSTALMENTS AND MATURITY.....	16
SECTION 3 THE UNDERLYING SHARES .....	20
SECTION 4 RISK FACTORS.....	22
SECTION 5 TAXATION SUMMARY .....	25
SECTION 6 ISSUER AND GUARANTOR DETAILS.....	31
SECTION 7 ADDITIONAL INFORMATION.....	32
SECTION 8 DEFINITIONS AND INTERPRETATION .....	35
SECTION 9 LOAN AGREEMENT .....	41
SECTION 10 APPLICATION FORMS.....	45
APPENDIX 1 FINANCIAL SERVICES GUIDE .....	49
APPENDIX 2 EXERCISE NOTICE.....	51
CORPORATE DIRECTORY.....	53

## INVESTMENT OVERVIEW

<b>Issuer</b>	Citigroup Global Markets Australia Pty Limited
<b>Guarantor</b>	Citigroup Inc. (Moody's Aa1 and S&P AA-)
<b>Description</b>	<p>Citi Instalments enable investors to leverage their exposure to ASX listed Securities.</p> <p>By purchasing a Citi Instalment, an investor pays a portion of the upfront cost of the Underlying Share and borrows the balance from Citigroup.</p> <p>During the term of the investment, investors will receive all ordinary dividends, available franking credits and capital appreciation as if they owned the shares outright. Investors have the right to pay the Final Instalment at any time up to the Maturity Date and receive the Underlying Shares.</p> <p>Investors also have the right to deliver a Request for Purchase Notice and sell the Underlying Shares to Citigroup, but only on the Maturity Date.</p>
<b>Gearing</b>	Citi High Yield Instalments - 70% to 100% of the Underlying Share price (as at the date of this PDS)
<b>Investment Term</b>	See Summary Table
<b>Minimum Investment Amount</b>	\$2,000
<b>ASX Listing</b>	Citi Instalments will be listed and traded on ASX
<b>Expected Listing Date</b>	21 January 2008
<b>Expected trading on normal basis</b>	5 February 2008
<b>Deferred Settlement Date</b>	<p>8 February 2008</p> <p>*Subject to the Instalment Warrants trading on a normal basis on 5 February 2008</p>
<b>ASX Code (as set out in the Summary Table)</b>	<p>IOI series XXXIOH, (e.g. BHPIOI)</p> <p>ION series XXXIOH, (e.g. AMPION)</p> <p>IOS – series XXXIOR, (e.g. AMPIOS)</p> <p>IOX – series XXXIOX – (e.g. AMPIOX)</p> <p>IOY – series XXXIOY – (e.g. ANZIOY)</p>
<b>Offer Opens</b>	21 January 2008
<b>Interest Dates</b>	See Summary Table
<b>Maturity Date</b>	See Summary Table

<b>Instalment Payments</b>	<p><b>First Instalment</b> – This amount is variable and is paid at the time of application or purchase on ASX. The amount of the First Instalment will be dependant, at the date of purchase, on the price of the Underlying Shares, volatility of the Underlying Shares, time to maturity and prevailing interest rates.</p> <p><b>Final Instalment</b>– This amount is fixed at the time the Citi Instalment is issued or acquired. It is equal to the amount of the Loan granted by Citigroup to acquire the Underlying Shares (and includes Interest Amounts and the Borrowing Fee).</p>
<b>Application Type</b>	<p><b>Cash Application</b> – apply for Citi Instalments by completing a Cash Application Form and submitting it with payment by cheque or BPAY.</p> <p><b>Shareholder Application</b> – convert an existing shareholding into Citi Instalments by completing the Shareholder Application Form and submitting it with a copy of the holding statement for the existing shares (other than self-managed superannuation funds).</p> <p><b>Rollover Application</b> – roll your prior series of expiring instalment warrants into a new Series of Citi Instalments by completing the Rollover Application Form and submitting it with a copy of the holding statement for the Rollover Instalments.</p>
<b>Maturity Options</b>	<ul style="list-style-type: none"> <li>• Pay the Final Instalment and receive full ownership of the Underlying Shares.</li> <li>• Defer payment of the Final Instalment by rolling into the next series of Citi Instalments (if available).</li> <li>• Deliver a Request for Purchase Notice requiring Citigroup to purchase the Underlying Shares for the greater of the Final Instalment or Market Value and receive the amount (if any) by which the Market Value exceeds the Final Instalment.</li> <li>• Do nothing. Your Underlying Shares will be sold by the Trustee and you will receive the proceeds of the sale less the amount of the Final Instalment and any costs and expenses in accordance with the Order of Payment.</li> </ul>
<b>Commissions and Fees</b>	<p><b>Upfront Fee</b> – Citigroup may pay a placement fee of up to 2.00% (including GST) of the Final Instalment on primary market applications. The amount of this fee is dependent on your arrangement with your financial adviser.</p> <p><b>Trailing Fee</b> - Citigroup may also pay advisers a trailing fee of up to 1.00% per annum (including GST) of the Final Instalment, payable quarterly in arrears.</p>

**SUMMARY TABLE**

**Citi High Yield Instalments – IOI, ION, IOS, IOX, IOY Series**

Warrant ASX Code	Underlying Security	Underlying ASX Code	Final Instalment	Interest Date	Maturity Date	Issue Size
ABSION	ABC Learning Centres Limited	ABS	\$3.50	N/A	18-Dec-08	10MM
AFGION	ALLCO Finance Group Limited	AFG	\$3.50	N/A	18-Dec-08	10MM
AIOION	Asciano Group	AIO	\$4.50	N/A	18-Dec-08	10MM
ALLION	Aristocrat Leisure Limited	ALL	\$7.00	N/A	18-Dec-08	10MM
AMPION	AMP Limited	AMP	\$7.00	N/A	18-Dec-08	10MM
ANZION	Australia And New Zealand Banking Group Limited	ANZ	\$18.00	N/A	18-Dec-08	10MM
ANZIOP	Australia And New Zealand Banking Group Limited	ANZ	\$23.00	N/A	18-Dec-08	10MM
AQAION	Aquila Resources Limited	AQA	\$5.00	N/A	18-Dec-08	10MM
AWCION	Alumina Limited	AWC	\$4.50	N/A	18-Dec-08	10MM
BHPION	BHP Billiton Limited	BHP	\$35.00	N/A	18-Dec-08	10MM
BHPIOS	BHP Billiton Limited	BHP	\$33.00	N/A	26-Jun-08	10MM
BHPIOY	BHP Billiton Limited	BHP	\$30.00	N/A	25-Sep-08	10MM
BNBION	Babcock & Brown Limited	BNB	\$17.00	N/A	18-Dec-08	10MM
BSLION	Bluescope Steel Limited	BSL	\$7.50	N/A	18-Dec-08	10MM
BXBION	Brambles Limited	BXB	\$8.00	N/A	18-Dec-08	10MM
CBAION	Commonwealth Bank of Australia	CBA	\$48.00	N/A	18-Dec-08	10MM
CBAIOX	Commonwealth Bank of Australia	CBA	\$46.00	N/A	26-Jun-08	10MM
CBAIOY	Commonwealth Bank of Australia	CBA	\$45.00	N/A	25-Sep-08	10MM
CPUION	Computershare Limited	CPU	\$7.00	N/A	18-Dec-08	10MM
CSLION	CSL Limited	CSL	\$30.00	N/A	18-Dec-08	10MM
CSRION	CSR Limited	CSR	\$2.50	N/A	18-Dec-08	10MM
CWNION	Crown Limited	CWN	\$9.00	N/A	18-Dec-08	10MM
DXLION	Dyno Nobel Limited	DXL	\$1.60	N/A	18-Dec-08	10MM
EHLION	Emeco Holdings Limited	EHL	\$0.80	N/A	18-Dec-08	10MM
GPTION	GPT Group	GPT	\$2.50	N/A	18-Dec-08	10MM
IAGION	Insurance Australia Group Limited	IAG	\$3.50	N/A	18-Dec-08	10MM
LGLION	Lihir Gold Limited	LGL	\$3.00	N/A	18-Dec-08	10MM
MQGION	Macquarie Group Limited	MQG	\$60.00	N/A	18-Dec-08	10MM
NABION	National Australia Bank Limited	NAB	\$30.00	N/A	18-Dec-08	10MM
NABIOX	National Australia Bank Limited	NAB	\$32.00	N/A	26-Jun-08	10MM
NCMION	Newcrest Mining Limited	NCM	\$35.00	N/A	18-Dec-08	10MM
OSHION	Oil Search Limited	OSH	\$4.00	N/A	18-Dec-08	10MM
OXRION	Oxiana Limited	OXR	\$3.25	N/A	18-Dec-08	10MM
PDNION	Paladin Resources Limited	PDN	\$5.00	N/A	18-Dec-08	10MM
QBEION	QBE Insurance Group Limited	QBE	\$26.00	N/A	18-Dec-08	10MM
RIOION	Rio Tinto Limited	RIO	\$110.00	N/A	18-Dec-08	10MM

Warrant ASX Code	Underlying Security	Underlying ASX Code	Final Instalment	Interest Date	Maturity Date	Issue Size
RIOIOX	Rio Tinto Limited	RIO	\$100.00	N/A	26-Jun-08	10MM
SGBION	St George Bank Limited	SGB	\$26.00	N/A	18-Dec-08	10MM
STOION	Santos Limited	STO	\$12.00	N/A	18-Dec-08	10MM
SUNION	Suncorp-Metway Limited	SUN	\$14.00	N/A	18-Dec-08	10MM
TAHION	Tabcorp Holdings Limited	TAH	\$12.00	N/A	18-Dec-08	10MM
TLSION	Telstra Corporation Limited	TLS	\$4.00	N/A	18-Dec-08	10MM
TOLION	Toll Holdings Limited	TOL	\$9.00	N/A	18-Dec-08	10MM
VPGIOI	Valad Property Group	VPG	\$0.60	N/A	26-Feb-09	10MM
WBCION	Westpac Banking Corporation	WBC	\$22.00	N/A	18-Dec-08	10MM
WBCIOX	Westpac Banking Corporation	WBC	\$20.00	N/A	25-Sep-08	10MM
WPLION	Woodside Petroleum Limited	WPL	\$45.00	N/A	18-Dec-08	10MM
WSAION	Western Areas NL	WSA	\$3.00	N/A	18-Dec-08	10MM
ZFXION	Zinifex Limited	ZFX	\$7.50	N/A	18-Dec-08	10MM
ZFXIOZ	Zinifex Limited	ZFX	\$9.00	N/A	26-Jun-08	10MM

**INVESTORS SHOULD NOTE THAT THE WARRANTS ISSUED OVER THE UNDERLYING SHARES WILL INITIALLY TRADE ON A DEFERRED SETTLEMENT BASIS. PLEASE REFER TO SECTION 4.13 OF THIS PDS.**

## SECTION 1 – KEY INFORMATION

**Citi Instalments, and the rights and obligations of Holders and Citigroup are governed by this PDS, the Instalment Warrant Deed, which is summarised in this PDS, the Declaration of Trust, which is summarised in this PDS, the Loan Agreement, a copy of which appears in Section 9 and the general law. Investors should read this entire PDS prior to making any decision to invest.**

### 1.1 WHAT ARE CITI INSTALMENTS?

Investing in Citi Instalments is a convenient way of borrowing to invest. There are no intrusive credit checks or complicated loan documents to complete, and no margin calls.

**The structure of Citi Instalments involves:**

- **two separate “instalment” payments, the First Instalment and the Final Instalment; and**
- **a Loan with a prepaid interest component and a Borrowing Fee.**

#### ***The First Instalment***

The first payment to be made by an investor is the purchase price of the Citi Instalments and is known as the First Instalment. An investor pays a portion of the upfront cost of the Underlying Share to acquire the Citi Instalment, and receives a Loan from Citigroup to fund the remaining cost of the Underlying Shares, interest on the Loan and the Borrowing Fee. The Underlying Shares are held in trust by the Trustee for the term of the investment as security against the Loan.

#### ***Entitlement to Dividends***

During the term of the investment, a Holder is entitled to receive all the Dividends and Special Dividends, distributions and, depending on their circumstances, available franking credits (if any) paid in relation to the Underlying Shares. , Citi intends but is not bound to follow the practice of the ASX Options Clearing House by withholding any Special Dividends paid on Underlying Shares and use those amounts to reduce the loan amount. No early repayment fee will apply where a Special Dividend is applied to reduce the loan amount and interest will be calculated on the reduced loan amount. ***The Final Instalment***

The second payment to be made by a Holder is known as the Final Instalment, which is equal to the amount of the Loan. Investors have the right to pay the Final Instalment at any time until maturity to complete the purchase of the Underlying Shares.

#### ***Traded on ASX***

Citi Instalments also offer a liquid investment which can be bought and sold on ASX, just like ordinary shares.

#### ***Tax Consequences***

Potential investors should read Section 5 of this PDS which contains a taxation summary and obtain independent taxation advice in relation to an investment in Citi Instalments.

#### ***Issue size***

Citigroup reserves the right to increase the issue size in its absolute discretion, subject to notification to ASX.

## 1.2 HOW MUCH DO CITI INSTALMENTS COST?

An investment in Citi Instalments involves a series of payments and borrowings. They are:

- the First Instalment, which is the purchase price of the Citi Instalment; and
- the Final Instalment (which is the total amount of the Loan and which includes the total Interest Amounts and the Borrowing Fee).

### ***The First Instalment***

The First Instalment is the purchase price of the Citi Instalment. This amount is not fixed until the time of application, and will depend on a number of market variables including:

- the price at which the Underlying Shares are trading;
- the time remaining to the Maturity Date;
- volatility of the Underlying Share price;
- future expected dividends; and
- prevailing interest rates.

The effect that the factors listed above may have on the First Instalment is demonstrated in the following table:

Variable	Change in Variable	Effect on Price
Price of Underlying Shares	▲	▲
Time remaining to Maturity Date	▼	▼
Volatility of Underlying Shares	▲	▲
Future expected dividends	▲	▲
Interest rate	▲	▲

For Shareholder Applicants, the payment of the First Instalment is satisfied by the transfer to the Trustee of the Securities held by the investor that will become the Underlying Shares in respect of the Citi Instalment. Shareholder Applicants will receive a Cashback Amount

for the difference (if any) by which the value of the Securities exceeds the value of the First Instalment.

For Rollover Applicants, the payment of the First Instalment is satisfied by the transfer to the Trustee of the Securities that make up the underlying parcel of the Rollover Instalments that are “rolled” into and will become the Underlying Shares in respect of the Citi Instalments. Rollover Applicants will be required to make a Rollover Payment for the amount by which the combined cost of the First Instalment and the final instalment on the Rollover Instalments exceeds the value of the Securities. Alternatively, a Cashback Amount will be paid to Rollover Applicants where the value of the Securities is greater than the combined cost of the First Instalment and the final instalment on the Rollover Instalments.

### ***The Final Instalment***

The Final Instalment is equal to the total amount of the current Loan, including any further Interest Amounts that may have been drawn down. The Loan is increased annually by the Annual Interest Amount (if any).

Details as to the operation of the Loan appear in Section 1.3.

### ***Other Costs***

You will be required to pay Exercise Costs if you deliver a Request for Purchase Notice or if you fail to exercise or rollover your Citi Instalments prior to the Maturity Date.

Other costs associated with the Citi Instalments include Interest on the Loan and Borrowing Fees which include fees associated with borrowing costs and may include a placement fee. Further details of these costs can be found in Section 1.3 of this PDS below.

### 1.3 THE LOAN

Each Citi Instalment includes a limited recourse Loan made to a Holder by Citigroup, pursuant to the terms of the Loan Agreement. A copy of the Loan Agreement appears in Section 9 of this PDS.

The Loan is limited recourse in nature – this means that while a mortgage is granted to Citigroup in respect of the amount of the Loan, Citigroup's ability to recover that amount is limited to the Mortgaged Property (being the Underlying Shares), not any other moneys or the Citi Instalments themselves.

If a Holder fails to exercise the Citi Instalment by Closing Time on the Maturity Date, the Underlying Shares may be sold by Citigroup pursuant to Citigroup's power of sale. The proceeds of sale will be used to discharge the mortgage by repaying the Loan and paying other Exercise Costs in accordance with the Order of Payment.

The description of the provisions of the Loan Agreement in Section 1.3 of this PDS is a summary only. Investors should read the Loan Agreement in full.

#### ***The Interest Component***

Interest is pre-paid on the Loan for the current Interest Period out of the Loan proceeds, as at the date the Citi Instalments are issued or acquired. The Interest Amount will be drawn down annually during the term of the Loan.

The amount of the Final Instalment (which is equal to the total amount of the Loan) will always include all Interest Amounts that have been drawn down during the term of the Loan. Details of the Interest Periods (if any) appear in the Summary Table.

Where there is more than one interest period, a Holder does not need to take any action with respect to separate Interest Periods, as the further Interest Amount is simply drawn down automatically by the Trustee on behalf of the Holder on the relevant Interest Date.

#### ***The Borrowing Fee***

You will also be charged a Borrowing Fee which relates to Citigroup's cost of providing the Loan. The Borrowing Fee will be met out of the Loan, and will be payable by all Applicants.

The Borrowing Fee will be imposed at the time the Loan is made and may include a placement fee which is on paid as commission to a Holder's financial advisers, brokers and other distributors of the Citi Instalments.

A Borrowing Fee is not charged by Citigroup for Loans to Transferees.

#### ***What happens to the Loan if a Citi Instalment is sold on ASX?***

On the Transfer of a Citi Instalment on ASX, a new Loan will be granted to the Transferee by Citigroup. The proceeds of that Loan will be used as follows:

- to prepay the Interest to Period End in respect of the Transferee's Loan;
- to pay the outstanding amount of the Transferor's Loan, after:
  - that part of the Interest Amount of the Transferor's Loan that relates to the remainder of the relevant Interest Period is refunded by way of set-off against the Transferor's Loan; and
  - the Transfer Costs (if any) have been added to, or deducted from, the Transferor's Loan (as applicable).

The Transfer Costs are discussed below.

The discharge of the Transferor's Loan and the creation of the new Loan will take place automatically, and will not require any action to be taken by any party.

#### ***Transfer Costs***

Transfer Costs are payable:

- by Citigroup to the Transferor where the interest rate applying to the Transferor's Loan is less than the interest rate applying to the Transferee's Loan, with such Transfer Costs payable by applying the Transfer Costs against the Transferor's Loan; or
- by the Transferor to Citigroup where the interest rate applying to the Transferor's Loan is greater than the interest rate applying to the Transferee's Loan, with such Transfer Costs payable by adding that amount to the Transferor's Loan.

No action will be required to be taken by any party in respect of the payment of Transfer Costs.

#### ***Loan at Exercise or Maturity***

Details on how the Loan will be discharged on the exercise of a Citi Instalment or at maturity appear in Section 2.4.

#### 1.4 ARE THERE ANY COMMISSIONS OR FEES PAYABLE?

Citigroup may pay your broker, financial adviser or other distributors a placement fee of up to 2.00% of the Final Instalment for applications made under this PDS. This amount will be met out of the Borrowing Fee following acceptance of your application by Citigroup.

Citigroup may also pay your broker, financial adviser or other distributors of the Citi Instalments a trailing commission of up to 1.00% of the Final Instalment.

If you purchase Citi Instalments on ASX your broker may also charge you commission.

#### 1.5 WHAT ARE THE BENEFITS A HOLDER MAY RECEIVE?

Citi Instalments have the following key features and offer investors the following benefits:

- an easy way to leverage your exposure to shares in leading Australian companies and trusts without the risk of margin calls
- benefits of share ownership for a fraction of the upfront cost of the Underlying Shares;
- receive all ordinary dividends, available franking credits and capital appreciation in respect of the Underlying Shares;
- pay the Final Instalment at any time prior to maturity and receive the Underlying Shares, so for example if the Holder acquired the Citi Instalment for \$5.00 and the Final Instalment was \$10.00, by paying the Final Instalment the Holder would acquire the Underlying Shares for a total cost of \$15.00;
- enhanced dividend yields and, depending on your circumstances, available franking credits;
- Holders may, depending on their circumstances, be entitled to interest deductions (see the taxation summary in Section 5);
- an eligible investment for self managed super funds (excluding Shareholder Applications). See Section 4.9 for further details including as to **why superannuation entities should only invest if they provide a TFN or ABN to Citigroup**;
- Shareholder Applicants can free-up capital for other investments without crystallising capital gains; and
- a liquid investment that can be traded on ASX.

#### 1.6 IN WHAT CIRCUMSTANCES CAN A HOLDER RECEIVE THESE BENEFITS?

Over the course of the life of the Citi Instalment, a Holder may benefit from capital growth in the Underlying Shares.

During the term of the investment, a Holder is entitled to receive all the Dividends and Special Dividends, distributions and, depending on their circumstances, available franking credits (if any) paid in relation to the Underlying Shares.

**1.7 ARE CITI INSTALMENTS A SUITABLE INVESTMENT FOR ME?**

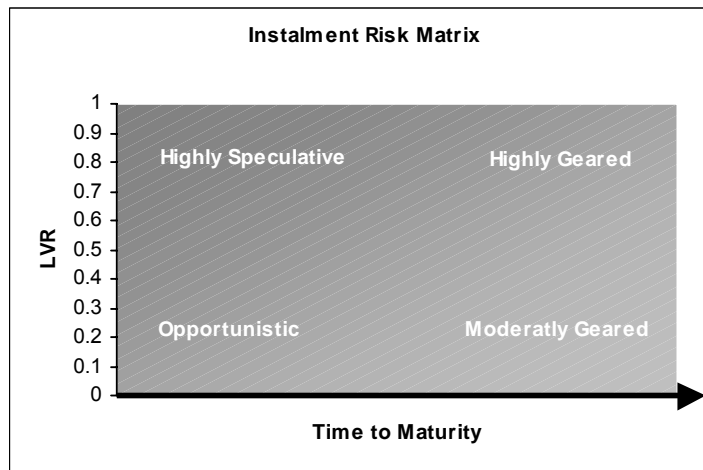
Citigroup has developed a variety of instalment products to suit a range of investors and their financial profiles. Citi Instalments may suit investors with a moderately

positive long-term view on the Underlying Shares, offering gearing levels between 40% and 70%. Citi Instalments may be a suitable investment if one or more of the following apply to you:

<b>Are you:</b>
looking to leverage your medium or long-term view of the share market
seeking enhanced dividend yields and franking credits
seeking to build long term wealth
seeking gearing without the risk of a margin call
reluctant to sell shares and crystallise capital gains
an existing shareholder wishing to unlock cash while still maintaining exposure to those securities
a self managed super fund seeking enhanced capital appreciation, dividend yields and franking credits (see Section 4.9 for further details on super fund investors)

As can be seen from the table below, the greater the degree of gearing and the shorter the time to maturity, the more speculative the investment and the greater the leverage to movements in the Underlying Share price. Conversely, a lesser degree of gearing and longer time to maturity would generally mean that the investment is

less speculative and that the investor can be seen to be moderately geared. Note that "LVR" is the Loan to Value Ratio (a measure of gearing) and is the relationship between the Loan amount and the value of the Underlying Share.



## **1.8 WHAT ARE THE UNDERLYING SHARES?**

The Underlying Shares are ASX listed Securities. This includes both ordinary shares in the capital of companies and units of listed trusts. The Entities' ASX codes appear in the Summary Table as the first 3 letters of the ASX code for a particular Series of Citi Instalments.

Further information on the Underlying Shares and dealings in relation to them appear in Section 3 of this PDS.

## **1.9 CAN THE TERMS OF ISSUE OF THE CITI INSTALMENTS CHANGE?**

The Maturity Date may be varied as outlined in section 4.6.

The Final Instalment and the Underlying Shares may be varied in accordance with the Terms of Issue in the event of returns of capital, rights and bonus issues and other reconstructions or corporate actions by the Entity which issues the relevant Underlying Shares.

Full details of these variations appear in Section 3 of this PDS.

Other variations to the Terms may take place with the consent of ASX or upon a resolution of Holders, each as more fully described in Section 7.5.

## **1.10 WHAT ARE THE TAX CONSEQUENCES OF INVESTING IN THE CITI INSTALMENTS?**

The acquisition, dealing in, and exercise of Citi Instalments may have income tax or capital gains tax implications for holders, depending on their own individual circumstances.

Depending on their circumstances, a Holder may be entitled to:

- tax deductions for interest on the Loan;
- deduct prepaid interest expense in the financial year in which the prepayment is made;
- utilise franking credits which may be used to offset other tax obligations; and
- convert their existing holding of Securities into Citi Instalments without triggering a capital gains tax liability in relation to their existing holding of Securities.

A general summary of some of the taxation consequences in respect of an investment in Citi Instalments can be found in Section 5 of this PDS.

Investors should obtain their own independent taxation advice prior to making any decision to invest in Citi Instalments.

## **1.11 WHAT ARE THE RISKS ASSOCIATED WITH THE CITI INSTALMENTS?**

A full description of the risk factors relating to investing in Citi Instalments can be found in Section 4 of this PDS.

Investing in Citi Instalments involves a significant degree of risk. Like any investment that offers the potential for profit there is a corresponding potential for loss. In particular, investors should be aware that Citi Instalments may decrease in value at a greater rate than an investment in the Underlying Shares.

Investors should consult their stockbroker or financial adviser to ascertain the suitability of investing in warrants as part of their particular investment strategies.

## **1.12 WHEN DO THE CITI INSTALMENTS EXPIRE?**

Citi Instalments expire on the Maturity Date. The Maturity Date for a particular Series of Citi Instalments appears in the Summary Table.

## **1.13 CAN THE CITI INSTALMENTS TERMINATE EARLY?**

Citi Instalments will not terminate early unless there is an Extraordinary Event declared by Citigroup, Holders will be provided with notice of the declaration of an Extraordinary Event by Citigroup.

Investors should note that the declaration of an Extraordinary Event by Citigroup requires the consent of ASX.

Section 4.6 of this PDS contains further details of what types of events may constitute Extraordinary Events.

## **1.14 CAN I TRADE MY CITI INSTALMENTS?**

Yes, a Holder can buy or sell Citi Instalments on ASX at any time prior to Closing Time on the Maturity Date, in the same way as buying or selling ordinary shares.

The treatment and operation of the Loan following a sale on ASX is detailed in Section 1.3 of this PDS.

### **1.15 WHAT IS THE INSTALMENT WARRANT DEED?**

The Instalment Warrant Deed provides the legal basis for the trust relationship between a Holder and the Trustee in respect of the Underlying Shares. The Instalment Warrant Deed also contains provisions in relation to the issue and creation of the Citi Instalments. The principal terms of the Instalment Warrant Deed are set out in this PDS.

Investors can obtain a copy of the Instalment Warrant Deed by calling Citigroup on 1300 30 70 70.

### **1.16 WHAT IS THE DECLARATION OF TRUST?**

The Trustee has executed a Declaration of Trust under which the Trustee undertakes to hold each Underlying Share transferred to the Trustee (or its nominee) by Citigroup, or an Applicant, as trustee for the Applicant on a Separate Trust until the Maturity Date, or if earlier, the exercise of an Instalment Warrant.

### **1.17 WHO IS THE TRUSTEE AND WHAT POWERS DOES IT HAVE?**

The Trustee is Citigroup Global Markets Australia Nominees No 2 Pty Limited, a wholly owned subsidiary of Citigroup.

The Trustee has no powers, duties, rights or discretions in relation to the Separate Trusts except those expressly set out in the Instalment Warrant Deed and Declaration of Trust.

Those powers include:

- the grant of a Security Interest in favour of Citigroup in relation to the Underlying Shares;
- specific powers of sale in relation to the Underlying Shares in certain circumstances;
- powers in relation to the payment of Dividends, Special Dividends and other distributions;
- certain acts in relation to "closely held trusts"; and
- general powers to administer the Separate Trusts.

## SECTION 2 – APPLICATION AND MATURITY

### 2.1 WHO CAN APPLY FOR CITI INSTALMENTS?

	Cash Applicant	Shareholder Applicant	Rollover Applicant
<b>Who Can Apply</b>	Persons with \$2,000 or more to invest in Citi Instalments	Current holders of Securities (excluding trustees of superannuation funds) where those Securities are the same as those which make up the Underlying Shares of the Citi Instalments	Current holders of Rollover Instalments which have the same Underlying Shares as the new Series of Citi Instalments
<b>How Do I Apply</b>	Complete the Cash Application Form and submit it with payment to your stockbroker, approved financial adviser or directly to Citigroup	Complete the Shareholder Application Form and submit it, together with the current holding statement for your existing Securities, to your stockbroker, approved financial adviser or directly to Citigroup	Complete the Rollover Application Form and submit it, together with payment (if any) and a copy of your holding statement to your stockbroker, approved financial adviser or directly to Citigroup
<b>Minimum Investment Amount</b>	\$2000	Sufficient that the Loan constitutes at least \$2000	No minimum
<b>Amount Payable on Application</b>	First Instalment	Nil	Varies
<b>Amount Received on Application</b>	Nil	Cashback Amount equal to the amount of the Loan less the Interest Component and Borrowing Fee	Cashback Amount where the amount of the Loan less the Interest Component and Borrowing Fee is greater than the Final Instalment to be paid on the Rollover Instalments
<b>Application Form</b>	Cash Application Form	Shareholder Application Form	Rollover Application Form
<b>Do I Need a Brokerage Account</b>	No	No	No

### 2.2 HOW TO APPLY

The Application Forms and instructions on how to apply are contained in Section 10 of this PDS. Citigroup will only accept applications which are made on the Application Forms which are enclosed with this PDS. Potential investors should lodge their Application Form with their stockbroker or approved financial adviser, or directly with Citigroup.

Citigroup may accept or reject any application in its absolute discretion. Citigroup may also accept an application for a lesser number of Citi Instalments than the

number applied for. Cash Applicants which are rejected or which are for a lesser number of Citi Instalments will have their application moneys returned without interest.

#### **Cash Applicants**

For Cash Applicants the First Instalment is the purchase price of the Citi Instalments, it is not fixed and will depend on the following factors as at the time the Holder lodges the Application for the Citi Instalments:

- the price at which the Underlying Shares are trading;

- the time remaining to the Maturity Date;
- volatility of Securities comprising the Underlying Shares;
- projected future dividends;
- future expected dividends; and
- prevailing interest rates.

Cash Applicants must subscribe for the minimum investment amount of \$2,000.

Cash Applicants can obtain an indication of the current amount of the First Instalment at any time during the offer period by calling Citigroup on 1300 30 70 70.

Citigroup will hold all funds received in a trust account (without interest) for the applicant until all conditions relating to the issue of the Citi Instalments have been fulfilled and the Trustee becomes the registered holder of the Underlying Shares.

#### **Shareholder Applicants**

The transfer of a Shareholder Applicant's existing shareholding represents the First Instalment. As a result, no cash payment is required on application. Shareholder Applicants must transfer that number of Securities to the Trustee equal to the number of Citi Instalments for which they are applying.

Shareholder Applicants will be paid the Cashback Amount equal to the amount of the Loan less the Interest Component and the Borrowing Fee. This Cashback Amount must be applied by the Shareholder Applicant wholly for income producing purposes.

Shareholder Applicants can obtain an indication of the Cashback Amount at any time during the offer period by calling Citigroup on 1300 30 70 70.

*No Shareholder Applications from superannuation funds*

On 16 December 2002 APRA and the ATO issued guidelines indicating that they considered that it was unlawful for trustees of superannuation funds (including trustees of self managed superannuation funds) to use shares owned by the fund as security over the in-built loan portion of an instalment warrant purchase. Accordingly, Citigroup will not accept Shareholder Applications from trustees of superannuation funds. For further information see Section 4.9 of this PDS.

#### **Rollover Applicants**

Holders of Rollover Instalments who are Rollover Applicants are not required to pay a cash amount for the First Instalment. However, where the amount of the new Loan in respect of the Citi Instalments being applied for is less than the sum of the Final Instalment for the Rollover Instalments, plus the Interest Component and the Borrowing Fee payable for the new Loan, the Rollover Applicant will be required to provide Citigroup with a cash payment for the shortfall (the **Rollover Payment**) with the Application Form.

Where the amount of the new Loan less the Interest Component and Borrowing Fee is greater than the final instalment to be paid on the Rollover Instalments, Rollover Applicants will receive a Cashback Amount back from Citigroup. This Cashback Amount must be applied by the Rollover Applicant wholly for income producing purposes.

Rollover Applicants can obtain an indication of the Cashback Amount at any time during the offer period by calling Citigroup on 1300 30 70 70.

#### **2.3 CITI INSTALMENTS ISSUED FOR THE PURPOSES OF INVENTORY AND MARKET MAKING**

In addition to the Citi Instalments that are issued to investors pursuant to the Application Forms accompanying this PDS, Citi Instalments will also be issued to Calex Nominees, a related party of Citigroup.

Investors should note that the Citi Instalments issued to Calex Nominees will be used as inventory for the sale of Citi Instalments to investors via ASX and for market making purposes. Citigroup will act as market-maker. Upon accepting an order from a secondary purchaser, Citigroup will direct Calex Nominees to transfer an Instalment Warrant that it holds to the secondary purchaser. See Section 4.2 of this PDS for some of the risks that exist in relation to market making.

#### **2.4 HOW DO YOU EXERCISE CITI INSTALMENTS?**

##### ***Paying the Final Instalment***

A Holder may exercise a Citi Instalment by paying the Final Instalment (plus any Exercise Costs), which will be used to repay the outstanding amount of the Loan. The Loan will then be discharged and the legal title to the Underlying Shares will be transferred from the Trustee to the Holder in discharge of the Security Interest. A Holder may exercise the Citi Instalment in this way at any time during the life of the Citi Instalment up to and including the Maturity Date.

### ***Delivering the Request for Purchase Notice***

A Holder may also deliver a Request for Purchase Notice to Citigroup requiring Citigroup to purchase the Underlying Shares from the Holder for the Request for Purchase Price (being the greater of the Market Value and the Final Instalment). Those moneys will then be used to discharge the Security Interest by repaying the Loan and paying the Exercise Costs, with the balance of the proceeds of sale going to the Holder.

Investors should note that the Request for Purchase Notice is only effective on the Maturity Date. Holders must deliver the Request for Purchase Notice prior to 12pm Sydney time on the Maturity Date.

### **2.5 EXERCISE NOTICES**

A copy of the Exercise Notice is attached to this PDS and must be completed in accordance with the instructions set out on that notice.

Exercise Notices are irrevocable, subject only to no other Exercise Notice being given in respect of the same Citi Instalment. Citigroup retains certain discretions with respect to the treatment of partially valid Exercise Notices.

If Citigroup or the Trustee fail to perform any of their obligations upon delivery of a valid Exercise Notice, the Holder may give a default notice to Citigroup in respect of the relevant Underlying Shares and Citigroup must within 10 Business Days after the date on which it receives such notice, pay to the Holder by cheque a Liquidated Damages Payment.

If the Holder has paid the Final Instalment (plus any Exercise Costs) and the Trustee fails to arrange delivery of the Underlying Shares to the Holder, the Liquidated Damages Payment will be determined as follows:

$$\text{LDA} = 1.1 \times \text{Market Value of Underlying Share}$$

In these circumstances, the Market Value of the Underlying Share is the Weighted Average Sale Price of Shares on the ASX on the 5 Trading Days following the date the Exercise Notice was given.

If the Holder delivers a Request for Purchase Notice and Citigroup fails to distribute the amount of the Request for Purchase Price in accordance with the Order of Payment, the Liquidated Damages Payment will be determined as follows:

$$\text{LDA} = (1.1 \times \text{Request for Purchase Price}) - (\text{First Instalment} + \text{Exercise Costs})$$

Once the Liquidated Damages Amount is paid by Citigroup, the relevant Citi Instalment shall be cancelled,

the Beneficial Interest of the Holder in respect of the Underlying Share will be extinguished and Citigroup and the Trustee will have no further obligations to the Holder.

### **2.6 ROLLOVER**

A Holder may also be able to "rollover" their holding of Citi Instalments into future instalment warrant products issued by Citigroup. Holders will be advised by Citigroup prior to the Maturity Date if a further series of instalment warrant products will be available for rollover.

### **2.7 WHAT HAPPENS IF I DO NOT EXERCISE?**

If a Holder fails to exercise the Citi Instalment by Closing Time on the Maturity Date, the Underlying Shares may be sold by Citigroup pursuant to Citigroup's power of sale. The proceeds of a sale will be used to discharge the Security Interest by repaying the Loan and paying other Exercise Costs in accordance with the Order of Payment.

However, where the Intrinsic Value of the Citi Instalment is equal to or greater than 5% of the Final Instalment then the disposal proceeds shall be paid in accordance with the Revised Order of Payment.

## **SECTION 3 – THE UNDERLYING SHARES**

### **3.1 INTRODUCTION**

The Underlying Shares are ASX listed securities. This includes both ordinary shares in the capital of companies and units of listed trusts. These Entities are subject to the continuous disclosure requirements imposed by ASX and by the Corporations Act. The Entities' ASX codes appear in the Term Sheet as the first three letters of the ASX code for a particular Series of Citi Instalments.

Information (including historical data and trading information) about these Entities can be obtained from a variety of sources including ASX, the Entities themselves, brokers and investment advisers. Information may also be found on the websites of the Entities, the ASX website and related sites. Citigroup 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 an Entity. Investors should make their own inquiries and where appropriate, obtain advice in relation to any investment decisions.

The initial Underlying Share for each Series of Citi Instalments is one Security. During the life of the Citi Instalment, however, this may be adjusted to take into account corporate actions that may affect the Securities that comprise the Underlying Shares.

### **3.2 VARIATION TO FINAL INSTALMENT AND UNDERLYING SHARES AS A RESULT OF A CORPORATE ACTION**

The Final Instalment and the Underlying Shares may be varied in accordance with the Terms in the event of various corporate actions by the Entity which issued the relevant Underlying Shares. The effect of each corporate action is set out below.

#### **TAKEOVER BID**

If the Securities that comprise the Underlying Parcels are subject to a Takeover Bid each Holder directs the Trustee not to accept any offer in respect of the Securities that comprise the Underlying Parcels.

If in respect of a Takeover Bid Citigroup has not declared an Extraordinary Event and the Takeover proceeds to compulsory acquisition the following will apply:

1. the Trustee will direct a Qualified Sale Agent to sell any security, asset or right (other than cash) received in consideration for the acquired Securities comprising the Underlying Parcels;

2. the Trustee will apply the net proceeds of the sale or cash receipts in accordance with the Order of Payment; and

3. the Citi Instalments corresponding to the Underlying Parcels the subject of the compulsory acquisition, shall be cancelled.

#### **SCHEME**

If a Scheme occurs and Citigroup has not declared an Extraordinary Event the following will apply:

1. the Trustee will direct a Qualified Sale Agent to sell any security, asset or right (other than cash) received in consideration for the acquired Securities comprising the Underlying Parcels;
2. the Trustee will apply the net proceeds of the sale or cash receipts in accordance with the Order of Payment; and
3. the Citi Instalments corresponding to the Underlying Parcels the subject of the compulsory acquisition, shall be cancelled.

#### **ENTITLEMENTS OFFER**

Under the terms of the Instalment Warrant Deed, if an Entity makes an Entitlements Offer in respect of Securities comprising an Underlying Parcel, the Trustee is not obliged to respond in any way to the Entitlements Offer nor to notify the Holders of that offer.

However, if it chooses to do so, the Trustee may take such Reasonable Action as is prudent to confer the benefit of that Entitlements Offer on Holders.

#### **RECONSTRUCTIONS**

Under the terms of the Instalment Warrant Deed, if an Underlying Parcel is the subject of a reconstruction, the Underlying Parcel will be adjusted thereafter to comprise the Securities issued in substitution for the prior Underlying Parcel. The Final Instalment will not change.

#### **CAPITAL REDUCTIONS**

Under the terms of the Instalment Warrant Deed, if an Entity reduces its share capital without making a capital distribution or cancelling any Securities comprising an Underlying Parcel, neither the Trustee nor Citigroup is obliged to take any action.

However, if as a result of a capital reduction an Entity makes a capital distribution a Qualified Sale Agent will be appointed to sell any non-cash distribution and the net proceeds of the sale or cash distribution will be applied in

accordance with the Order of Payment. Where the Entity also cancels some or all of the Securities comprising an Underlying Parcel, there shall be a corresponding cancellation of the relevant Instalment Warrants and Underlying Parcels.

#### **BONUS ISSUES**

Under the terms of the Instalment Warrant Deed, where an Entity makes a Bonus Issue of securities identical to the Securities comprising the Underlying Parcel, the Holder will irrevocably make an offer for the maximum whole number of Instalment Warrants as can be issued with those additional Securities as Underlying Parcels. Citigroup may accept all or none such Applications. If there is another type of Bonus Issue or Citigroup does not accept a Holder's Application for additional Instalment Warrants, the Holder irrevocably instructs the Trustee to direct a Qualified Sale Agent to sell any Security forming part of the Bonus Issue and the net proceeds will be used to reduce the Holder's Final Instalment.

Any bonus Instalment Warrants issued by Citigroup will be registered and subject to the same terms as all other Instalment Warrants. The amount of the Final Instalment will be reduced, and all other terms of the Loan will be adjusted on a pro rata basis having regard to the increased number of Instalment Warrants.

#### **SHARE BUY-BACKS**

Under the terms of the Instalment Warrant Deed, if an Entity makes a Buy-Back Offer in relation to all or any of its Securities before the Completion Date:

1. the Trustee will reject that Buy-Back Offer and will not be required to notify any Holder of the Buy-Back Offer; and
2. Citigroup may nominate an Extraordinary Event.

#### **OTHER CORPORATE EVENTS**

Under the terms of the Instalment Warrant Deed, if an Entity or a third party takes action in respect of the capital of an Entity or Underlying Parcel other than as set out above, Citigroup may, with the consent of ASX, determine the appropriate Reasonable Action to be taken in respect of the relevant Citi Instalment Warrants.

#### **3.3 VARIATION TO FINAL INSTALMENT AS A RESULT OF THE APPLICATION OF DIVIDENDS AND SPECIAL DIVIDENDS**

Adjustment of the Final Instalment may also take place in circumstances where an Entity declares a Special Dividend, which may be used to reduce the amount of the Final Instalment.

If a Dividend or Special Dividend is paid by an Entity in respect of an Underlying Parcel, the Holder irrevocably directs that Citigroup may direct that the Dividend or Special Dividend be paid to Citigroup and be used by Citigroup to reduce the Final Instalment in respect of the particular Series of Citi Instalments to which the Dividend or Special Dividend relates.

#### **3.4 BUYBACK AND CANCELLATION OF CITI INSTALMENTS**

Citigroup may buy-back Citi Instalments and become the holder of Citi Instalments, which shall not be deemed to lapse or be cancelled on buy-back unless Citigroup cancels the Citi Instalment.

Citigroup may cancel the Citi Instalment if Citigroup is the holder of the Citi Instalment.

Citigroup and its related bodies corporate and officers are not prohibited from holding Citi Instalments, entering into financial transactions with any Holder, or acquiring Underlying Shares nor are any such persons liable to account to Holders for profits or benefits derived as a result of those activities or other such business activities.

#### **3.5 VOTING THE UNDERLYING SHARES**

The terms of the Instalment Warrant Deed provide that Holders irrevocably direct the Trustee, as legal holder of the Securities that comprise the Underlying Shares, not to vote in respect of any of those Securities at any meetings of members or unit holders. The Instalment Warrant Deed also provides that the Trustee is not required to send to any Holder any notice of meeting, annual report or similar documents distributed by an Entity.

#### **3.6 DIVIDEND REINVESTMENT PLANS**

Under the terms of the Trust Deed, each Holder instructs the Trustee not to participate in any dividend reinvestment plan or other arrangement for the reinvestment or receipt of benefits in lieu of Dividends.

## **SECTION 4 – RISK FACTORS**

**SUBSCRIPTION FOR OR THE PURCHASE OF THE CITI INSTALMENTS IS CONSIDERED BY CITIGROUP TO BE SUITABLE ONLY FOR INVESTORS WITH EXPERIENCE IN, OR ON THE ADVICE OF PROFESSIONAL ADVISERS WITH EXPERIENCE IN, DERIVATIVE TRANSACTIONS. POTENTIAL INVESTORS SHOULD REACH AN INVESTMENT DECISION ONLY AFTER CAREFULLY CONSIDERING, WITH THEIR ADVISERS, THE SUITABILITY OF THE CITI INSTALMENTS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, TAKING INTO ACCOUNT THE RISK FACTORS RELATING TO THE CITI INSTALMENTS SET OUT BELOW.**

### **4.1 FACTORS AFFECTING THE VALUE OF CITI INSTALMENTS**

The value at which a Citi Instalment may be bought or sold on ASX is dependent upon such factors as the price at which the Underlying Shares are trading on ASX, the amount of the Final Instalment, the time remaining to expiry, interest rates and risks applicable to stock markets generally.

Investment in Citi Instalments is speculative. The Citi Instalments may be significantly less valuable on the Maturity Date or may expire worthless. This means that Holders may either lose money or sustain a total loss on their investment.

### **4.2 POSSIBLE ILLIQUIDITY OF TRADING MARKET**

Investors should be aware that there is no firm indication as to how the Citi Instalments will trade in the secondary market. Nor is there sufficient evidence as to whether that market will be liquid or illiquid.

Citigroup will conduct market making activities in relation to the Citi Instalments by the provision of bids and offers made in a spread around the prevailing market price to help ensure liquidity in the market for the Citi Instalments.

However, there are no spread or quantity obligations applied to the market making requirements. The quality of market making will depend on competitive pressures. In times of extreme volatility the ability of market makers to maintain a market will be put under stress. Investors should be aware that in these situations, the presence of suitable quotes in the market cannot always be assured.

### **4.3 CERTAIN PRODUCTS MORE HIGHLY GEARED**

Citi High Yield Instalments issued under this PDS (and identified in the Summary Table) are more highly geared than Citi Instalments at the time of issue. The higher gearing level is because Citi High Yield Instalments have a

lower First Instalment and a higher Final Instalment than regular Citi Instalments. The Citi High Yield Instalments also have a higher Interest Component and Borrowing Fee compared to regular Citi Instalments at the time of issue. As a result, investors should be aware that an investment in Citi High Yield Instalments may increase or decrease in value at a greater rate than regular Citi Instalments issued under this PDS.

### **4.4 GENERAL MARKET RISKS**

General movement in local and international stock markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions could all affect the market price of Citi Instalments.

Investors are warned that the price of Citi Instalments may fall in value as rapidly as it may rise and Holders may sustain a total loss of their investment. Prospective investors should therefore ensure that they understand the nature of Citi Instalments and carefully study the risk factors set out in this PDS before they invest in Citi Instalments.

### **4.5 EXERCISE OF DISCRETION BY CITIGROUP**

Investors should note that a number of provisions of the Instalment Warrant Deed confer discretions on Citigroup which could affect the value of Citi Instalments. These include the power to declare an Extraordinary Event and the right to adjust the Underlying Shares or the Final Instalment upon the occurrence of certain corporate events.

Holders do not have the power to direct Citigroup concerning the exercise of any discretion. However, in relation to many of these discretions, Citigroup may only exercise those discretions with the consent of ASX, unless that consent is unreasonably withheld or delayed.

The fact that Citi Instalments may become significantly less valuable over their term and in certain circumstances automatically terminate or expire worthless, means that a Holder of Citi Instalments may lose some or all of the purchase price paid for the Citi Instalments.

### **4.6 EXTRAORDINARY EVENTS**

If the Underlying Shares are subject to a compulsory acquisition notice (in either a takeover or scheme of arrangement context), are withdrawn from quotation are suspended, are the subject of a buy-back offer, or if the Citi Instalments are withdrawn from admission to trading status or suspended, or a Trust Tax Change occurs (or is expected to occur), Citigroup may with the consent of ASX declare such an event to be an Extraordinary Event.

In such circumstances Citigroup may fix an earlier Maturity Date, or in respect of a Trust Tax Change terminate the trust relationship governed by the Instalment Warrant Deed. Citigroup shall give written notice to each Holder within 10 Business Days of declaring an Extraordinary Event.

#### **4.7 LEGISLATIVE RISKS**

A number of risks may exist and impact on a Holder of a Citi Instalment as a result of Australian legislative regulation.

The acquisition and/or exercise of a Citi Instalment may have implications for Holders under Chapter 6 of the Corporations Act, in particular those provisions that relate to an acquisition by a person of shares or other securities that would give rise to a relevant interest (as defined in the Corporations Act).

The issues raised by Chapter 6 of the Corporations Act in the context of warrants are complex and are dependant on individual circumstances and the interpretation of the law in this area. Holders should obtain their own legal advice on this issue.

The acquisition and/or exercise of a Citi Instalment may also have implications for certain Holders under the provisions of the Foreign Acquisitions and Takeovers Act 1975 (Cth). Prospective Holders should seek independent legal advice on these matters.

#### **4.8 TAX CHANGES**

Section 5 contains a taxation summary based on current Australian taxation laws. Prospective Holders should read this carefully and also monitor any taxation changes.

#### **4.9 SUPERANNUATION FUNDS**

Superannuation entities, such as regulated superannuation funds and trustees of approved deposit funds and pooled superannuation trusts, are subject to restrictions on entering into borrowing arrangements and on the types of investments that can be made.

The Australian Prudential Regulation Authority and the Australian Taxation Office have released guidelines dated 16 December 2002 which provide that superannuation funds are not permitted, under the terms of the Superannuation Industry (Supervision) Act 1993 (Cth) and related regulations, to invest in Citi Instalments by way of shareholder application. The guidelines also contain information for trustees and superannuation entities as to the matters that should be considered by these entities before any decision is made to invest in Citi Instalments.

On 24 September 2007, amendments to the Superannuation Industry (Supervision) Act 1993 (Cth) took effect to allow superannuation funds to invest in instalment warrants of a limited recourse nature over any asset a fund would be permitted to invest in directly. These amendments, however, do not extend to allow superannuation funds to transfer existing security holdings in application for instalment warrants.

Any trustees or superannuation entities considering an investment in Citi Instalments should obtain their own advice as to whether Citi Instalments are an appropriate and permissible investment.

Citigroup makes no representation or warranty, express or implied, that trustees or superannuation entities may invest in Citi Instalments under the terms of the Superannuation Industry (Supervision) Act 1993 (Cth) and related regulations.

In addition, Shareholder Applicants represent and warrant that the Shareholder Application is not being made by or on behalf of a superannuation fund or entity.

#### **4.10 NATIONAL GUARANTEE FUND - NOT A GUARANTOR IN ALL CASES**

Claims against the National Guarantee Fund may only be made in respect of secondary trading in Citi Instalments between brokers on ASX and cannot be made in relation to the primary issue of Citi Instalments by Citigroup.

The capacity of Citigroup to settle all outstanding Citi Instalments is not guaranteed by ASX, the National Guarantee Fund or ASTC.

#### **4.11 POTENTIAL CONFLICTS OF INTEREST**

Citigroup and related bodies corporate of Citigroup may, in their absolute discretion, buy and sell Citi Instalments, Securities and other financial products relating to Citi Instalments or the Securities, either as principal or agent. This trading may impact positively or negatively on the price at which Citi Instalments trade on ASX.

Citigroup is not in a fiduciary relationship with Holders. Any profits earned and losses incurred by Citigroup in its trading activities in Citi Instalments will accrue entirely to it independent of Citigroup's obligations to Holders.

#### **4.12 SUSPENSION OF TRADING IN CITI INSTALMENTS**

Trading of Citi Instalments on the stock market conducted by ASX may be halted or suspended by ASX. This may occur whenever ASX deems such action appropriate in the interests of maintaining a fair and orderly market in Citi Instalments or otherwise deems such action advisable in

the public interest or to protect investors. Matters that may be considered also include circumstances where Citigroup becomes unable or unwilling or fails to comply with the ASX Market Rules or if ASX in its absolute discretion thinks fit.

Except where it is determined to be an Extraordinary Event, the Citi Instalments will continue to exist notwithstanding any delisting, withdrawal of trading status or suspension of the Citi Instalments from ASX.

#### **4.13 DEFERRED SETTLEMENT**

The Instalments Warrants will initially trade on a Deferred Settlement basis on the date indicated in the Investment Overview. Until the expiry of the Deferred Settlement Period, no trades involving Instalment Warrants issued under this PDS will be settled until the Deferred Settlement Date. An example of the effect of this is that a purchaser of an Instalment Warrant issued under this PDS on the ASX will not make a payment until the Deferred Settlement Date and conversely the seller will not receive payment until the Deferred Settlement Date.

The Instalment Warrants are expected to commence trading on a normal basis on the date indicated in the Investment Overview.

## **SECTION 5 – TAXATION CONSIDERATIONS**

This section is intended only as a general summary of some of the taxation consequences arising for potential Holders who are Australian resident taxpayers including individuals, companies and complying superannuation funds who hold Citi Instalments on capital account (ie not on revenue account or as trading stock) for tax purposes. Whether Citi Instalments are held on capital account or revenue account will depend on the Holder's individual circumstances. (For example, Holders who acquire Citi Instalments for the purpose of exercising them and holding the Underlying Parcel for long term investment will generally hold Citi Instalments on capital account. In contrast, Holders who acquire Citi Instalments in the ordinary course of their business or, for the purpose of disposing of them at a profit, will generally hold them on revenue account.)

This section is necessarily general in nature and does not take into account the specific taxation circumstances of each potential Holder. Potential Holders should not rely on this section and should obtain specific taxation advice referable to their own circumstances prior to making any investment decision.

Except as specifically indicated below, this section is based on law and Australian Taxation Office ("ATO") practice that is current as at the date of this PDS. Potential Holders should seek their own advice on any changes in the law or administrative interpretation after the date of this PDS which may affect the tax consequences of investing in Citi Instalments.

On 20 September 2007, the Government introduced into Parliament a bill which proposes changes to the taxation of financial arrangements ("TOFA"). The bill has lapsed, but is expected to be reintroduced into Parliament. The TOFA proposals will impact upon the tax treatment of a wide range of financial transactions. However, as currently drafted, the proposed rules do not mandatorily apply to Citi Instalments acquired before 1 July 2009.

Potential Holders should be aware that any changes to TOFA before enactment occurs may impact on the tax implications applicable to the Citi Instalments.

This section does not cover the taxation consequences of extraordinary events occurring in relation to the Underlying Securities, including Corporate Actions, Takeover Events and reconstructions of the Citi Instalments.

Finally, the comments below are premised on the basis that, notwithstanding that the Underlying Securities are held on trust by the Trustee, the Holder is effectively treated as holding the Underlying Securities for capital gains tax purposes. The ATO has released a draft public ruling (TR 2004/D25) which casts some doubt as to whether this will be the case for Holders in all circumstances. However, the ATO has accepted in product rulings that holders under other instalment warrants are effectively treated as holding the Underlying Securities for capital gains tax purposes. Submissions have been made to the ATO seeking clarification on this issue generally, but certainty as to the ATO approach will only be achieved when a final ruling is issued.

### **5.1 ACQUIRING YOUR CITI INSTALMENTS**

#### **5.1.1 Issue of Citi Instalments**

Applying for and being issued Citi Instalments does not give rise to any immediate tax consequences for a Holder (for example, a Holder cannot deduct any amount for acquiring the Citi Instalments). Rather, the Holder should generally be treated as acquiring two assets for capital gains tax (CGT) purposes, being the beneficial interest in the Underlying Shares and the right to deliver a Request for Purchase Notice. However, Citigroup has confirmed that the right to deliver a Request for Purchase Notice has no market value separate to the Citi Instalments. Accordingly, no further CGT consequences should arise for these Holders in relation to that right.

Acquiring Citi Instalments establishes the cost base for a Holder's beneficial interest in the Underlying Shares. The cost base will be relevant to the CGT consequences for the Holder when the Citi Instalments are sold, exercised, terminated, expire, the Holder sells the Underlying Parcel pursuant to a Request for Purchase Notice or if Citigroup exercises its power of sale under the Security Interest. The Holder's cost base for their beneficial interest in the Underlying Shares will include:

- for Cash Applicants, the First Instalment and the amount of the Loan applied to purchase the Underlying Shares.
- for Shareholder Applicants, the Holder's existing cost base for the Underlying Shares.
- for Rollover Applicants, the Holder's existing cost base for the beneficial interest in the Underlying Shares of the Rollover Instalment. That cost base would not be affected by payments made to Citigroup or received from Citigroup in respect of the Loan.

- for Cash Applicants, Shareholder Applicants and Rollover Applicants, any amount deemed to be incurred for a put option (see below) if either the right to deliver a Request for Purchase Notice is ultimately exercised or if Citigroup exercises its power of sale under the Security Interest.

Depending on the circumstances, an amount may be treated under s.247-20 of the Income Tax Assessment Act 1997 (the “capital protected borrowing provisions”) as being incurred for a put option. Broadly, this will be the case if the relevant rate of interest at the time of issue exceeds the Reserve Bank of Australia’s Indicator Rate for Personal Unsecured Loans – Variable Rate.

### 5.1.2 Purchasing your Citi Instalments on the ASX

Purchasing Citi Instalments on the ASX gives rise to similar consequences to those for a Cash Applicant. That is, purchasing the Citi Instalments establishes the cost base for the Holder’s beneficial interest in the Underlying Shares and the right to deliver a Request for Purchase Notice.

The cost base of the Underlying Shares will be relevant to the CGT consequences for the Holder when the Citi Instalments are sold, exercised, terminated, expire, the Holder sells the Underlying Shares pursuant to a right to deliver a Request for Purchase Notice or if Citigroup exercises its power of sale under the Security Interest. The Holder’s cost base for their beneficial interest in the Underlying Shares will include the purchase price of the Citi Instalment, any brokerage and the amount of the Holder’s Loan that is applied to repay the transferring Holder’s loan.

Citigroup has confirmed that the right to deliver a Request for Purchase Notice has no market value separate to the Citi Instalments. Accordingly, no further CGT consequences should arise for these Holders in relation to that right.

Depending on the circumstances, an amount may be treated under s.247-20 of the capital protected borrowing provisions as being incurred for a put option. Broadly, this will be the case if the relevant rate of interest at the time of acquisition exceeds the Reserve Bank of Australia’s Indicator Rate for Personal Unsecured Loans – Variable Rate.

## 5.2 HOLDING YOUR CITI INSTALMENTS

### 5.2.1 Interest deductibility

Taxpayers are generally entitled to deductions for interest on borrowed funds that are used for income producing purposes such as acquiring income producing assets like Australian shares.

The Loan to Cash Applicants and Holders who acquire Citi Instalments on the ASX is applied to acquire a beneficial interest in the Underlying Shares. Those Securities typically produce dividends and/or distributions which are included in the assessable income of the Holder. Accordingly, subject to the comments below, if the Citi Instalments are acquired by a Holder for the purpose of deriving assessable dividends and/or distributions, then interest on the Loan should be deductible to the Holder. Also, interest on the Loan should be deductible for:

- Shareholder Applicants provided that the borrowed funds are used wholly for income producing purposes; and
- Rollover Applicants provided that, if the Loan exceeds the total of the Final Instalment on the Rollover Instalment, the Interest Component and the Borrowing Fee, then the excess is used wholly for income producing purposes.

Interest on the Loan will not be deductible if incurred by the Holder solely for the purpose of deriving capital gains.

Some part of an Interest Amount may be denied deductibility if part of an Interest Amount is treated under the capital protected borrowing provisions as being incurred for a put option (see 5.1.1 and 5.1.2).

Depending on the Holder’s personal circumstances, there remains a residual risk that some part of an Interest Amount may be denied deductibility if the total of the Interest Amounts for a particular income year exceeds the assessable amount of dividends or distributions, grossed up for any franking credits, paid in respect of the Underlying Shares.

Finally, no part of an Interest Amount should be denied deductibility under the general deduction provisions on the basis that any part of an Interest Amount should be characterised as being paid for the grant of the right to deliver a Request for Purchase Notice (as Citigroup has confirmed that this right has no market value separate to the Citi Instalments).

### 5.2.2 Prepayment of interest

Interest on the Loan accrues from day to day, but is prepaid to the end of the Interest Period, which in most cases is 12 months or less from the Drawdown Date or subsequent Interest Date. In these cases, based on the position taken and assumptions made by the ATO in product rulings relating to similar instalment warrants,

Holders who are individuals (who do not incur the interest in carrying on a business) and STS taxpayers should generally be entitled to claim a deduction for the prepaid Interest Amount in the tax year when the prepayment is made. Other Holders should also generally be able to do so if either:

- the total prepaid Interest Amount is less than \$1,000; or
- the Interest Period ends in the same tax year as the Drawdown Date.

For other Holders, and for Holders where the Interest Period ends more than 12 months after the Drawdown Date, Interest deductions will be spread across tax years by reference to the number of days in the period ending on the Maturity Date.

### 5.2.3 Borrowing Fee

A Holder will be entitled to deduct the Borrowing Fee to the extent that it is incurred to borrow money for income producing purposes. However, if the Maturity Date is in a subsequent tax year, then the deduction available will be spread across each tax year by reference to the number of days in that period that fall in each tax year.

### 5.2.4 Distributions on the Underlying Parcel

Under the terms of the Citi Instalments and the relevant Instalment Warrant Deed, Holders are presently entitled to income from the Underlying Shares. The tax consequences to the Holder depend on whether the Underlying Shares comprise a share or a unit in a trust.

#### (a) Dividends

A Holder's assessable income will include dividends paid on the Underlying Shares where the Security is a share in a company. A Holder's assessable income will also include the amount of any franking credits on those dividends, but the Holder would generally be entitled to tax offsets equal to the amount of the franking credits. Broadly, under the franking provisions, only Holders with marginal tax rates above 30% will effectively pay additional tax on franked dividends. If a Holder's marginal tax rate is less than 30% then certain Holders, including individuals and superannuation funds, will be entitled to a refund of the amount of the excess franking credits.

However, a Holder's entitlement to franking credits can be affected by complex "franking credit trading" provisions. These provisions are designed to ensure that a Holder is only entitled to franking credits if the Holder has sufficient economic exposure to the Underlying Shares. The Issuer

has determined that, at the date of this PDS, the Citi Instalments give a Holder sufficient economic exposure to be entitled to the franking credits.

Nevertheless, the Holder's economic exposure to the Underlying Shares can be affected by the Holder's other dealings (eg, entry into options, warrants, contracts for sale and so on). Holders should seek their own specific advice on this issue.

Holders who are individuals and whose franking credits do not exceed \$5,000 in a tax year are generally entitled to franking credits for that tax year, regardless of their actual economic exposure to the Underlying Shares.

Generally, no Australian franking credits will arise where the Underlying Share is in a company that is not a resident of Australia for Australian income tax purposes. However, in certain circumstances, dividends paid by New Zealand tax resident companies may be franked with Australian franking credits.

#### (b) Unit trust distributions

Subject to the comments below, a Holder's assessable income will include distributions received on the Underlying Shares where the Security is a unit in a unit trust.

Certain distributions from unit trusts may be "tax deferred". A Holder's assessable income will not include "tax deferred" amounts when they are received. Instead, these distributions generally reduce the cost base of the Holder's interest in the Underlying Shares, and so may increase any capital gain (or decrease any capital loss) on a subsequent disposal of the Underlying Shares. If the total of these "tax deferred" distributions exceeds the cost base for the Holder's interest in the Underlying Shares, then the excess will be taxed as a capital gain to the Holder in the tax year the excess is distributed.

A Holder's assessable income will include a share of dividends distributed by the unit trust. A Holder's assessable income will also include the amount of any franking credits on those dividends, but the Holder would generally be entitled to tax offsets equal to the amount of the franking credits. Where the Underlying Shares are units the application of the franking credit trading provisions is even more complicated than where they are shares for two reasons. Firstly, the trust must also satisfy the franking credit trading provisions and secondly the Holder's economic exposure to the Underlying Parcel may be affected by the terms of the relevant trust deed. Again, Holders should seek their own specific advice on this issue.

Broadly, if the unit trust makes a capital gain, then Holders can offset the amount of their distribution attributable to

the capital gain against their capital losses. If the unit trust makes a discount capital gain, then Holders are treated as having made a capital gain equal to double the amount of their distribution attributable to the discount capital gain, which effectively negates the discount capital gain applying at the trust level. Certain Holders (individuals, trustees and complying superannuation entities) are then entitled to the CGT discount on that capital gain in their hands.

A Holder's assessable income will include any foreign tax paid on foreign income derived by the trust. The Holder will then generally be entitled to a tax offset for the foreign tax, capped at the lesser of the amount of Australian tax payable on the total of that type of foreign income and the foreign tax.

If the trust is a public trading trust, the trust will be treated as a company and distributions will be deemed to be dividends so that the tax consequences described in the Section 5.2.4(a) "Dividends" above will generally apply.

### 5.3 SELLING YOUR CITI INSTALMENTS

When a Holder sells their Citi Instalments on the ASX, for CGT purposes they dispose of their beneficial interest in the Underlying Shares.

The Holder will make a capital gain to the extent that the total of the sale price and the amount of the Holder's Loan that is repaid by the Purchaser exceeds the cost base of their beneficial interest in the Underlying Shares.

Further, although the capital protected borrowing provisions are not entirely clear on this issue, and there is no case law or ATO guidance on point, consistent with the policy intention of the capital protected borrowing provisions, if a Holder is deemed under the capital protected borrowing provisions to have incurred an amount for a put option (see 5.1.1 and 5.1.2), then the Holder should also realise a capital loss when they sell their Citi Instalments equal to the amount they are treated as having incurred for it.

A capital gain may be eligible to be a discount capital gain if the Holder is an individual, trust or a complying superannuation entity and the Citi Instalments are disposed of at least 12 months after the Holder acquired them. Capital gains made by companies and other taxpayers are not discounted. Capital gains are only discounted after a Holder's other capital losses and carried forward net capital losses have been applied. If a capital gain is eligible to be discounted, then only 50% of the amount of the capital gain is included in the assessable income of a Holder who is an individual or a trust, and 66% for a Holder that is a complying superannuation entity.

A Holder will make a capital loss to the extent that the total of the cost base of the Holder's beneficial interest in the Underlying Shares exceeds the total of the sale price and the amount of the Holder's Loan that is repaid by the Purchaser. If a Holder makes a capital loss, then the loss can only be used to reduce the Holder's other capital gains. If there are insufficient capital gains to absorb the capital losses, the Holder will have a net capital loss for the income year which can generally be carried forward to offset future capital gains.

The amount of the Holder's Loan is reduced by the amount of interest the Holder has prepaid for the period after the transfer of the Citi Instalment (**the refund amount**). Accordingly, the refund amount is required to be included in the Holder's assessable income in the tax year in which the sale occurs.

Transfer Costs may also arise on the sale of Citi Instalments. These costs are payable either:

- by a Transferor to Citigroup - in which case, the Transferor's cost base for their beneficial interest in the Underlying Shares will include the amount of the Transfer Costs; or
- by Citigroup to the Transferor - in which case, the Transferor's capital proceeds for the sale of their beneficial interest in the Underlying Shares will include the amount of the Transfer Costs.

### 5.4 EXERCISING YOUR CITI INSTALMENTS

A Holder can exercise a Citi Instalment by paying the Final Instalment or exercising the right to deliver a Request for Purchase Notice.

#### (a) Paying the Final Instalment

If a Holder pays the Final Instalment plus the estimated Exercise Costs (if any), the Trustee will procure the delivery of the Underlying Shares to the Holder and the right to deliver a Request for Purchase Notice will expire. In these circumstances:

- based on the position taken by the ATO in product rulings relating to similar instalment warrants, the delivery of the Underlying Shares will not give rise to any immediate tax consequences for the Holder.
- the Holder's cost base for the Underlying Shares will equal the cost base for the Holder's beneficial interest in the Underlying Shares plus any Exercise Costs;
- if a Holder is deemed under the capital protected borrowing provisions to have incurred an amount for a put option (see 5.1.1 and 5.1.2), then the Holder

should also realise a capital loss equal to the amount they are treated as having incurred for it.

should also realise a capital loss equal to the amount they are treated as having incurred for it.

**(b) Exercising the right to deliver a Request for Purchase Notice**

If the Holder exercises the right to deliver a Request for Purchase Notice, then Citigroup must purchase the Underlying Shares from the Holder for the greater of the Market Value and the Final Instalment. The sale price will first be used to pay any amounts due to the Trustee and any amounts outstanding under the Loan. Any excess will be paid to the Holder.

The sale of the Underlying Shares on exercise of the right to deliver a Request for Purchase Notice will be a disposal for CGT purposes. The Holder's cost base for the Underlying Shares will include the amount (if any) deemed under the capital protected borrowing provisions (see 5.1.1 and 5.1.2) to be incurred for a put option. The capital proceeds will be the sale price of the Underlying Shares (regardless of whether the Holder actually receives all of this amount or, for example, part of it is used to repay the Holder's Loan). The Holder will realise a capital gain or a capital loss accordingly.

Cash Applicants, as well as Shareholder Applicants and Rollover Applicants who acquired the Underlying Shares less than 12 months before acquiring Citi Instalments, should seek specific advice about whether any capital gain arising on sale pursuant to exercise of the right to deliver a Request for Purchase Notice is eligible for discount capital gains treatment, as the ATO has expressed the view that, in broadly similar circumstances, discount capital gains treatment would not be available.

**5.5 FAILURE TO EXERCISE YOUR CITI INSTALMENTS BY THE MATURITY DATE**

If a Holder does not exercise their Citi Instalments by the Maturity Date, then Citigroup may sell the Underlying Shares. The sale price will first be used to pay any amounts outstanding under the Loan and any excess will be paid to the Holder. In these circumstances:

- The sale of the Underlying Shares will be a disposal for CGT purposes. The capital proceeds will be the sale price of the Underlying Shares (regardless of whether the Holder actually receives all of this amount). The Holder will realise a capital gain or loss accordingly, and a capital gain may be a discount capital gain in the circumstances described in 5.3 above.
- If a Holder is deemed under the capital protected borrowing provisions to have incurred an amount for a put option (see 5.1.1 and 5.1.2), then the Holder

If the sale price is less than the amount of the Holder's Loan, then Citigroup cannot recover the shortfall from the Holder. In these circumstances:

- consistent with existing product rulings for similar products, the ATO would be expected to maintain that the cost base of the Holder's beneficial interest in the Underlying Shares is reduced by the amount of the shortfall, so reducing the Holder's capital loss;
- the shortfall should not generally be assessable income or give rise to a capital gain for the Holder; and
- there should be no adverse consequences for the Holder under the commercial debt forgiveness provisions.

**5.6 GST**

No GST is payable on the following supplies and acquisitions:

- the issue or creation of Citi Instalments;
- the on-market transfer of a Citi Instalment as a consequence of an on-market sale or purchase of a Citi Instalment;
- any transfer of an Underlying Share to the Trustee on acceptance of a Shareholder Application by Citigroup;
- the transfer of an Underlying Share to a Holder on payment of the Final Instalment; or
- the making of a loan or the granting of a security.

However, it is usual for GST to be payable on supplies in consideration for commissions or fees payable to intermediaries, such as financial advisers. In general, this GST may be passed on to you as part of the commission or fee, or as an additional amount.

**5.8 STAMP DUTY**

The purchase, sale, expiry or termination of the Warrants should not be liable to stamp duty in any Australian jurisdiction.

No stamp duty should be payable by the Holder on giving an Exercise Notice or acquiring or disposing of the listed Securities comprising an Underlying Parcel.

That is on the basis that at the time of the relevant transaction:

- the Warrant or Security will be quoted on the ASX;
- there will be at least 300 holders of the Securities in any trust Entity (where associates are treated as a single holder);
- no person (together with their associates) will hold 20% or more of the Securities of any trust Entity; and
- the largest 20 holdings of Securities in any trust Entity will be entitled to less than 75% of the total issued Securities (where associates are treated as a single holder).

## **SECTION 6 – ISSUER AND GUARANTOR DETAILS**

The Citi Instalments issued under this PDS will be issued by Citigroup Global Markets Australia Pty Limited. Citigroup Australia is a wholly owned subsidiary of the Guarantor, and a member of the Citigroup Inc. group of companies.

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.

### **6.1 CITIGROUP IN AUSTRALIA AND NEW ZEALAND**

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

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

### **6.2 GENERAL INFORMATION ABOUT THE GUARANTOR**

The obligations of Citigroup Australia under this PDS in respect of the Citi Instalments are guaranteed by Citigroup Inc.

Citigroup Inc. (together with its subsidiaries, the Company) is 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. Major brand names under the Company's trademark red umbrella include Citibank, CitiFinancial, Primerica, Smith Barney, and Banamex.

The Company's activities are conducted through the Global Consumer, Corporate and Investment Bank, Global Wealth Management, Global Investment Management and Proprietary Investment Activities business segments. Citigroup Inc. was incorporated in 1988 under the laws of the State of Delaware and is a bank holding company within the meaning of the U.S. Bank Holding Company Act of 1956 registered with, and subject to examination by, the Board of Governors of the Federal Reserve System (FRB). At 31 December 2004, the Company had approximately 141,000 full-time and 7,000 part-time employees in the United States and approximately 146,000 full-time employees outside the United States.

The principal executive offices of Citigroup Inc. are located at 399 Park Avenue, New York, New York 10043.

Details of the guarantee given by Citigroup Inc. in respect of the Citi Instalments appear in Section 7.10 of this PDS.

### **6.3 FINANCIAL INFORMATION ABOUT CITIGROUP AUSTRALIA AND THE GUARANTOR**

Audited financial information about Citigroup Australia and the Guarantor, as well as information about the directors of Citigroup Australia and the Guarantor can be found online at [www.citiwarrants.com.au](http://www.citiwarrants.com.au). Other information about the Guarantor can be found on the Company's website at [www.citigroup.com](http://www.citigroup.com).

### **6.4 DISCLAIMER**

No circumstance has arisen and no information has become available except as disclosed in this PDS, to ASX or on the website referred to in the previous paragraph that would materially affect an investor's decision for the purpose of making an informed assessment of the capacity of Citigroup Australia to fulfil its obligations under the Terms of Issue, the capacity of the Guarantor to fulfil its obligations under the deed of guarantee or the risks, rights or obligations associated with the Citi Instalments since 31 December 2004 (in the case of Citigroup Australia) and 30 June 2005 (in the case of Citigroup Inc.).

## SECTION 7 – ADDITIONAL INFORMATION

### 7.1 STATUS OF CITI INSTALMENTS

The Citi Instalments establish general, immediate and unsecured contractual obligations of Citigroup, which have equivalent rank to each other and to the other existing, unsecured and non-subordinated obligations of Citigroup (except for any obligations which have precedence by force of law).

### 7.2 HOLDING STATEMENTS

Citigroup will comply with the Listing Rules in relation to the issue and despatch of holding statements for the Citi Instalments as if the Citi Instalments were shares in a company.

### 7.3 TRANSFER

A Citi Instalment may be transferred if and only if the transfer is in the manner prescribed by or under the Corporations Act, the Market Rules and the ASTC Settlement Rules (as applicable).

Citigroup:

- (a) must deal with, certify and register a transfer of a Citi Instalment in accordance with the Market Rules and the ASTC Settlement Rules; and
- (b) may refuse to register such a transfer in any of the circumstances where such refusal is permitted by, and in accordance with any procedures prescribed by the Market Rules and the ASTC Settlement Rules.

### 7.4 JOINT HOLDERS

There must not be more than 3 joint Holders of a Citi Instalment except in the case of the legal representatives of a deceased Holder. All notices, payments and other correspondence to joint Holders may be directed, given or made to the first-named joint Holder on the Register. If there are joint Holders of any Citi Instalment and one of these joint Holders dies, the survivors shall be the only persons recognised by Citigroup as having any title or interest in the Citi Instalment.

### 7.5 VARIATION OF THE TERMS OF ISSUE

Citigroup may from time to time by notice sent to the Holder make any Change to the Terms of Issue:

With the consent of ASX:

- (a) if the Change is necessary in the opinion of Citigroup to comply with any statutory or other requirements of law or any requirement of ASX;
- (b) if the Change is made for the purpose of rectifying any defect, manifest error or ambiguity in the deed where the amendment does not materially prejudice the interests of Holders;
- (c) in the case of an Adjustment or an Extraordinary Event;
- (d) to accommodate transfers; or
- (e) where, in the reasonable opinion of Citigroup, the amendment does not materially prejudice the interests of Holders.

Where the terms of that Change are authorised by a resolution of the Holders passed in accordance with the following:

- (a) Citigroup dispatches by notice to every Holder a document setting out the terms of the proposed Change together with a ballot paper enabling the Holder (other than Citigroup or its associates) to vote either in favour of or against the Change;
- (b) Holders return ballot papers to Citigroup no later than 20 Business Days after the date of the notice;
- (c) Each Holder is entitled to one vote for each Instalment Warrant held;
- (d) A resolution is duly passed if 75% or more of the votes cast by Holders are in favour of the Change;
- (e) Citigroup or its associates must not vote unless they are voting as trustee or nominee for a person who is not an associate ;

except that the Maturity Date is not to be amended except in the case of an Extraordinary Event.

### 7.6 ADMISSION TO TRADING STATUS

Application has been made and approval given for the Citi Instalments offered by this PDS to be admitted to trading status by ASX. The fact that ASX has admitted the Citi Instalments to trading status is not to be taken in any way as an indication of the merits of Citigroup or of the Citi Instalments.

In admitting the Citi Instalments to trading status and not objecting to the Terms of Issue, ASX has not authorised or

caused the issue of this PDS and is not in any way a party to or concerned in authorising or causing the issue of this PDS or the making of offers or invitations with respect to the Citi Instalments. ASX takes no responsibility for the contents of this PDS. ASX makes no representation as to whether this PDS and the Terms of Issue of the Citi Instalments comply with the Corporations Act or the Market Rules.

To the extent permitted by the Trade Practices Act 1974 (Cth) or any other relevant law, ASX will be under no liability for any claim whatsoever, including a claim for any financial or consequential loss or damage suffered by Holders or any other person, whether or not that claim arises wholly or substantially out of reliance on any information contained in this PDS or any error in, or omission from, this PDS.

### **7.7 CHESS**

The Citi Instalments issued under this PDS will be declared eligible to participate in CHESS pursuant to the ASTC Settlement Rules. In addition to a CHESS subregister, an issuer sponsored subregister will also be maintained. Under the CHESS system, instead of certificates, Holders will be provided with a holding statement which sets out the number of Citi Instalments held by a Holder.

The holding statements will include a Holder's Holder Identification Number (HIN) in the case of a holding on the CHESS subregister, and a Securityholder Reference Number (SRN) in the case of a holding on the issuer sponsored subregister.

### **7.8 REGISTRAR**

Citigroup will arrange (at its cost) for a separate register of Holders of the Citi Instalments to be established and maintained at the offices of the Registrar. The register may be inspected during normal business hours by any Holder or authorised representative.

### **7.9 NOTICES**

Citigroup will give each Holder a notice stating those matters set out in Market Rule 10.8.2 not earlier than 30 Business Days and not later than 20 Business Days before the Maturity Date.

### **7.10 THE GUARANTEE**

The obligations of Citigroup under this PDS in respect of the Citi Instalments are guaranteed by Citigroup Inc. The guarantee given to each Holder is a continuing, irrevocable and unconditional guarantee of the due and punctual payment of all moneys which may become actually or contingently payable to a Holder by Citigroup

under or in connection with the Citi Instalments and the due and punctual performance of Citigroup's obligations under the Terms of Issue. Each Holder is entitled to severally enforce the guarantee.

Any payments under the guarantee must be made to Holders in the same manner and currency as Citigroup would be required to make to satisfy its obligations under the Citi Instalments. 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.

### **7.11 ASIC CLASS ORDERS**

ASIC has issued the following Class Orders that will apply to Citi Instalments issued under this PDS:

Class Order 02/926 which modifies the Corporations Act so that any relevant interest that a put warrant issuer may have merely because the warrant issuer has the power to control voting or disposal where the warrant expires or the holder defaults is disregarded.

Class Order 02/926 which modifies the Corporations Act so that no associate relationship arises between a put warrant holder and a put warrant issuer merely because of the put warrant.

Class Order 02/927 which modifies the Corporations Act so that Trustee does not have a relevant interest in the Underlying Shares.

Class Order 04/1430 which modifies the Corporations Act so that disclosure in dollar terms is not required where the dollar amount to be disclosed depends on a fact or circumstance that is not known, and could not have been found out.

Class Order 04/1431 which modifies the Corporations Act so that disclosure in dollar terms is not required in relation to the costs associated with acquiring derivatives and amounts that will or may be payable following acquisition.

Class Order 04/1433 which modifies the Corporations Act so that disclosure in dollar terms is not required in relation to non-monetary benefits required to be disclosed in a PDS.

### **7.12 DISPUTE RESOLUTION SYSTEM**

Citigroup has established procedures to ensure that any enquiries or complaints that you may have in relation to Citi Instalments will be dealt with in a proper and timely manner. Full details of these procedures appear in the FSG which appears as Appendix 1 to this PDS.

### **7.13 LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS**

Citigroup will not take into account labour standards or environmental, social or ethical considerations in selecting, retaining or realising the investment represented by Citi Instalments. Investors should make their own enquiries as to whether labour standards or environmental, social or ethical considerations are taken into account by the Entities whose Securities make up the Underlying Parcel of the Citi Instalments.

### **7.14 CONSENTS**

Citigroup Inc. has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Citigroup Inc. has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

Freehills has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Freehills has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this PDS in the form and context in which it is named. Computershare Investor Services Pty Limited has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS, and takes no responsibility for any part of this PDS other than references to its name (except to the extent required by the Corporations Act).

### **7.15 GOVERNING LAW**

The Citi Instalments and this PDS are governed by and construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the courts of New South Wales and any court hearing appeals from those courts.

## SECTION 8 – DEFINITIONS AND INTERPRETATION

### 8.1 DEFINITIONS

**Accretion** means all rights, accretions and entitlements attaching to a Security on or after the date of issue of the corresponding Instalment Warrant including all voting rights and securities, notes, options or other rights exercisable, declared, paid or issued in respect of the Security, other than Dividends and Special Dividends.

**Adjustment** means an adjustment to an Underlying Parcel or the Exercise Price required as a result of:

- (a) a Corporate Action;
- (b) circumstances prescribed in Appendix 11.3.1 to the Market Rules; or
- (c) any other event which Citigroup considers, with the consent of ASX, should give rise to an adjustment.

**Applicant** means a Cash Applicant, Shareholder Applicant or Rollover Applicant as applicable.

**Application** means a Cash Application, Shareholder Application, Rollover Application or Instalment Receipt Application as applicable.

**Application Form** means a Cash Application Form, Shareholder Application Form or Rollover Application Form as applicable.

**ASIC** means the Australian Securities and Investments Commission.

**ASTC** means the Australian Settlement and Transfer Corporation.

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

**ASX** means ASX Limited (ABN 98 008 624 691) or the market conducted by ASX, as the context requires.

**ATO** means the Australian Taxation Office.

**Bonus Issue** means any issue, grant or other distribution, without contribution by or liability of the recipient, of any shares, securities or any other property of any kind other than any cash dividend component of any such issue, grant or distribution.

**Borrowing Fee** means the fee charged on each Loan granted under the Loan Agreement and which may include

an amount which is paid as commission to distributors of the Citi Instalment Warrants.

**Business Day** has the meaning given to it in the Market Rules.

**Buy-Back Offer** means an offer by an Entity to buy-back some or all the Securities comprising the Underlying Parcels pursuant to the Corporations Act.

**Cash Applicant** means an applicant who makes a Cash Application.

**Cash Application** means an irrevocable application to Citigroup by a Cash Applicant for Citi Instalments pursuant to a Cash Application Form.

**Cash Application Form** means an application form attached to or accompanying this PDS that has been completed by an investor who wishes to apply for Citi Instalments where the consideration payable for the issue of the Citi Instalments is cash.

**Cashback Amount** means the cash amount payable to:

- (a) Shareholder Applicants, being the difference between the value of the Securities which are the subject of the Shareholder Application and the amount of the Loan less the Interest Component and Borrowing Fee; and
- (b) Rollover Applicants, being the difference by which the amount of the Loan less the Interest Component and Borrowing Fee, is greater than the Final Payment to be paid on the Rollover Instalments (if any).

**Change** means in respect of the Terms any modification, variation, alteration or deletion of or addition to the Terms of Issue.

**CHESS** stands for the Clearing House Electronic Subregister System and has the meaning given to it in the ASTC Settlement Rules.

**Citigroup or Citigroup Australia** means Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832).

**Citi Instalment** means a warrant (which has the meaning given to it in the Corporations Act and the Market Rules) issued pursuant to the Terms of Issue.

**Closing Time** means 4.05pm on an Exercise Date or the Maturity Date as applicable.

**Corporate Action** includes an Entitlements Offer, the subdivision or consolidation of an Underlying Parcel, a reduction of capital, a Scheme, a Buy-Back Offer, a Bonus Issue, and a Takeover Bid.

**Corporations Act** means the Corporations Act 2001 (Cth) and includes a reference to the Corporations Regulations.

**Declaration of Trust** means the declaration of trust made by the Trustee on or about 17 July 2007 in relation to instalment warrants.

**Disposal Event** means an event the occurrence of which gives rise to a legal obligation upon the Trustee to dispose of the Underlying Parcels, including but not limited to the rights of Citigroup in relation to the Mortgaged Property pursuant to the Security Interest, in respect of any Rollover Payment and in respect of any actions that may be taken or procured or directed by Citigroup pursuant to the terms of the Loan Agreement.

**Dividend** means, in respect of an Instalment Warrant over shares, a dividend of the relevant company and, in respect of an Instalment Warrant over units, distribution of income or gains of the relevant trust, but does not include a Special Dividend.

**Encumbrance** means an interest or power:

- (a) reserved in or over any interest in any asset including, without limitation, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment or any other monetary obligation or the performance of any other obligation and whether existing or agreed to be granted or created.

**Entitlements Offer** means any offer made to all Holders in their capacity made to all Holders in their capacity as registered holders of Securities (whether the offer is made by an Entity or by any other person) to subscribe for or otherwise acquire issued or unissued Securities, whether of an Entity or of any other body, and includes but is not limited to offers which the ASX determines should be treated for the purpose of the Listing Rules as though they were governed by Appendix 7A, paragraph 3 of the Listing Rules.

**Entity** means a corporation or trust, as applicable, but does not include Citigroup.

**Exercise Costs** means any stamp duty or equivalent government tax, impost or duty, any brokerage, commission or other transaction cost charged on the exercise of a Citi Instalment.

**Exercise Date** means any Business Day prior to Closing Time on which the Holder has delivered an Exercise Notice to Citigroup.

**Exercise Notice** means a notice in the form attached to this PDS.

**Extraordinary Event** means an event in respect of the Underlying Shares declared to be an extraordinary event by Citigroup in accordance with the Instalment Warrant Deed, details of which appear in Section 4.6 of this PDS.

**Final Instalment** means the final instalment amount (excluding any Exercise Costs) payable by a Holder to Citigroup in respect of one Instalment Warrant as specified in this PDS and or as otherwise determined or announced in accordance with this PDS (noting such amount is increased annually by any Annual Interest Amount.

**First Instalment** means:

- (a) the amount payable by a Cash Applicant for a Citi Instalment;
- (b) in the case of a Shareholder Applicant, the Securities to be transferred to the Trustee, being the Securities that will comprise the Underlying Parcel of the relevant Series of Citi Instalments;
- (c) in the case of a Rollover Applicant, the Securities that make up the underlying parcel of the Rollover Instalment, being the Securities that will comprise the Underlying Parcel of the relevant Series of Citi Instalments; or
- (d) in the case of a Transferee, the purchase price paid by an investor who acquires a Citi Instalment as a result of a Transfer.

**GST** has the same meaning as in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

**GST Legislation** means A New Tax System (Goods and Services Tax) Act 1999 (Cth) and related Acts.

**Guarantor** means Citigroup Inc., a Delaware corporation.

**Holder** means the person recorded in the Register as the holder of a Citi Instalment from time to time.

**HIN** has the meaning given to it in the ASTC Settlement Rules.

**Instalment Warrant** has the same meaning as Citi Instalment. **Instalment Warrant Deed** means the Citi Instalment Warrant Deed entered into by Citigroup, Calx Nominees and the Trustee dated on or about 17 July 2007.

**Interest Amount** has the meaning given to it in the Loan Agreement.

**Interest Period** has the meaning given to it in the Loan Agreement.

**Intrinsic Value** means the value of the Citi Instalment calculated in accordance with Procedure 10.11.7 of the Market Rules.

**Investment Overview** means the investment overview table that appears in this PDS.

**Listing Rules** means the listing rules of ASX as amended or varied from time to time.

**Loan** has the meaning given to it in the Loan Agreement.

**Loan Agreement** means the agreement that appears in Section 9 of this PDS.

**Market Rules** means the market rules of ASX as amended or varied from time to time.

**Market Value** of an Underlying Parcel means the aggregate of the values of the items of property comprising an Underlying Parcel being:

- (a) where the item of property is traded on the ASX on the relevant date, the Weighted Average Sale Price of that item of property on ASX; and
- (b) otherwise, the value determined by Citigroup with the consent of ASX to be the fair market value of that item of property on the relevant date.

**Maturity Date** means the maturity date specified in the Summary Table for each Series of Citi Instalments.

**Mortgage Enforcement Costs** means, in relation to Mortgaged Property, any fees, costs, charges, liabilities, Tax (including Exercise Costs) and expenses which the Trustee or Citigroup incurs under or in relation to the Security Interest in relation to that Underlying Parcel (including any fees, costs, charges, liabilities, Tax and expenses incurred in enforcing the Security Interest or as a result of the exercise of any power under the Security Interest).

**Mortgaged Property** means the Securities and any Accretions that make up an Underlying Parcel that are mortgaged by the Trustee in favour of Citigroup.

**Order of Payment** means the payment of the proceeds of a sale or disposal of an Underlying Parcel or of a surplus or other amount, received by Citigroup or the Trustee under the Instalment Warrant Deed in the following order:

- (a) firstly, to the Trustee in respect of all costs, charges, liabilities and expenses of the Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under the Instalment Warrant Deed in respect of the relevant Underlying Parcel, including Taxes, and any other amount payable to the Trustee from the relevant Separate Trust in accordance with the Instalment Warrant Deed;
- (b) secondly, to Citigroup in respect of the Secured Monies; and
- (c) thirdly, to the Holder with respect to any balance (without interest and in full discharge of all liability of Citigroup and the Trustee to the Holder).

**Receiver** means a receiver or receiver and manager appointed under the Instalment Warrant Deed.

**Record Date** means the date and time at which entitlements are determined for Holders registered at that time.

**Register** means the register of persons who hold Citi Instalments from time to time and includes the relevant CHESS subregister and issuer sponsored subregister.

**Registrar** means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registrar appointed by Citigroup.

**Request for Purchase Notice** means a notice in the form with that or a similar title approved by Citigroup (including in the form attached to this PDS).

**Revised Order of Payment** means the payment of the proceeds of a sale or disposal of an Underlying Parcel or of a surplus or other amount, received by Citigroup or the Trustee under the Instalment Warrant Deed in the following order:

- (a) firstly, to the Holder the amount determined in accordance with Market Rule 10.11.7 (without interest and in full discharge of all liabilities of Citigroup and the Trustee to the Holder);
- (b) secondly, to the Trustee with respect to any balance in respect of all costs, charges, liabilities and expenses of the Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under the Instalment Warrant Deed in respect

of the relevant Underlying Parcel, including Taxes, and any other amount payable to the Trustee from the relevant Separate Trust in accordance with the Instalment Warrant Deed; and

- (c) thirdly, to Citigroup with respect to any balance in respect of the Secured Monies.

**Rollover Applicant** means an existing holder of Rollover Instalments who makes a Rollover Application.

**Rollover Application** means an irrevocable application to Citigroup by a Rollover Applicant for Citi Instalments pursuant to a Rollover Application Form.

**Rollover Application Form** means an Application Form attached to or accompanying this PDS that has been completed by an investor who wishes to apply for Citi Instalments where the consideration for the issue of the Citi Instalments is the transfer of Securities that make up the underlying parcel of a Rollover Instalment from a trust to the Trustee so that those Securities become the Underlying Parcel for the relevant Series of Citi Instalments.

**Rollover Instalments** means an existing series of instalment warrants held by a Holder that are the subject of a Rollover Application.

**Secured Monies** means, in relation to an Underlying Parcel:

- (a) the greater of:
- A. all monies which a Holder is, or at any time may become, actually or contingently liable to pay to Citigroup under or in relation to the Loan Agreement or an Instalment Warrant; and
  - B. the Final Instalment; and
- (b) the Mortgage Enforcement Costs.

**Security** has the meaning give to it in Section 92(1) of the Corporations Act.

**Security Interest** means any mortgage granted on the terms of the Instalment Warrant Deed by the Trustee on behalf of each Holder and held by Citigroup to secure repayment of the Secured Monies.

**Separate Trust** means each trust established under the Instalment Warrant Deed and Declaration of Trust.

**Series** means a particular set of Citi Instalments issued under a PDS that:

- (a) relate to a particular Security of an Entity;
- (b) have the same Final Instalment;
- (c) have the same Maturity Date; and
- (d) have been issued under the same terms.

**Shareholder Applicant** means an investor who makes a Shareholder Application.

**Shareholder Application** means an irrevocable application to Citigroup by a Shareholder Applicant for Citi Instalments pursuant to a Shareholder Application Form.

**Shareholder Application Form** means an Application Form attached to or accompanying this PDS that has been completed by an investor who wishes to apply for Citi Instalments where the consideration payable for the issue of the Citi Instalments is the transfer of an existing holding of Securities to the Trustee, being Securities which are the same as the Securities that make up the Underlying Parcel of the relevant Series of Citi Instalments being applied for.

**Special Dividend** means any dividend of the relevant company and in respect of an Instalment Warrant over units, or distribution of income or gains of the relevant trust described by the Entity declaring it as:

- (a) special, abnormal, extraordinary, additional or extra;
- (b) part of a scheme of arrangement or takeover consideration;
- (c) part of a special distribution involving a return of capital, or

are otherwise characterised by ASX as a special dividend.

**Summary Table** means the summary table that appears in this PDS.

**Takeover Bid** means a takeover pursuant to Chapter 6 of the Corporations Act.

**Tax** includes without limitation any tax, levy, impost, deduction, charge, rate, duty, or withholding tax which is levied or imposed by a government or government agency, and any related interest, penalty, charge, fee or other amount.

**Tax Act** means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth), both as amended from time to time and any successor legislation.

**Terms of Issue** means the collective terms on which the Citi Instalments issued under this PDS are issued, as set out in the Instalment Warrant Deed, the Loan Agreement and this PDS.

**Trading Day** has the meaning given to it in the Listing Rules.

**Transfer** means the transfer of a Citi Instalment which complies with the Instalment Warrant Deed.

**Transfer Costs** has the same meaning that term has in the Instalment Warrant Deed.

**Transferee** means a person who acquires an Instalment Warrant.

**Transferor** means a person who disposes an Instalment Warrant.

**Trust Property** means in relation to a Holder:

- (a) the Underlying Parcel held by the Trustee in respect of that Holder which corresponds to an Instalment Warrant; and
- (b) all undistributed Dividends, Special Dividends and Accretions arising from or attributable to the property referred to in paragraph (a) above (if any).

**Trust Tax Change** means a change to the Tax Act whereby trustees are taxed in a manner similar to companies or trust distributions are taxed in a manner similar to corporate distributions or any other change which has a material financial impact on the issue, holding, cancellation or expiry of Citi Instalments.

**Trustee** means Citigroup Global Markets Australia Nominees No 2 Pty Limited (ABN 88 080 263 412) and includes any successor trustee appointed pursuant to the Instalment Warrant Deed.

**Underlying Parcel** has the same meaning as Underlying Shares.

**Underlying Shares** means the number of Securities of an Entity that constitute the underlying parcel of a particular Series of Citi Instalments from time to time and which represent some or all of the Trust Property, and which at the date of issue of this PDS, is one Security (as adjusted from time to time in accordance with the Terms of Issue).

**Weighted Average Sale Price** means the weighted average sale price of an item of property on ASX determined by Citigroup, by calculating the daily volume weighted price on the 5 Trading Days immediately following the relevant date (excluding special crossings,

option exercises and overseas sales reported on those 5 Trading Days).

by dividing the total of the sale prices of identical items of property on the ASX on each of the 5 Trading Days, or during the relevant 2 hour period, as the case may be (excluding special crossings, option exercises and overseas sales reported on those days) by the number of those items the subject of sales during each of such Trading Days, and then calculating the arithmetic average of such daily volume weighted prices.

## 8.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and the plural includes the singular.
- (b) Words of any gender include all genders.
- (c) Other parts of speech and grammatical forms of a word or phrase defined herein have a corresponding meaning.
- (d) An expression importing a person includes any partnership, joint venture, association, corporation or other body corporate as well as an individual.
- (e) A reference to a clause or schedule is a reference to a clause of, and a party, or schedule to this PDS.
- (f) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (g) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (h) A reference to a party to a document includes that party's successors and permitted assignees.
- (j) No provision of this deed will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision.
- (j) Specifying anything in this PDS after the words 'include' or 'for example' or similar expressions does not limit what else is included.

- (k) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day. (l) A word or phrase defined in the Corporations Act, the Listing Rules, the Market Rules or the ASTC Settlement Rules as amended from time to time, has the same meaning when used in this PDS unless the context requires otherwise or unless otherwise defined in this PDS.
- (m) References to a date or time are to dates and times in Sydney Australia unless specified otherwise.
- (n) Where a provision of the Market Rules or ASTC Settlement Rules as they apply (with waivers, notices, approvals and consents from ASX) to the Citi Instalments issued under this PDS is inconsistent with a provision of this PDS, then the provision of this PDS shall be interpreted, or shall be amended by supplemental deed, so as to be consistent and to permit compliance with the relevant provision of the Market Rules, so far as is lawful.

## SECTION 9 – LOAN AGREEMENT

### PARTIES

1. **Citigroup Global Markets Australia Pty Limited** (ABN 64 003 114 832) incorporated in New South Wales of Citigroup Centre, 2 Park Street, Sydney, New South Wales (**Citigroup**); and
2. Each **Holder** of a Citi Instalment (the **Investor**).

### 1. DEFINITIONS AND INTERPRETATION

The definitions and interpretation provisions that appear in Section 8 of the PDS apply to this Loan Agreement. In addition, the following definitions apply,

**BBSW Rate** means the bank bill swap rate quoted on the page designated “BBSW” on the Reuters Monitor System or any other page on the Reuters Monitor System which from time to time displays bank bill swap rates.

**Borrowing Fee** means the fee charged on each Loan granted under this Loan Agreement which may include an amount which is paid as commission to distributors of Citi Instalments.

**Drawdown Date** means:

- (a) in the case of Applicants, the date of issue of the Citi Instalments; and
- (b) in the case of Transferors, the date of registration of a Transfer.

**First Interest Amount** means the Interest Amount for the Interest Period commencing on the Drawdown Date.

**Interest Amount** means the amount of interest payable in advance on the Loan for an Interest Period on the Drawdown Date and thereafter on each Interest Date as determined by Citigroup and which accrues day to day, and includes the First Interest Amount.

**Interest Component** means the aggregate Interest Amounts payable for the relevant Interest Periods between the Drawdown Date and the Maturity Date.

**Interest Date** means each date so described which appears in the Investment Overview of this PDS.

**Interest Period** means the period (being a number of days) for which an Interest Amount has been drawn down and prepaid to Citigroup pursuant to this Loan Agreement, being the period (as applicable):

- (a) from the Drawdown Date to the day prior to the next Interest Date; or
- (b) from an Interest Date to the day prior to the next Interest Date; or
- (c) from an Interest Date to the Maturity Date.

**Interest to Period End** means the period (being a number of days) from the Drawdown Date or Interest Date (as applicable) to the end of the applicable Interest Period.

**Loan** means the loan granted to each Investor by Citigroup pursuant to this Loan Agreement.

**Loan Agreement** means this agreement.

**Maturity Date** means the maturity date for the Citi Instalments as specified in the PDS.

**PDS** means the product disclosure statement issued by Citigroup in respect of Instalment Warrants dated 21 January 2008.

**Transfer Costs** has the same meaning as in the Instalment Warrant Deed.

### 2. LOAN

#### 2.1 Loan

A separate Loan will be granted in respect of each Citi Instalment issued to or purchased by the Investor. Where an Instalment Warrant is held jointly the Loan is made to the joint holders jointly and each joint holder is jointly and severally liable under this agreement.

#### 2.2 Drawdown

Citigroup will make the Loan available to the Investor on the Drawdown Date.

#### 2.3 Directions to Citigroup

The Investor irrevocably authorises and directs Citigroup to apply the Loan on the Drawdown Date as follows:

- (a) for Cash Applicants:
  - (i) for Citigroup to purchase to vest in the Trustee the Securities that make up the Underlying Parcel of the relevant Series of Citi Instalments;
  - (ii) to prepay the Interest Amount to Citigroup; and
  - (iii) to pay the Borrowing Fee.

- (b) for Shareholder Applicants:
    - (i) to be paid to the Shareholder Applicant following the Drawdown Date and to be used by that Shareholder Applicant wholly for the purpose of producing assessable income;
    - (ii) to prepay the Interest Amount to Citigroup; and
    - (iii) to pay the Borrowing Fee.
  - (c) for Rollover Applicants:
    - (i) to pay the final instalment on the Rollover Instalment identified in the Rollover Application;
    - (ii) to prepay the Interest Amount to Citigroup;
    - (iii) to pay the Borrowing Fee; and
    - (iv) with any remaining moneys (if any) to be paid to the Rollover Applicant following the Drawdown Date and to be used by that Rollover Applicant wholly for the purpose of producing assessable income.
  - (d) for Instalment Receipt Applicants:
    - (i) to pay the final instalment on the Instalment Receipts identified in the Instalment Receipt Application;
    - (ii) to prepay the Interest Amount to Citigroup;
    - (iii) to pay the Borrowing Fee; and
    - (iv) with any remaining moneys (if any) to be paid to the Instalment Receipt Applicant following the Drawdown Date and to be used by that Instalment Receipt Applicant wholly for the purpose of producing assessable income.
  - (d) for Transferees, in accordance with clause 3 of this Loan Agreement.
- 2.4 Interest on Loan**
- (a) The Investor will prepay the Interest Amount for the Interest Period from the Drawdown Date.

- (b) If the Investor is a Holder as at the end of an Interest Period and there is a further Interest Period, the Investor:
    - (i) irrevocably directs Citigroup to draw down on its behalf a further advance on the Loan equal to a further Interest Amount on the first day of the further Interest Period; and
    - (ii) irrevocably directs Citigroup to apply that amount in prepayment of interest for the further Interest Period.
  - (c) If the Loan is repaid prior to the end of an Interest Period, a portion of interest prepaid for that Interest Period may be refunded by Citi in its absolute discretion or as otherwise provided in this Loan Agreement or the Terms of Issue.
- 3. TRANSFER AND TRANSFER COSTS**
- (a) On the transfer of a Citi Instalment to a Transferee, the proceeds of the Transferee's Loan will be applied as follows:
    - (i) to prepay the Interest to Period End in respect of the Transferee's Loan;
    - (ii) to pay the outstanding amount of the Transferor's Loan, after:
      - (A) that part of the Interest Amount of the Transferor's Loan that relates to the remainder of the relevant Interest Period is refunded by way of set-off against the Transferor's Loan; and
      - (B) the Transfer Costs (if any) have been added to, or deducted from, the Transferor's Loan (as applicable).
  - (b) If the Investor ceases to be a holder of a Citi Instalment due to a Transfer, Transfer Costs will be payable:
    - (i) by Citigroup to the Transferor in respect of the transfer of the Citi Instalments where the interest rate applying to the Transferor's Loan is less than the interest rate applying to

the Transferee's Loan, by applying the Transfer Costs to reduce the outstanding amount of the Transferor's Loan; or

- (ii) by the Transferor to Citigroup as an additional cost of transferring the Citi Instalments where the interest rate applying to the Transferor's Loan is greater than the interest rate applying to the Transferee's Loan, by adding that amount to the outstanding amount of the Transferor's Loan,

provided always that no Transfer Costs shall be payable by either Citigroup or the Transferor if the interest rates applicable to the Transferor's Loan and the Transferee's Loan are the same at the time of Transfer.

#### **4. EXTRAORDINARY EVENT**

If an Extraordinary Event or a Trust Tax Change is declared by Citigroup pursuant to the Instalment Warrant Deed, the amount of interest that will be refundable to the Holder will be calculated on a pro rata basis on the prevailing BBSW Rate less an amount representing the cost to Citigroup of breaking its funding in respect of the Citi Instalments.

#### **5. LIMITED RECOURSE**

- (a) On the Maturity Date, subject to repayment by the Investor of the Loan, the Loan will be satisfied by Citigroup exercising its rights under the Security Interest.
- (b) The liability of an Investor to Citigroup for repayment of the Loan is limited to the Mortgaged Property.
- (c) Citigroup undertakes to not take any action against the Investor to recover any cash amount in relation to the Loan other than enforcing the Security Interest over the Mortgaged Property.

#### **6. MORTGAGE**

##### **6.1 Mortgage provision**

The Investor irrevocably directs the Trustee to give Citigroup the benefit a Security Interest on the terms and conditions set out in the Instalment Warrant Deed:

- (a) to secure the due and punctual payment of the Secured Monies owing by the Investor to Citigroup; and

- (b) in return for Citigroup agreeing to provide the Loan to the Investor.

##### **6.2 Exercise of Powers**

If the Investor fails to repay the Loan by the Maturity Date Citigroup may:

- (a) enforce the Security Interest and sell the Mortgaged Property;
- (b) exercise any other power granted by law to mortgagees in accordance with the terms of the Instalment Warrant Deed; and
- (c) apply the proceeds in repayment of the Loan.

To the extent permitted by law, Citigroup is not required to give any notice to the Investor before the enforcement or exercise of its rights as mortgagee.

#### **7. MISCELLANEOUS**

##### **7.1 Notices**

The notice provisions of the Instalment Warrant Deed apply to any notice given or other document required to be given under the terms of this Loan Agreement.

##### **7.2 Set Off**

Citigroup may set off or withhold any amount payable to it by or on behalf of a Holder against or from any amount payable by Citigroup to the Holder.

##### **7.3 Further Assurances**

Each party shall take all steps, execute all documents and do everything reasonably required by the other party to give effect to any of the transactions contemplated by this Loan Agreement.

##### **7.4 Severability**

If a provision of this Loan Agreement is or becomes invalid and/or unenforceable, the provision is to be read down if possible so as to be valid and enforceable. If it cannot, this Loan Agreement takes effect as if it did not include that provision.

##### **7.5 Waiver**

No failure to exercise and no delay in exercising any right, power or remedy under this agreement will operate as a waiver. Nor will any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.

**7.6 Assignment**

Subject to the Instalment Warrant Deed, the Investor may not assign or otherwise deal with its rights under this Loan Agreement. Citigroup may assign or otherwise deal with all or any of its rights and benefits under this Loan Agreement without obtaining the consent of the Investor.

**7.7 Governing Law**

This Loan Agreement is governed by the laws of New South Wales. The parties submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there.

## SECTION 10 APPLICATION FORMS

### HOW TO APPLY

#### **Read the Product Disclosure Statement**

It is important to read the entire PDS before completing the relevant Application Form. The PDS details the type of investment and some of the risks associated with investing in Citi Instalments. A hard copy of this PDS will be provided to Applicants free of charge during the offer period on request by contacting Citigroup.

For further advice on the suitability of investing in Citi Instalments consult your stockbroker or financial adviser.

Citigroup will not accept the lodgement of any Application Forms before the date of this PDS, and may close the offer early without prior notice. Citigroup reserves the right to reject any Application, and subject to notification to ASX, to increase the issue size in its absolute discretion.

**For more information about how to apply for Citi Instalments call Citigroup on 1300 30 70 70.**

#### **Correct Form of Registrable Names when Completing the Application Form**

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

#### **Lodging your Application**

Completed Applications may be lodged with your stockbroker or approved financial adviser, or sent to:

**CitiWarrants Operations  
GPO Box 557  
Sydney NSW 2001**

Detailed instructions for completing each type of Application Form can be found on the following pages of this PDS.

#### **Complete the relevant Application Form**

There are four types of Application Forms.

**Cash Applications** for investors wishing to purchase Citi Instalments for cash and pay by cheque or BPAY.

**Shareholder Applications** for investors wishing to convert existing holdings of Securities into Citi Instalments and receive a Cashback Amount.

**Rollover Applications** for investors wishing to convert a prior series of instalment warrants into this Series.

Applications can only be accepted on the Application Forms, and must be completed in accordance with the instructions for the relevant Application Form and in accordance with the table below. Shareholder Applications by trustees of superannuation funds are not permitted and will not be accepted.

#### **Notification**

When your Application Form has been received and processed, you will receive notification from our registry (Computershare Investor Services Pty Limited). This notification will contain details of your Issuer Sponsored Number (SRN) or Holder Identification Number (HIN), and all related purchase details.

If you have not received your notification within 3 weeks, please contact CitiWarrants Operations on 1300 368 301.

#### **Deferred Settlement**

If you are making an application where the relevant Instalment Warrants are trading on Deferred Settlement basis, you should be aware that the issue of the Instalment Warrants may be conditional on the matters specified in the relevant PDS for the Series.

## INSTRUCTIONS FOR COMPLETING THE CITI INSTALMENTS

### Cash Application Form

This guide is for investors wishing to purchase Citi Instalments for cash and pay by cheque or BPAY.

#### A Applicant(s) Details

Write the full name of each Applicant that you wish to appear on your holding statement. This must be the correct name of the Individual, Joint Name(s), Company Name(s) or Trustee and Trust Name. (Refer to the table on page 41).

#### B Tax File Numbers

While it is not compulsory to provide your Tax File Number (TFN), failure to do so may result in withholding tax being deducted from any distribution payments.

Alternatively, Applicants may enter their Australian Business Number (ABN) if applicable.

Non residents or an exempt entity for Australian taxation purposes must declare their status and provide an exemption number, if applicable.

Collection of TFNs is authorised by Australian taxation laws.

#### C Address

Enter a residential address and a mailing address (if different) for all correspondence. Joint Applicants' correspondence will only be sent to the address specified in this section.

#### D Contact Details

Enter a contact name and daytime telephone number for the person to be contacted in relation to this application.

#### E Banking Details

Enter your bank account details here for all payments you wish to be directly credited into your bank account. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, a cheque will be mailed to the address provided.

#### F CHESSE Details

If you are already CHESSE sponsored, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your Sponsoring Broker. If no details are provided, you will become Issuer Sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your holding statement.

#### G Payment Method

Select your preferred payment method by ticking the appropriate box.

**Cheque:** All cheques are to be made out to 'CitiWarrants Instalments Trust Account' and crossed 'Not Negotiable'. The drawer of the cheque and the Applicant name must be the same. Once your cheque has cleared, Citigroup will set a price for the First Instalment and send you a confirmation of your holding.

**BPAY:** If you are paying by BPAY, the BPAY Reference Number will be the Application Number on the top of the Cash Application

Form. You MUST also mail in the original Cash Application Form. If no Application Number appears on the top of the Application Form you will need to call CitiWarrants Operations on 1300 368 301 to obtain one.

#### H Application Details

You can apply for a dollar value of Citi Instalments, or you can apply for a specific number of Citi Instalments by fixing the First Instalment through your stockbroker or approved financial adviser. The minimum investment per Series is \$2000.

- a) If you are applying for a dollar value of Citi Instalments enter the **ASX Code** for the relevant Series and the dollar amount in the column headed **Investment Per Series**, leave all other columns blank; or
- b) If your stockbroker or approved financial adviser has contacted Citigroup to fix the **First Instalment** and a specific number of Citi Instalments;
  - (i) Enter the **First Instalment** amount and **Number of Citi Instalments** in the columns provided.
  - (ii) Calculate the **Investment Per Series** by multiplying the **Number of Citi Instalments** by the confirmed **First Instalment**.
  - (iii) Enter the **Application Number** provided by Citigroup at the top of the Application Form.

Add the amounts in the **Investment Per Series** column to obtain your **Total Investment Amount** and enter it in the space provided at the bottom of the table.

#### I Investor Declaration

Please read the declaration and sign in the space provided.

Each individual Applicant must sign the Application Form personally or have his or her attorney sign.

Joint Applicants must all sign or have their attorney(s) sign the Application Form.

Corporate Applications must be signed by two directors or their attorney(s).

Applications on behalf of superannuation funds, trusts, partnerships and deceased estates are to be signed by the individual trustees, executors or principals.

Where the Application Form is signed by an attorney, the original or a certified copy of the Power of Attorney must accompany the Application Form.

#### Lodgement Instructions

Completed Applications may be lodged with your stockbroker or approved financial adviser or sent to:

**CitiWarrants Operations, GPO Box 557, Sydney NSW 2001**

## INSTRUCTIONS FOR COMPLETING THE CITI INSTALMENTS Shareholder Application Form

This guide is for investors wishing to convert existing shareholdings into Citi Instalments. Shareholder Applications by trustees of superannuation funds are not permitted and will not be accepted.

### A Applicant(s) Details

Write the full name(s) exactly as it appears on the current holding statement for your existing shareholding.

### B Tax File Numbers

While it is not compulsory to provide your Tax File Number (TFN), failure to do so may result in withholding tax being deducted from any distribution payments.

Alternatively, Applicants may enter their Australian Business Number (ABN) if applicable.

Non residents or an exempt entity for Australian taxation purposes must declare their status and provide an exemption number, if applicable.

Collection of TFNs is authorised by Australian taxation laws.

### C Address

Enter the residential address and mailing address (if different) **exactly** as it appears on the current holding statement for your existing shareholding.

Joint Applicants' correspondence will only be sent to the address specified in this section.

### D Contact Details

Enter a contact name and daytime telephone number for the person to be contacted in relation to this application.

### E Banking Details

Enter your bank account details here for all payments and Cashback Amounts you wish to be directly credited into your bank account. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, a cheque will be mailed to the address provided.

### F CHESSE Details

If you are already CHESSE sponsored, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your Sponsoring Broker. If no details are provided, you will become Issuer Sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your holding statement.

### G Reinvestment of Cashback Amount

If you elect to reinvest any Cashback Amount in additional Citi Instalments you must complete a Cash Application Form together with this Shareholder Application Form. You must also write the Application Number from the related Cash Application Form in the space provided. Your Cashback Amount will be invested at the issue price or the prevailing price on the day your Application is

accepted. (Please note the minimum investment is \$2000 per Series.)

### H Application Details

Enter the **ASX Code** for the relevant Series and the **Number of Citi Instalments** you are applying for in the adjacent column. This must be the same as the number of shares you wish to convert into Citi Instalments.

If your stockbroker or approved financial adviser has contacted Citigroup to fix the **Cashback Amount** (per Citi Instalment):

- (i) Enter the **Cashback Amount** (per Citi Instalment) in the column provided.
- (ii) Calculate the **Total Cashback Amount** by multiplying the **Cashback Amount** (per Citi Instalment) by the **Number of Citi Instalments**.
- (iii) Add the amounts in the **Total Cashback Amount** column to obtain your total and enter it in the space provided at the bottom of the table.

Otherwise leave these columns blank.

Write the **HIN & PID or SRN of the existing shares** in the column provided. This must be exactly as appears on your holding statement for the shareholdings you wish to convert to Citi Instalments. **Attach copies of all relevant Issuer Sponsored and/or CHESSE Holding Statements to your Application.**

### I Investor Declaration

Please read the declaration and sign in the space provided.

Each individual Applicant must sign the Application Form personally or have his or her attorney sign.

Joint Applicants must all sign or have their attorney(s) sign the Application Form.

Corporate Applications must be signed by two directors or their attorney(s).

Applications on behalf of trusts, partnerships and deceased estates are to be signed by the individual trustees, executors or principals.

Where the Application Form is signed by an attorney, the original or a certified copy of the Power of Attorney must accompany the Application Form.

#### IMPORTANT

You should not sign the declaration unless the Loan is to be used wholly or predominantly for business or investment purposes. By signing the declaration you may lose your protection under the Consumer Credit Code.

### Lodgement Instructions

Completed Applications may be lodged with your stockbroker or approved financial adviser or sent to:

**CitiWarrants Operations, GPO Box 557, Sydney NSW 2001**

# INSTRUCTIONS FOR COMPLETING THE CITI INSTALMENTS

## Rollover Application Form

This guide is for investors wishing to convert a prior series of instalment warrants (Rollover Instalments) into this Series of Citi Instalments.

### A Applicant(s) Details

Write the full name(s) **exactly** as it appears on your current holding statement for the Rollover Instalments that you wish to rollover.

### B Tax File Numbers

While it is not compulsory to provide your Tax File Number (TFN), failure to do so may result in withholding tax being deducted from any distribution payments.

Alternatively, Applicants may enter their Australian Business Number (ABN) if applicable.

Non residents or an exempt entity for Australian taxation purposes must declare their status and provide an exemption number, if applicable.

Collection of TFNs is authorised by Australian taxation laws.

### C Address

Enter the residential address and mailing address (if different) **exactly** as it appears on the current holding statement for your prior series of instalment warrants.

Joint Applicants' correspondence will only be sent to the address specified in this section.

### D Contact Details

Enter a contact name and daytime telephone number for the person to be contacted in relation to this application.

### E Banking Details

Enter your bank account details here for all payments you wish to be directly credited into your bank account. Only accounts held with banks, building societies and credit unions within Australia may be entered. If no details are provided, a cheque will be mailed to the address provided.

### F CHESS Details

If your existing Rollover Instalments are CHESS sponsored, enter the PID of your sponsoring broker and your HIN. If your Rollover Instalments are Issuer Sponsored enter your Shareholder Reference Number (SRN). A copy of the holding statements for the prior series instalment warrants you wish to rollover into this Series must be attached to this application. Citi Instalments will be allocated to the same HIN or SRN as your existing holding.

### G Payment Method

If you have a net **Total Amount Payable** you will have to make a Rollover Payment by cheque or BPAY. Select your preferred payment method by ticking the appropriate box.

**Cheque:** All cheques are to be made out to 'CitiWarrants Instalments Trust Account' and crossed 'Not Negotiable'. The drawer of the cheque and the applicant name must be the same. Once your cheque has cleared, Citigroup will send you a confirmation of your holding.

**BPAY:** If you are paying by BPAY, the BPAY Reference Number will be the Application Number on the top of the Rollover Application Form. You **MUST** also mail in the original Rollover Application Form. If no Application Number appears on the top of the Application Form you will need to call CitiWarrants Operations on 1300 368 301 to obtain one.

### H Reinvestment of Cashback Amount

If you elect to reinvest any Cashback Amount in additional Citi Instalments, you must complete a Cash Application Form together with the Rollover Application Form. You must also write the Application Number from the related Cash Application Form in the space provided on the Rollover Application Form.

Your Cashback Amount will be invested at the issue price or the price prevailing on the day your application is accepted (please note the minimum investment is \$2000 per Series).

### I Application Details

Enter the **ASX Code** of the relevant Series and the **Number of Citi Instalments** you are applying for, together with the **Prior Series ASX Code** for the instalment warrants you wish to rollover into this Series.

If your stockbroker or approved financial adviser has contacted Citigroup to fix the **Rollover Payment/(Cashback Amount)**:

- (i) Enter the **Rollover Payment/(Cashback Amount)** per Series in the column provided.
- (ii) Calculate the **Total Rollover Payments/(Cashback Amounts)** by multiplying the **Number of Citi Instalments** by the **Rollover Payment/(Cashback Amount)**.
- (iii) Add the **Total Rollover Payments** and subtract the **Total (Cashback Amounts)** to obtain your **Total Amount Payable/(Receivable)** and enter it in the space provided at the bottom of the table.

A copy of the holding statement for the prior series instalment warrants you wish to rollover must be attached to this application.

If you are unsure of the **Rollover Payment/(Cashback Amount)** contact Citigroup on 1300 368 301 for an indicative amount.

### Investor Declaration

Please read the declaration and sign in the space provided.

Each individual Applicant must sign the Application Form personally or have his or her attorney sign.

Joint Applicants must all sign or have their attorney(s) sign the Application Form.

Corporate Applications must be signed by two directors or their attorney(s).

Applications on behalf of superannuation funds, trusts, partnerships and deceased estates are to be signed by the individual trustees, executors or principals.

Where the Application Form is signed by an attorney, the original or a certified copy of the Power of Attorney must accompany the Application Form.

#### IMPORTANT

You should not sign the declaration unless the Loan is to be used wholly or predominantly for business or investment purposes. By signing the declaration you may lose your protection under the Consumer Credit Code.

### Lodgement Instructions

Completed Applications may be lodged with your stockbroker or approved financial adviser or sent to:

**CitiWarrants Operations, GPO Box 557, Sydney NSW 2001**



1.1.3 Banking Details

E

Bank Name  Branch

Account Name

Account No.  BSB

1.1.4 CHESS Details

F

Sponsoring Broker

PID  HIN

1.1.5 Payment Method (Cheque or BPAY) – The BPAY Customer Reference Number is the Application Number\*


G

Cheque(s) Enclosed      Make cheques payable to "CitiWarrants Instalments Trust Account"

Drawer Name       Drawer Name

Cheque Amount \$       Cheque Amount \$

Cheque Number       Cheque Number

BPAY            Biller Code: 999615      BPAY Reference Number\*





Broker Stamp

**(a) Shareholder Application Form**

Broker Code

For investors wishing to convert existing shareholdings into Citi Instalments

Adviser Code

Application Number

This Application Form must not be distributed or passed on to any person unless it is attached to the PDS dated 21 January 2008. Investors should read the whole of the PDS before making any decision to invest.

**Applications may be lodged with your stockbroker, financial advisor or you may send this application directly to**

- (i) CitiWarrants, GPO Box 557 Sydney NSW 2001

**NOTE CITIGROUP WILL NOT ACCEPT SHAREHOLDER APPLICATIONS FROM TRUSTEES OF SUPERANNUATION FUNDS.**

**A copy of your issuer sponsored or CHESS holding statements for existing shares must be attached to this application.**

**Applicant(s)** (The name(s) MUST be exactly as it appears on the current holding statement for your existing shareholdings)



Applicant 1  TFN or ABN

Applicant 2  TFN or ABN

**Postal Address** (The address MUST be exactly as it appears on the current holding statement for your existing shareholdings)



Address

Suburb  State  Postcode

**3.1.2 Contact Details**



Contact Name  Daytime Phone

### 3.1.3 Banking Details

E

Bank Name  Branch

Account Name

Account No.  BSB

### 3.1.4 CHESS Details

F

Sponsoring Broker

PID

HIN

### 3.1.5 Reinvestment of Cashback Amount (Minimum Investment of \$2000 per series)

G

I/We agree to direct any Cashback Amount which may be due to me/us towards applying for additional Citi Instalments  Yes  No

If you agree to direct the Cashback Amount towards applying for additional Citi Instalments you must complete a Cash Application Form and attach it to this application

Cash Application Form Number

**Application Details**

do anything that I am/we are obliged to do under the Loan Agreement or this Shareholder Application Form;

ASX Code	No. of Citi Instalments	Cashback Amount*	Total Cashback	HIN & PID or SRN of existing shares
Eg. XXXIOK	10,000	\$4.45	\$44,500	I0012345678

(d) do any and all things necessary to transfer the legal title to My Shares to the Trustee;

complete any documents necessary or incidental to any of the above;

and

direct my/our sponsoring broker or the relevant registrar of an issuer sponsored sub-register to deliver to Citigroup (PID2032) My Shares (details of which appear in the table above) as an off market transaction quoting the application number on the front page of this Application Form in the supplementary message field.

\*per Citi Instalment

**4.1 Total**

**Amount**

5.

**Investor Declaration**

By completing this Shareholder Application Form, I/we acknowledge, represent and undertake as follows:

I/we are the sole legal and beneficial owner (delete the words "and beneficial" if you are acting as a trustee) of the securities that are being transferred pursuant to this Shareholder Application Form ("My Shares"), which are free and clear of any encumbrance or security interest.

I/we hereby apply for the number of Citi Instalments set out on this Shareholder Application Form to be issued in accordance with the Terms of Issue. I/we have read and understood the PDS to which this Shareholder Application Form is attached and agree to accept the issue of the Citi Instalments on those terms.

I/we irrevocably appoint Citigroup as my/our attorney to:

(a) complete and execute the Loan Agreement on my/our behalf;

(b) complete any blanks in this Shareholder Application form;

I/we release Citigroup and the Trustee and any of their employees, officers or agents from any claim, liability or loss whatsoever arising from, or in relation to the processes described in this Shareholder Application Form.

I am/we are not bankrupt or insolvent and I am/we are able to pay my/our debts as and when they become due and confirm 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.

If I am/we are acting as a trustee in relation to the holding of My Shares then I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply in relation to the securities which are the subject of the trust.

Terms in this Shareholder Application Form have the same meaning as those terms in the PDS.

**IMPORTANT** You should not sign this declaration unless this loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

**Signature Applicant 1 (or Director)**

**Signature Applicant 2 (or Director)**

**Signature Applicant 1 (or Director)**

Name  Date

Company Name

**Signature Applicant 2 (or Director)**

Name  Date

Company Name

**Investor Declaration – ConsumerCredit Code**

---

I/we declare that the Loan being provided to me/us by Citigroup is to be wholly or predominantly used for business or investment purposes (or for both purposes).



6.1.3 Banking Details

E

Bank Name  Branch

Account Name

Account No.  BSB

6.1.4 CHESS/SRN Details

F

Sponsoring Broker

PID  HIN  or SRN

6.1.5 Payment Method (Cheque or BPAY) – The BPAY Customer Reference Number is the Application Number


G

Cheque(s) Enclosed      Make cheques payable to **"CitiWarrants Instalments Trust Account"**

Drawer Name       Drawer Name

Cheque Amount \$       Cheque Amount \$

Cheque Number       Cheque Number

BPAY            Biller Code: 999615      BPAY Reference Number\*

6.1.6 Reinvestment of Cashback Amount (Minimum Investment of \$2000 per series)

H

I/We agree to direct any Cashback Amount which may be due to me/us towards applying for additional Citi  Yes  No  
Instalments

If you agree to direct the Cashback Amount towards applying for additional Citi Instalments you must complete a Cash Application Form and attach it to this application

Cash Application Form Number

--	--	--	--	--	--	--	--



If the Loan proceeds are insufficient to pay the final instalment, I/we will send, together with this Rollover Application Form a payment amount being the difference between the Loan and the final instalment. If the Loan proceeds are greater than the amount needed to pay the final instalment, I/we will receive a cheque from Citigroup for the difference.

I/we release Citigroup, the Trustee and any of their employees, officers or agents from any claim, liability or loss whatsoever arising from, or in relation to the rollover process described in this Rollover Application Form or in relation to the Rollover Instalments.

I/we represent and warrant that until the Trustee becomes the registered Holder of the underlying parcel pursuant to the terms of this Rollover Application Form both the Rollover Instalments and the underlying parcel (other than the Rollover Instalment security interest over the underlying parcel) are free from any encumbrances, including but not limited to, a mortgage, charge, lien, pledge, hypothecation, power of title retention or any other form of security currently existing or likely to arise.

I am/we are not bankrupt or insolvent and I am/we are able to pay my/our debts as and when they become due and confirm 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.

If I am/we are acting as a trustee in relation to the holding of Rollover Instalments then I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply in relation to the securities which are the subject of the trust. I/we acknowledge that I/we will remain liable for any payment obligations under the Rollover Instalments not fulfilled by Citigroup or the Trustee on my/our behalf, including interest and other charges, costs and expenses.

Terms in this Rollover Application Form have the same meaning as those terms in the PDS.

### Signature Applicant 1 (or Director)

Name  Date

Company Name

### Signature Applicant 2 (or Director)

Name  Date

Company Name

## Investor Declaration – Consumer Credit Code

---

I/we declare that the Loan being provided to me/us by Citigroup is to be wholly or predominately used for business or investment purposes (or for both purposes)

**IMPORTANT** You should not sign this declaration unless this loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code

Signature Applicant 1 (or Director)

Signature Applicant 2 (or Director)

## APPENDIX 1 – FINANCIAL SERVICES GUIDE

**CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED (ABN 64 003 114 832 / AFSL 240992)**

Dated: 1 March 2004

This FSG is an important document and a regulatory requirement under the Corporations Act. It provides you with information about:

- the products and services we are authorised to provide you;
- who we are and how we can be contacted;
- how we (and any other relevant parties) are remunerated;
- any potential conflicts of interest we may have;
- our internal and external complaints handling procedures and how you can access them; and
- how we keep the information you provide to us private.

This FSG should assist you in determining whether to use any of our financial services or products. Should you choose to use any of our financial services or products, you may also receive other documents relevant to the services or products which you should also read carefully.

## **WHO IS RESPONSIBLE FOR FINANCIAL SERVICES PROVIDED TO YOU?**

Citigroup is responsible for the financial services described in this FSG. Any financial services offered will be provided by representatives of Citigroup.

Details of Citigroup and its relationship with other members of the Citigroup group of companies appear in the PDS to which this FSG is annexed.

In Australia, Citigroup is a Participant of the ASX Group. Citigroup is able to provide a range of investment, advisory, and stockbroking services to individuals, superannuation funds and trusts, companies and other entities.

You can contact Citigroup by:

- speaking to your nominated representative;
- if you do not have a nominated representative, calling us on + 61 2 8225 4000;
- visiting our website at [www.citigroup.com.au](http://www.citigroup.com.au); or
- writing to us at:

Citigroup Global Markets Australia  
Citigroup Centre  
2 Park Street  
Sydney NSW 2000

## **WHAT KIND OF FINANCIAL SERVICES IS CITIGROUP AUTHORISED TO PROVIDE?**

Citigroup is authorised by its Australian Financial Services Licence to provide, or arrange to provide, the financial products and services set out in this FSG.

We are authorised to advise wholesale clients both general and personal advice, and to deal in:

- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by a government;
- interests in managed investment schemes excluding investor directed portfolio services;
- securities; and
- financial products limited to miscellaneous financial investment products limited to managed investment warrants:
  - (A) to which the definition of derivative in sub section 761D(1) applies; that is a financial product of the kind referred to in subparagraph 764A(1)(b)(ii) or 764A(1)(ba)(ii); and
  - (B) that is transferable; and
  - (C) that is a warrant as defined in the ASX Settlement Rules that has been admitted by the ASX to trading status on a financial market of the ASX;

We are authorised to make a market in:

- derivatives;
- foreign exchange contracts;

- government bonds and debentures, and
- other financial products.

We also provide a custodial or depository service in relation to our nominee company services.

### **OUR PRODUCTS AND SERVICES**

In Australia, Citigroup provides investors with access to a comprehensive range of financial products and services, including:

- domestic and international equities;
- domestic and international futures;
- IPOs and secondary market offerings;
- bank bills and fixed income investments;
- listed property trusts;
- managed funds;
- listed options and warrants;
- cash management accounts and trusts;
- stock lending;
- portfolio reporting and administration services; and
- online access for both Australian and international trading accounts.

Products and services are not limited to products offered by Citigroup and/or its subsidiaries and/or associates. Furthermore, your representative is not required to place any portion of investments placed with Citigroup and/or its subsidiaries and/or associates.

### **YOUR RIGHTS AS AN INVESTOR**

Your representative will be acting on behalf of Citigroup. Citigroup is therefore responsible to you for any advice your representative provides to you.

### **HOW YOU CAN TRANSACT WITH US**

You have the right to specify how you would like to give us instructions to transact. For example, by telephone, fax, email, mail or other means.

### **POTENTIAL CONFLICTS OF INTEREST WE MAY HAVE**

You have the right to be advised of any material interest that your representative, Citigroup or any of their associates may have in financial products. Material interests are those that could be reasonably expected to be capable of influencing the recommendation of a financial product to you.

Accordingly, you should be aware that:

- if you have been referred to Citigroup by a third party, that person may receive a share of brokerage charged to you. Your representative will provide you with more details and will disclose any other material interest when he or she makes specific recommendations;

- members of the Citigroup group of companies may from time to time issue financial products that are recommended and/or distributed by Citigroup;
- members of the Citigroup group of companies may from time to time provide investment banking and other financial services to issuers of financial products;
- representatives are paid an annual salary and your representative may also receive a bonus. However, bonus objectives are not related to any particular product, service or specific business that your representative may arrange on your behalf; and
- Citigroup will also trade financial products on its own account.

#### **WHAT YOU SHOULD DO IF YOU HAVE A COMPLAINT**

Citigroup has formal internal complaint handling procedures which are consistent with the Australian Standard 4269 1995. As a client, you have the right for any complaints in relation to your dealings with Citigroup to be considered in a timely manner. Our management is committed to a high level of client service, and as such regard all complaints as serious and entitled to be handled promptly, fairly, consistently and in a professional manner. Clients may either complain verbally or in written form.

If you have any complaint about the service provided to you, you should take the following steps.

#### **Verbal complaints**

If you wish to make a verbal complaint, you can call Citigroup on 1300 30 70 70 or + 61 2 8225 4000 and provide details of your complaint to the Compliance Manager.

#### **Written complaints**

If you wish to make a written complaint, you should write to the Compliance Manager, Citigroup, Level 22, 2 Park Street, Sydney NSW 2000, and provide all relevant details of your complaint.

#### **External Complaint Services and Regulatory Bodies**

Citigroup is a member of the Financial Industry Complaint Service Limited (**FICS**).

If you have made a complaint to Citigroup and have not received a response within 45 days, or if the complaint has not been resolved to your satisfaction, you have the right to take your complaint to FICS. FICS details are:

The Financial Industry Complaint Service  
 PO Box 579  
 Collins Street West  
 Melbourne VIC 8007  
 Toll-free: 1300 78 08 08  
 Fax: + 61 3 9621 2291  
 Email: [fics@fics.asn.au](mailto:fics@fics.asn.au)

PLEASE NOTE: for FICS to handle a complaint, the complaint should relate to a potential financial loss of an amount up to \$100,000 (unless Citigroup and you agree otherwise in writing). The complaint must be lodged within 6 years of the date you knew or reasonably ought to have known of the loss.

Further information is available from either Citigroup or FICS. For a complaint in relation to a potential financial loss of an amount greater than \$100,000, alternative dispute resolution mechanisms may be utilised.

ASIC also has a toll free information line that you may use to make a complaint and obtain information about your rights. Toll-free: 1300 30 06 30.

## **THE NATIONAL GUARANTEE FUND**

The National Guarantee Fund is an external fund set up to provide compensation for valid claims arising from dealings with stockbrokers. The circumstances of when this fund may be available to you is set out in Part 7.5 Division 4 of the Corporations Regulations.

To make a claim under the National Guarantee Fund, you need to refer to the National Guarantee Fund booklet available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

–Investors should note that the National Guarantee Fund does not cover all financial products to which this FSG relates. For example, it excludes monies held in a cash management account that may be associated with Smith Barney.

## **HOW WE ARE REMUNERATED FOR THE SERVICES WE PROVIDE**

Citigroup will charge you a fee for the services provided to you.

### **Transaction based fee arrangement**

Under a transaction based fee arrangement, Citigroup will charge you a commission on transactions undertaken based on the value of the securities bought or sold. You will be advised of the rate of commission when you open an account with us and of any changes to our commission rates from time to time. A minimum charge, of which you will be advised before you make a transaction, may apply to some transactions. Details of these commissions and fees are set out in the confirmation or PDS for that particular financial product.

### **Other**

Fees may also be payable for provision of services such as the provision of custody arrangements. Your Representative will inform you of these in advance. GST is levied on fees charged to Australian residents.

Citigroup may also receive commission, volume bonuses and other incentives from fund managers and product issuers (including Citigroup and/or its associates) whose products we recommend to you. Your representative will explain to you the level of commissions at the time of making the recommendation.

The commissions we receive are usually a percentage of the fund manager's initial and/or ongoing fees. Commissions received by Citigroup are described in the PDS for those products that we recommend. Your Representative will explain to you how those commissions are calculated at the time of making the recommendation.

## **WILL ANYONE BE PAID FOR REFERRALS?**

Where you have been referred to us by a third party such as a financial planning group or accountant, we may pay an introductory fee or commission rebate in relation to the referral. Please refer to the FSG or SOA provided by the relevant third party for more detailed information on payments (if any) that may be payable.

## **HOW ARE OUR REPRESENTATIVES REMUNERATED?**

Representatives are remunerated on a salary and bonus basis. The bonus is entirely at the discretion of management. Citigroup employees and directors receive salaries, bonuses based on performance criteria and other benefits from us.

The PDS for the particular product will disclose further details of remuneration received by Citigroup employees or paid to representatives.

## **PRIVACY PROTECTION AT CITIGROUP**

We will attempt to keep your customer files complete, up to date and accurate. We will tell you how and where to conveniently access your account information (except when we're prohibited by law) and how to notify us about errors which we will promptly correct.

The privacy of your personal information is important to us at Citigroup. Any personal information collected will be handled in accordance with our Privacy Protection Policy. Our Privacy Protection Policy details how we comply with the requirements of the Privacy Act in the handling of your personal information. A copy of that policy can be obtained by visiting the Citigroup website at [www.citigroup.com.au](http://www.citigroup.com.au) or by calling + 61 2 8225 4504.

## APPENDIX 2 – EXERCISE NOTICE

You must choose to either pay the Final Instalment or serve a Request for Purchase Notice. You cannot do both.

[insert date]

CitiWarrants Operations  
Citigroup Global Markets Australia Pty Limited  
GPO Box 557  
Sydney NSW 2001

**[insert name]**  
of **[insert address]**

being the Holder of the of the Citi Instalments specified below, hereby exercise the Citi Instalments pursuant to the Instalment Warrant Deed.

This Exercise Notice is irrevocable.

By completing this Exercise Notice, you represent that the Citi Instalments are neither directly nor indirectly held in favour of a United States Person and have been acquired in accordance with the sales restrictions set forth in the PDS.

I/we exercise our Citi Instalments by:

1. paying the Final Instalment; or
2. delivering a Request for Purchase Notice.

(delete as appropriate)

### PAYING THE FINAL INSTALMENT

A	B	C	D	E
HIN/SRN	ASX Instalment Code	Final Instalment	Number of Citi Instalments being exercised	Total amount of the cheque (C x D)

To exercise your Citi Instalments, you need to include with this Exercise Notice a cheque payable to "Citigroup Global Markets Australia Pty Limited" and crossed "not negotiable" for an amount equal to the Final Instalment multiplied by the number of Citi Instalments you hold. Please complete the table above to calculate the amount of the cheque.

If you already own shares of the type that make up the Underlying Parcel, please supply details in the space below and the Underlying Parcel will be added to that holding. Payment of the Final Instalment can also be made electronically through the BPAY system by calling CitiWarrants Operations on 1300 368 301 during normal business hours.

**REQUEST FOR PURCHASE NOTICE**

If you are delivering a Request for Purchase Notice, you simply need to include the details of your Citi Instalments in the table below.

ASX Instalment Code	Underlying Parcel ASX Code	Final Instalment	Number of Citi Instalments held by you

Completed if the Holder is a company

**[COMPANY NAME] LIMITED** )  
 )

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Print name

\_\_\_\_\_  
 Print name

\_\_\_\_\_  
 Office held

\_\_\_\_\_  
 Office held

Completed if the Holder is an individual

**SIGNED SEALED and DELIVERED** )  
 by **[NAME]** )  
 in the presence of: )

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Print name

## **CORPORATE DIRECTORY**

### **Citigroup**

Citigroup Global Markets Australia Pty Limited

Level 40

Citigroup Centre

2 Park Street

Sydney NSW 2000

Australia

### **Guarantor**

Citigroup Inc.

399 Park Avenue

New York New York 10043

United States of America

### **Broker**

Citigroup Global Markets Australia Pty Limited

Level 40

Citigroup Centre

2 Park Street

Sydney NSW 2000

Australia

### **Lawyers**

Freehills

MLC Centre

Martin Place

Sydney NSW 2000

Australia

### **Registrar**

Computershare Investor Services Pty Limited

Level 3

60 Carrington Street

Sydney NSW 2000

Australia