

CitiFirst



TRADING WARRANTS | INSTALMENTS | SELF-FUNDING INSTALMENTS | MINIS | TURBOS

CitiFirst Index Trading Warrants

Product Disclosure Statement
S & P/ASX 200 Index Call and Put Warrants

14 December 2011

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 14 December 2011.

This PDS is not required to be and will not be lodged with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for the contents of this PDS or the CitiFirst Warrants. Citi will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act.

This PDS complies with Schedule 10 to the Operating Rules as varied or waived by ASX. ASX takes no responsibility for the contents of this PDS or the CitiFirst Warrants.

Information in this PDS may change from time to time. Where those changes are not materially adverse to Holders, Citi may provide that information on its website <http://www.citifirst.com.au>. Citi 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 CitiFirst 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 Citi, its associates or any other person to invest in the CitiFirst Warrants or in the securities that make up an Index. YOU SHOULD CONTACT YOUR STOCKBROKER OR OTHER PROFESSIONAL FINANCIAL ADVISER BEFORE MAKING ANY DECISION TO INVEST IN THE CITIFIRST WARRANTS, 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. Investors are encouraged to read these booklets and the information that is available on the ASX website in relation to warrants, to understand the 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 CitiFirst Warrants nor this PDS have been or will be registered in any jurisdiction outside of Australia. The offer of CitiFirst Warrants 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 CitiFirst Warrants nor 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 CitiFirst Warrant the Holder represents and warrants that the CitiFirst Warrant is neither directly nor indirectly held in favour of a US Person.

Cooling-off Period

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

Disclaimer

The CitiFirst 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. The CitiFirst 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 CitiFirst Warrants. The Issuer is not subject to regulatory supervision by the Australian Prudential Regulation Authority (APRA).

Representations

No person is authorised by the Issuer to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of the Issuer. Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of the CitiFirst Warrants.

Electronic Documents

A copy of this PDS is available online at <http://www.citifirst.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 from Citi at 1300 30 70 70. A copy of this PDS is also available on the ASX website.

Glossary

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

About CitiFirst

CitiFirst Warrants are issued by Citi. CitiFirst is the brand name for Citi's suite of investment and trading products. CitiFirst Opportunity investments in Australia cover a broad selection of ASX listed warrants including:

- Instalments
- Self Funding Instalments
- MINIs
- Turbos
- Trading Warrants

Citi is a wholly owned subsidiary of Citigroup Inc. and a member of the Citigroup Inc. group of companies. Citigroup Inc. is a leading global financial services company, and has more than 200 million customer accounts and does business in more than 100 countries, providing customers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage and wealth management.

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

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 in Australia and in 1985, Citibank Pty Limited (now Citigroup Pty Limited) became the first foreign bank to be granted an Australian banking license. Today, the Group provides financial services to more than 1 million consumers and over 900 corporate clients in Australia and New Zealand.

When you buy CitiFirst Warrants you have the comfort of knowing you are dealing with one of the largest financial services companies in the world. In addition, because CitiFirst Warrants are listed on the ASX, Citi, as issuer of the CitiFirst Warrants, is required to comply with the Operating Rules and CitiFirst Warrants trade within a regulated and transparent market.

TERM SHEET

ASX Code	Type	Strike	Relevant Expiry Date	Issue Size	Index Multiplier	Exercise Style
XJOWOF	Index Call	4100	14 March 2012	10MM	0.005	European Style
XJOWOG	Index Call	4200	14 March 2012	10MM	0.005	European Style
XJOWOH	Index Call	4300	14 March 2012	10MM	0.005	European Style
XJOWOI	Index Call	4400	14 March 2012	10MM	0.005	European Style
XJOWOK	Index Call	4500	14 March 2012	10MM	0.005	European Style
XJOWOU	Index Put	4400	14 March 2012	10MM	0.005	European Style
XJOWOV	Index Put	4300	14 March 2012	10MM	0.005	European Style
XJOWOW	Index Put	4200	14 March 2012	10MM	0.005	European Style
XJOWOX	Index Put	4100	14 March 2012	10MM	0.005	European Style
XJOWOY	Index Put	4000	14 March 2012	10MM	0.005	European Style

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SECTION 1 – KEY INFORMATION

This is a brief description only. The terms of issue of the CitiFirst Warrants and the rights and obligations of Holders and Citi are governed by the Terms of Issue, as set out in section 7. Investors should read this entire PDS, in particular the Terms of Issue, prior to making any decision to invest. The Terms of Issue prevail to the extent of any inconsistency with any other part of this PDS.

What is a CitiFirst Warrant?

CitiFirst Warrants are financial products that are traded on ASX. A warrant is a derivative product, and as such, derives its value from an underlying instrument. The underlying instrument can be a security or securities, an index, a commodity or a currency. CitiFirst Warrants are structured as either “call warrants” or “put warrants”.

The CitiFirst Warrants to be issued under this PDS are issued over an index, the S&P/ASX 200 Index. Details of the Index appear in section 2.

What is a Call Warrant?

In the case of a warrant where the underlying instrument is an index, a call warrant gives a holder the right to receive a cash amount where the closing index level is above the strike on the exercise date.

Investors should note that the exercise of a warrant would only usually take place when the warrant is “in the money”. In the case of a call warrant over an index, this is when the level of the index is greater than the strike at the time the warrant is exercised.

What is a Put Warrant?

In the case of a warrant where the underlying instrument is an index, a put warrant gives a holder the right to receive a cash amount where the closing index level is below the strike on the exercise date.

Investors should note that the exercise of a warrant would only usually take place when the warrant is “in the money”. In the case of a put warrant over an index, this is when the level of the index is lower than the strike at the time the warrant is exercised.

What is the Index?

The underlying instrument of the CitiFirst Warrants is an index, the S&P/ASX 200 Index. Information about the Index appears in the Term Sheet and further details appear in section 2.

What are the significant benefits that a Holder of a CitiFirst Warrant may receive?

The potential benefits of investing in CitiFirst Warrants issued by Citi include:

- gaining exposure, via the Index, to a broad cross section of listed securities;
- greater leverage than a direct investment in the securities that make up the Index;
- the ability to buy and sell the CitiFirst Warrants on ASX at any time prior to expiry; and
- the ability to take advantage of both rising and falling markets.

In what circumstances can I receive these benefits?

A Holder will generally only receive a financial benefit on the exercise of a CitiFirst Warrant where that CitiFirst Warrant is “in the money”.

- In the case of a Call Warrant, this is when the Closing Index Level is greater than the Strike at the time the CitiFirst Warrant is exercised.
- In the case of a Put Warrant, this is when the Closing Index Level is lower than the Strike at the time the CitiFirst Warrant is exercised.

In these circumstances, Holders will be entitled to receive the Intrinsic Value of the CitiFirst Warrant. Investors should note that they are not entitled to any dividends, distributions or other rights which may be payable in respect of the securities that comprise the Index.

What are the significant risks associated with the CitiFirst Warrants?

Investors in CitiFirst Warrants may be exposed to the following key risks:

- the value at which a CitiFirst Warrant may be bought or sold on ASX will vary according to a number of factors, and this means that on the Relevant Expiry Date, your CitiFirst Warrant may be significantly less valuable or may expire worthless. CitiFirst Warrants are speculative and a Holder may lose some or all of the purchase price paid for the CitiFirst Warrant;
- there is no firm indication as to how CitiFirst Warrants will perform in the secondary market, or whether that market will be liquid or illiquid. Trading of CitiFirst Warrants on ASX may be

halted or suspended by ASX in certain circumstances;

- general movement in local and international stock markets, general economic conditions and interest rates could all affect the market price of CitiFirst Warrants;
- Citi may exercise its discretion to declare an Extraordinary Postponing Event or Extraordinary Termination Event to amend the terms of issue or vary the Relevant Expiry Date; and
- the current Australian regulatory environment and any legislative, tax or regulatory changes may impact on a Holder of CitiFirst Warrants.

A full description of risk factors relating to investing in CitiFirst Warrants can be found in section 4 of this PDS.

Investing in CitiFirst Warrants involves a significant degree of risk. Like any investment that offers the potential for profit there is a corresponding potential for loss. Investors should be aware that the CitiFirst Warrants may decrease in value at a greater rate than a direct investment in the securities that comprise the Index. Investors should consult their stockbroker or financial adviser to ascertain the suitability of investing in CitiFirst Warrants as part of their particular investment strategies.

What is the Intrinsic Value?

The Intrinsic Value is a dollar amount per CitiFirst Warrant and is equal to the product of the Index Multiplier and the number of Index points that the Closing Index Level is above (in the case of a Call Warrant) or below (in the case of a Put Warrant) the Strike on the Exercise Date.

Holders may also be entitled to receive benefits in circumstances where the CitiFirst Warrants are terminated early (the Termination Value) or where a Holder has failed to exercise prior to expiry (the Intrinsic Value).

What is the Index Multiplier?

The Index Multiplier in respect of a particular Series of CitiFirst Warrants represents the value of each Index point, and appears in the Term Sheet.

How is the Intrinsic Value calculated?

Where a Holder exercises a CitiFirst Warrant that is "in the money", the Holder is entitled to receive a financial benefit equal to the Intrinsic Value of the CitiFirst Warrant. The formulas for determining the Intrinsic Value are set out in clause 1.3 of the Terms of Issue. The following examples are illustrative only for the purpose of explaining how the Intrinsic Value would be calculated.

- In the case of a Call Warrant with a Strike (S) of 4,400 and an Index Multiplier (IM) of \$0.005, if the Closing Index Level (CL) on the Exercise Date is 4,600, the Holder will receive a financial benefit equal to the Intrinsic Value (IV) which can be calculated as:

$$\begin{aligned} IV &= IM \times (CL - S) \\ &= \$0.005 \times (4,600 - 4,400) \\ &= \$1.00 \end{aligned}$$

- In the case of a Put Warrant with a Strike (S) of 4,400 and an Index Multiplier (IM) of \$0.005, if the Closing Index Level (CL) on the Exercise Date is 4,200, the Holder will receive a financial benefit equal to the Intrinsic Value (IV) which can be calculated as:

$$\begin{aligned} IV &= IM \times (S - CL) \\ &= \$0.005 \times (4,400 - 4,200) \\ &= \$1.00 \end{aligned}$$

Are CitiFirst Warrants a suitable investment for me?

The CitiFirst Warrants issued under this PDS offer investors the following features:

- the ability to leverage short term views of the share market;
- gearing without the risks of margin calls; and
- greater volatility and price movement than a direct investment in the securities that make up the Index.

Potential investors should, in conjunction with their professional advisers, make an assessment of whether the CitiFirst Warrants are a suitable investment before any decision is made to invest. The Index can be volatile, and the value of the CitiFirst Warrants may fall as well as rise.

What is the difference between American Style and European Style CitiFirst Warrants?

The way in which a CitiFirst Warrant may be exercised depends on whether that CitiFirst Warrant is an American Style or European Style CitiFirst Warrant. An American Style CitiFirst Warrant may be exercised at any time during its term up to and including the expiry date. A European Style CitiFirst Warrant may only be exercised on the expiry date. The Term Sheet details whether a CitiFirst Warrant is American Style or European Style.

Can the terms of the CitiFirst Warrant or the Index change?

The Index itself cannot change, however, the composition and weighting of the securities that make up the Index can. In addition, the Index level can also change due to price changes unrelated to the market for the underlying securities, for example, price changes resulting from changes in capital or dividend payments by a company included in the Index. Such changes to the Index generally will not affect the level of the Strike.

In certain circumstances, however, a significant change in the formula or method for calculating the Index may result in the declaration of an Extraordinary Event by Citi. Extraordinary Events are discussed further in section 2.

When do the CitiFirst Warrants expire?

The Relevant Expiry Date for each particular Series of CitiFirst Warrants appears in the Term Sheet.

Can the CitiFirst Warrants terminate early?

Yes, the CitiFirst Warrants will automatically terminate on the occurrence of an Extraordinary Event that is declared to be an Extraordinary Termination Event. Extraordinary Events are discussed further in section 2.

Who can apply for CitiFirst Warrants under this PDS?

The initial offer by Citi of each Series of Put Warrants and Call Warrants to be issued under this PDS will only be made to Citigroup Australia Holdings. No application form is included in this PDS and applications from any other person will not be accepted. Acceptance of the offer made to Citigroup Australia Holdings occurs when ASX releases, through the Company Announcements Platform, an announcement of Citi's acceptance of the offer at a price determined at that time. Once ASX has released this announcement and granted official quotation, investors will be able to purchase the CitiFirst Warrants in the ASX secondary market.

Subject to the consent of ASX, Citi reserves the right to increase or decrease the issue size of a particular Series of CitiFirst Warrants in its absolute discretion.

No CitiFirst Warrants will be issued on the basis of the PDS later than the Business Day that is 14 days prior to the Relevant Expiry Date that appears in the Term Sheet.

How much do the CitiFirst Warrants cost?

The Issue Price of each Series of CitiFirst Warrant is not set out in this PDS. The Issue Price for each Series will be determined by Citi based on the level of the Index

when the initial offer of the CitiFirst Warrants is taken up by Citigroup Australia Holdings.

Investors wishing to purchase the CitiFirst Warrants in the ASX secondary market will be able to determine the price at which the CitiFirst Warrant is trading in a number of ways, including accessing the relevant information online (through the ASX website) or contacting their stockbroker or other financial adviser. This price will be impacted by a number of factors, including:

- the level of the Index;
- anticipated volatility of the Index;
- trading in futures contracts that relate to the Index;
- future expected dividends on the securities that comprise the Index;
- the time remaining to the Relevant Expiry Date; and
- prevailing interest rates.

The effect that these factors may have on the price of the CitiFirst Warrants is demonstrated in the following table:

Variable	Change in Variable	Effect on Price of Call Warrant	Effect on Price of Put Warrant
Level of Index and related futures contracts	▲	▲	▼
Volatility of Index	▲	▲	▲
Future expected dividends	▲	▼	▲
Time remaining to expiry	▼	▼	▼
Interest rates	▲	▲	▼

Are any commissions, fees and expenses payable?

You will not pay any fees or commissions to Citi in relation to the purchase of CitiFirst Warrants.

Citi does not pay fees or commissions to brokers or financial advisers in relation to the purchase of CitiFirst

Warrants, however investors should note your stockbroker or financial adviser may charge you commission on the purchase of CitiFirst Warrants.

How do you exercise the CitiFirst Warrants?

Exercise Notices for the CitiFirst Warrants appear at the back of this PDS and include detailed instructions on how they should be completed.

Once given, valid Exercise Notices are irrevocable and will be acted upon on their becoming effective, subject only to no other Exercise Notice being given in respect of the same CitiFirst Warrant which renders the first Exercise Notice ineffective. See clause 4 of the Terms of Issue for further details of the requirements for completing a valid Exercise Notice.

What happens if I do not exercise my CitiFirst Warrants?

If a CitiFirst Warrant has not been exercised by a Holder before Closing Time on the Relevant Expiry Date for that Series, or a Holder gives an Exercise Notice which is invalid, then the Holder may be entitled to receive an amount equal to the Intrinsic Value of the CitiFirst Warrant.

An explanation of how the Intrinsic Value of a CitiFirst Warrant is calculated appears in clause 1.3 of the Terms of Issue.

What are the taxation implications associated with the CitiFirst Warrants?

The acquisition, dealing in, and exercise of CitiFirst Warrants may have income tax or capital gains tax implications for Holders, depending upon their own individual circumstances. See section 5 of this PDS for details. Investors should obtain their own independent taxation advice prior to any decision to invest in the CitiFirst Warrants.

SECTION 2 – THE INDEX

Introduction

The S&P/ASX 200 is comprised of the largest 200 ASX listed companies by market capitalisation (plus liquidity considerations) in Australia. This is in contrast to the 500 companies that comprise the All Ordinaries Index.

The S&P/ASX 200 is seen as a manageable and reliable index for investors and fund managers, being comprised of a smaller number of more easily purchased and more liquid securities than those included in the All Ordinaries Index. The S&P/ASX 200 has been selected by the ASX 24 as the basis for its new Share Price Index futures contracts.

The level of the S&P/ASX 200 and related futures contracts is available online from information vendors such as Bloomberg and Reuters and the ASX website. Information about the index can also be found in the financial section of various financial newspapers including The Australian Financial Review.

Extraordinary Events

Citi may declare, with the consent of ASX, any of the following events to be an Extraordinary Event for the purposes of the CitiFirst Warrants, which then may be declared to be an Extraordinary Termination Event:

- the cessation or suspension of the publication of the Index or the Closing Index Level;
- the suspension of, or a material limitation in the trading in the securities which together comprise a material percentage of the weight of the Index;
- the suspension of, or a material limitation in the trading of securities on ASX;
- the suspension of, or a material limitation in the trading of the futures contracts relating to the Index as trading on the ASX 24 or any similar futures exchange;
- a material change in the method of calculating the Index;
- any event which causes the CitiFirst Warrants to cease to be CHESS Approved Financial Products;
- any event which may reasonably be expected by the Issuer to lead to a material limitation of the ability of the Issuer to hedge or to maintain a secondary market in the CitiFirst Warrants;

- the occurrence of an event which renders the performance of Citi's obligations under the CitiFirst Warrants unlawful or illegal; or
- the withdrawal of admission to trading status of the CitiFirst Warrants or the suspension of trading of the CitiFirst Warrants.

In such circumstances, the CitiFirst Warrants will terminate and Holders will be paid the Termination Value of the CitiFirst Warrant (if any), calculated in accordance with clause 2.5 of the Terms of Issue.

Dividends and other Distribution Rights

A Holder is not entitled to any dividends, distributions or other rights that may relate to the securities that comprise the Index.

Voting Rights

A Holder is not entitled to any voting rights that may relate to the securities that comprise the Index.

Citi (or an associate) may from time to time hold the securities that make up or those that relate to the Index. Citi (or an associate) may in its absolute discretion exercise any voting rights it may have in relation to those securities with regard to its interests alone.

SECTION 3 – ISSUER AND GUARANTOR DETAILS

The CitiFirst Warrants issued under this PDS will be issued by Citigroup Global Markets Australia Pty Limited which is a wholly owned subsidiary of Citigroup Inc., and a member of the Citigroup Inc. group of companies (“Group”). Citigroup Inc. guarantees the performance of the Issuer’s obligations under this PDS and the Terms of Issue, but does not guarantee the performance of the CitiFirst Warrants.

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

Citi in Australia and New Zealand

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

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

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

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

General Information about the Guarantor

The obligations of Citi under this PDS in respect of the CitiFirst Warrants are guaranteed by Citigroup Inc. under the Guarantee.

Citigroup Inc., a leading global financial services company, has more than 200 million customer accounts and does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, and wealth management. Citigroup Inc.’s major brand names include Citibank, CitiFinancial, Primerica and Banamex. Additional information may be found at www.citigroup.com or www.citi.com.

Citigroup Inc.’s activities and the activities of its subsidiaries are conducted through the Global Consumer

Group and the Institutional Clients Group business segments and through Citi Holdings, which has a 49% stake in Morgan Stanley Smith Barney Pty Limited, one of Australia’s leading private client groups. 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 2010, Citigroup Inc. and its subsidiaries had approximately 260,000 full-time employees.

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

Details of the guarantee given by Citigroup Inc. in respect of the CitiFirst Warrants appear in section 6 of this PDS.

Due to changes to the regulatory environment, most credit rating agencies are no longer consenting to the inclusion of credit rating information in retail disclosure documents issued in Australia. As a consequence, the Issuer is not able to provide information in relation to the credit ratings of Citigroup Inc.

Financial Information about Citi and the Guarantor

Audited financial information about Citi and the Guarantor, as well as information about the directors of Citi and the Guarantor can be found online at www.citifirst.com.au. Other information about the Guarantor can be found on Citigroup Inc.’s website at www.citigroup.com.

Disclaimer

No circumstance has arisen and no information has become available except as disclosed in this PDS, to ASX or on the websites 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 Citi 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 CitiFirst Warrants since 31 December 2006 (in the case of Citi) and 31 December 2007 (in the case of Citigroup Inc.).

SECTION 4 – RISK FACTORS

SUBSCRIPTION FOR OR THE PURCHASE OF THE CITIFIRST WARRANTS IS CONSIDERED BY CITI 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 CITIFIRST WARRANTS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, TAKING INTO ACCOUNT THE RISK FACTORS RELATING TO THE CITIFIRST WARRANTS SET OUT BELOW.

Factors Affecting CitiFirst Warrant Value

The value at which a CitiFirst Warrant may be bought or sold on ASX is expected to be dependent upon such factors as the level of the Index, the volatility of the Index, the Strike of the CitiFirst Warrants, the time remaining to expiry, interest rates and risks applicable to stock markets generally.

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

Investors should note that the CitiFirst Warrants may terminate early, and the Relevant Expiry Date may be postponed, in the circumstances described in clauses 1.4, 2.3 and 2.4 of the Terms of Issue. Postponement or early termination may affect the value of the CitiFirst Warrants and may result in a partial or total loss of the investment.

Performance of Obligations by Citi and the Guarantor

The value of the CitiFirst Warrants depends on, amongst other things, the ability of Citi to fulfil its obligations under the Terms of Issue on exercise, early termination or expiry, and the ability of the Guarantor to fulfil its obligations under the Guarantee.

If you invest in CitiFirst Warrants, you will be exposed to counterparty risk and credit risk of (and the credit worthiness of) the Guarantor. You should be aware that between the date of the PDS and the date on which you acquire CitiFirst Warrants, the Guarantor may publish earnings releases and undertake corporate actions that may detrimentally affect the credit worthiness of the Guarantor.

Each of Citi's and the Guarantor's obligations in relation to CitiFirst Warrants are unsecured and will rank equally with their other unsecured obligations. More information in

relation to Citi and the Guarantor is provided in Section 3 of this PDS.

Investors must make their own assessment of the ability of Citi to meet its obligations in respect of the CitiFirst Warrants and the ability of the Guarantor to meet its obligations under the Guarantee. Nothing in this PDS is, or may be relied upon as being, a representation as to any future event or a promise as to the future of Citi's or the Guarantor's ability to perform their respective obligations.

Possible Illiquidity of Trading Market

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

Citi is an ASX participant and will conduct market making activities in relation to the CitiFirst Warrants 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 CitiFirst Warrants.

However, there are no spread 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. Potential investors should be aware that in these situations, the presence of quotes suitable to your particular requirements in the market cannot always be assured.

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 CitiFirst Warrants (in the same way that they affect other investments).

Investors are warned that the price of a CitiFirst Warrant 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 the CitiFirst Warrants and carefully study the risk factors set out in this PDS before they invest in the CitiFirst Warrants.

Volatility of Index

Past performance of the Index is not necessarily a guide to future performance. Movements in the Index can be volatile.

Investment Decisions

The information in this PDS is intended to provide investors and their professional advisers with the information they would reasonably require and reasonably expect to find for the purpose of making an informed assessment of whether to acquire a CitiFirst Warrant and of the capacity of Citi to fulfil its obligations under the CitiFirst Warrants and the risks, rights and obligations associated with the CitiFirst Warrants. It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each investor. Accordingly, nothing in this PDS should be construed as a recommendation by Citi or any associate of Citi or any other person concerning investment in the CitiFirst Warrants.

Readers should not rely on this PDS other than in respect of those matters referred to above, and should not rely on it as the sole basis for any investment decision in relation to CitiFirst Warrants, or any other security.

Exercise of Discretion by Citi and the Calculation Agent

Investors should note that a number of provisions of the Terms of Issue confer discretions on Citi and the Calculation Agent which could affect the value of the CitiFirst Warrants. These include the powers to nominate Extraordinary Postponing Events and Extraordinary Termination Events, to determine whether rights offered have value and to calculate or modify the method of calculation of the Strike or the nature of the Index.

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

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

Extraordinary Events

Citi may, with the consent of ASX, terminate the CitiFirst Warrants before their Relevant Expiry Date on the occurrence of an Extraordinary Event, which is held to be an Extraordinary Termination Event. Extraordinary Events are discussed in section 2.

The Relevant Expiry Date may also be postponed for up to 10 Business Days if an Extraordinary Event has occurred

and is continuing on the Relevant Expiry Date. This is known as an Extraordinary Postponing Event.

Legislative Risks

A number of risks may exist and impact on a Holder of a CitiFirst Warrant as a result of Australian legislation, including taxation law. Prospective Holders should seek independent professional advice on the nature of these risks.

Tax Changes

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

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 CitiFirst Warrants between brokers on ASX and cannot be made in relation to the primary issue of CitiFirst Warrants by Citi.

The capacity of Citi to settle all outstanding CitiFirst Warrants is not guaranteed by ASX, the National Guarantee Fund or ASX Settlement.

Potential Conflicts of Interest

Companies in the Citigroup Inc. group of companies and Citi itself may, in their absolute discretion, buy and sell CitiFirst Warrants, securities that make up the Index and other interests relating to the CitiFirst Warrants or the securities that make up the Index, either as principal or agent. This trading may impact positively or negatively on the price at which the CitiFirst Warrants trade on ASX.

In addition, companies in the Citigroup Inc. group of companies and Citi itself may have material price sensitive information relating to securities that make up the Index, where the individuals conducting market making activities in relation to the CitiFirst Warrants are prevented from knowing or taking into account such information by reason of information barriers. Citi may have a potential conflict of interest of which you are not aware and which it is unable to disclose to you.

The rights of Holders against Citi are set out in the Terms of Issue. Citi is not in a fiduciary relationship with Holders. Any profits earned and losses incurred by Citi in its trading activities in CitiFirst Warrants will accrue entirely to it independent of Citi's obligations to Holders.

Suspension of CitiFirst Warrant Trading

Trading of CitiFirst Warrants 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 CitiFirst Warrants or otherwise deems such action advisable in the public interest or to protect investors. Matters that may be considered by ASX also include circumstances where Citi becomes unable or unwilling or fails to comply with the ASIC Market Integrity Rules or the Operating Rules or if ASX in its absolute discretion thinks fit.

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

SECTION 5 – TAXATION CONSIDERATIONS

This section is intended only as a general summary of some of the taxation consequences arising for potential investors who are Australian resident taxpayers including individuals, companies and complying superannuation funds.

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

This advice is based on law and Australian Taxation Office (“ATO”) practice that is current as at the date of this PDS. Potential investors should seek their own advice on any changes after the date of this PDS to any law or administrative interpretation which may affect the tax consequences of investing in the CitiFirst Warrants.

Whether a Holder holds the CitiFirst Warrants on capital or revenue account will potentially affect the tax implications arising for a Holder of investing in the CitiFirst Warrants.

Holders who acquire the CitiFirst Warrants for the purpose of disposing of them at a profit will typically hold the CitiFirst Warrants on revenue account for tax purposes. Certain other Holders may hold the CitiFirst Warrants on revenue account, depending on their particular circumstances.

The CitiFirst Warrants may be trading stock of a Holder if they are acquired for the purposes of sale or exchange in the ordinary course of the Holder’s business. If so, specific trading stock provisions, which are not covered in this section, will apply. Potential investors should seek specific advice if the CitiFirst Warrants are likely to be held as trading stock.

Holders who acquire CitiFirst Warrants otherwise than as described above (eg, if they acquire the CitiFirst Warrants to hedge shares that they hold on capital account) will likely hold the CitiFirst Warrants on capital account for tax purposes.

TOFA

The Taxation of Financial Arrangements (“TOFA”) regime applies on a mandatory basis from 1 July 2010 for qualifying taxpayers and financial arrangements. Where it applies, the TOFA regime may impact upon the tax character and tax timing of gains and losses arising from those financial arrangements. However, exceptions to the TOFA regime would be expected to apply to most retail investors. Investors who are subject to the TOFA regime, or who are considering electing into the TOFA regime, are

advised to obtain independent tax advice as to its potential impact upon the taxation consequences discussed in this section.

Purchasing your CitiFirst Warrants

Purchasing CitiFirst Warrants does not give rise to any immediate tax consequences for a Holder. For example, a Holder cannot deduct the purchase price of the CitiFirst Warrant. Rather, the purchase price, together with any brokerage, forms part of the cost base of the CitiFirst Warrant for capital gains tax purposes and part of the “cost” of the CitiFirst Warrants if the Holder holds the CitiFirst Warrants on revenue account. This will be relevant to the tax consequences for the Holder when the CitiFirst Warrant expires, terminates, is sold or is exercised.

Holding your CitiFirst Warrants

Holders will not receive any dividends or distributions as a result of holding the CitiFirst Warrants. Consequently, no assessable income will arise, and no franking tax offsets will be available by virtue of holding the CitiFirst Warrants.

Potential investors should be aware that acquiring CitiFirst Warrants to hedge securities may result in the “franking credit trading” provisions affecting the availability of franking tax offsets on dividends or distributions that they receive from those securities. Potential investors should obtain advice on this issue as these rules are complex and their application will depend on an investor’s own specific circumstances.

Disposal of your CitiFirst Warrants

A Holder will be regarded as having disposed of a CitiFirst Warrant for the purposes of this section if it is sold, is exercised, expires unexercised or is terminated early (for example following an Extraordinary Termination Event).

Investors on capital account

Disposing of the CitiFirst Warrants is a CGT event. The Holder will make a capital gain to the extent that the capital proceeds (being the sale proceeds or the Intrinsic Value, as appropriate) exceed the cost base of the CitiFirst Warrants.

A Holder will make a capital loss if the reduced cost base of the CitiFirst Warrants exceeds the capital proceeds (being the sale proceeds or the Intrinsic Value, as appropriate). If a Holder makes a capital loss the loss can only be used to reduce the Holder’s 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 ATO accepts in public ruling TR 2005/18 that some investors may enter into contracts for differences (being a type of cash settled financial instrument) as a form of recreational gambling. If so, any capital gain or loss they make from those assets is disregarded under a specific provision. Holders should seek their own advice if they consider that this ATO view may potentially apply in relation to their investment in the CitiFirst Warrants.

Investors on revenue account

If a Holder holds the CitiFirst Warrants on revenue account, then the profit calculated as the excess of the proceeds received (being the sale proceeds or the Intrinsic Value, as appropriate) over the cost of the CitiFirst Warrant will be included in the Holder's assessable income. On the other hand, any loss calculated as the excess of the cost of the CitiFirst Warrant over the proceeds received will be deductible to the Holder.

Broadly, under anti-overlap provisions, any capital gain or capital loss also arising on disposal is reduced by the amount of the assessable gain or deductible loss, as appropriate.

Goods and Services Tax (GST)

No GST will be payable by Holders on the purchase, sale, exercise, expiry or termination of the CitiFirst Warrants. This is because these supplies will either fall outside the GST provisions, or will be a "financial supply" on which no GST is payable.

Stamp Duty

The purchase, sale, expiry or termination of the CitiFirst 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.

SECTION 6 – ADDITIONAL INFORMATION

Admission to Trading Status

As at the date of this PDS, application has been made but approval has not yet been given for the CitiFirst Warrants offered by this PDS to be admitted to trading status by ASX. When the ASX admits the CitiFirst Warrants to trading status, that will not be taken in any way as an indication of the merits of Citi or of the CitiFirst Warrants.

ASX does not warrant the accuracy or truth of the contents of this PDS.

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 CitiFirst Warrants. 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 CitiFirst Warrants comply with the Corporations Act or the Operating Rules.

To the extent permitted by the Competition and Consumer Act 2010 (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.

CHESS

The CitiFirst Warrants issued under this PDS will be declared eligible to participate in CHESS pursuant to the ASX Settlement Operating Rules. In addition to a CHESS Subregister, an Issuer Sponsored Subregister will also be maintained, in compliance with the Listing Rules. Under the CHESS system, instead of certificates, Holders will be provided with a holding statement which sets out the number of CitiFirst Warrants 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 Shareholder Registration Number (SRN) in the case of a holding on the Issuer Sponsored Subregister.

Registrar

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

The Guarantee

The obligations of Citi under this PDS in respect of the CitiFirst Warrants are guaranteed by Citigroup Inc. under the Guarantee. 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 Citi under or in connection with the CitiFirst Warrants and the due and punctual performance of Citi'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 Citi would be required to make to satisfy its obligations under the relevant CitiFirst Warrants. 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. A paper copy of the Guarantee is available on request from Citi.

ASIC Class Orders

ASIC has issued the following Class Orders that will apply to the CitiFirst Warrants issued under this PDS:

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.

Dispute Resolution System

Citi has established procedures to ensure that any enquiries or complaints that you may have in relation to the CitiFirst Warrants 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.

Labour Standards, Environmental etc

Citi will not take into account labour standards or environmental, social or ethical considerations in selecting, retaining or realising the investment represented

by the CitiFirst Warrants. 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 Index.

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

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).

Governing Law

The CitiFirst Warrants 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.

Disclaimer

“Standard & Poor’s” and “S&P” are trademarks of the McGraw-Hill Companies and “ASX” and “ASX 200” are trademarks of ASX Operations Pty Limited, an affiliate of ASX. The foregoing marks have been licensed for use by Citi. The CitiFirst Warrants are not sponsored, endorsed, sold or promoted by Standard & Poor’s or the Australian Securities Exchange and Standard & Poor’s and the Australian Securities Exchange, make no representation, warranty, or condition regarding the advisability of investing the CitiFirst Warrants.

The CitiFirst Warrants are not sponsored, endorsed, sold or promoted by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (**S&P**) or ASX. S&P and ASX make no representation, condition or warranty, express or implied, to the owners of the CitiFirst Warrants or any member of the public regarding the advisability of investing in securities generally or in the CitiFirst Warrants particularly or the ability of the S&P/ASX 200 Index to track general stock market performance. S&P’s only relationship to Citi is the licensing of certain trademarks and trade names of S&P and the S&P/ASX 200 Index which is determined, composed and calculated by S&P without regard to Citi or the CitiFirst Warrants. S&P has no obligation to take the needs of Citi or the owners of the CitiFirst Warrants into consideration in determining, composing or calculating the S&P/ASX 200 Index. S&P is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the CitiFirst Warrants to be issued or in the determination or calculation of the equation by which the CitiFirst Warrants are to be converted into cash. S&P and ASX have no obligation or liability in connection with the administration, marketing or trading of the CitiFirst Warrants.

S&P SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE INDICES FROM SOURCES THAT S&P CONSIDERS RELIABLE, BUT S&P ACCEPTS NO RESPONSIBILITY FOR, AND SHALL HAVE NO LIABILITY FOR, ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. S&P DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P/ASX 200 INDEX OR ANY DATA INCLUDED THEREIN OR WITH RESPECT TO ANY USE THEREOF BY THE PARTIES OR ANY THIRD PARTY. S&P MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE USE OF THE INDICES OR ANY DATA INCLUDED THEREIN. S&P AND ASX MAKE NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIM ALL CONDITIONS AND WARRANTIES IMPLIED BY STATUTE, GENERAL LAW OR CUSTOM WITH RESPECT TO THE S&P/ASX 200 INDEX OR ANY DATA INCLUDED THEREIN EXCEPT ANY IMPLIED CONDITION OR WARRANTY THE EXCLUSION OF WHICH WOULD CONTRAVENE ANY STATUTE OR CAUSE ANY PART OF THIS SECTION TO BE VOID.

Listed Entity disclaimer

No Listed Entity forming part of the Index has been a party to the preparation of this PDS or furnished any information specifically to Citi for the purposes of its preparation. No Listed Entity has responsibility for any statement in this PDS nor has authorised or caused the issue of any part of this PDS.

Telephone: +61 2 8225 1000

E-mail: privacy.officer@citi.com.au

Privacy Statement

We will only collect personal information necessary for the products or services you request. The information we acquire from you or other people (such as distributors of CitiFirst Warrants and your licensed broker or financial adviser) during the course of managing CitiFirst Warrants is required to manage your investment and comply with relevant laws.

We may use this information to send you information about other investment products. If, at any time, you receive information from us about our products and do not wish to receive further correspondence, please let us know. We may also disclose information about you to third party service providers who assist us in our business operations and service provision. These service providers may include distributors of CitiFirst Warrants or your licensed broker or financial adviser.

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

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

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

If you have any queries, please contact the Citi Privacy Officer:

Citi Privacy Officer

GPO Box 204

Sydney NSW 2001

SECTION 7 – TERMS OF ISSUE

To the extent of any inconsistency between these Terms of Issue and any other part of this PDS, these Terms of Issue prevail.

1. THE CITIFIRST WARRANT

1.1 Grant of CitiFirst Warrant

In return for Citigroup Australia Holdings paying the relevant Issue Price to Citi (receipt of which is acknowledged by Citi), Citi grants the relevant CitiFirst Warrants to Citigroup Australia Holdings.

1.2 Nature of CitiFirst Warrant

Subject to these Terms of Issue, each CitiFirst Warrant is an option which:

- (a) confers on the Holder the right, but not the obligation, to give Citi, by delivering to Citi during the Exercise Period, an Exercise Notice, which is irrevocable and will become effective on the Exercise Date on which Citi has received it prior to Closing Time; and
- (b) on exercise of the right conferred by clause 1.2(a) in accordance with these Terms of Issue, requires Citi to pay to a Holder within 10 Business Days of the Exercise Date the Intrinsic Value of the CitiFirst Warrants the subject of the Exercise Notice.

1.3 Determination of Intrinsic Value

The Intrinsic Value of a CitiFirst Warrant is an amount calculated in accordance with this clause 1.3 as follows:

- (a) In the case of a Call Warrant where the Closing Index Level is greater than the Strike for a particular Series of CitiFirst Warrants on the Exercise Date:

$$IV = IM \times (CL - S)$$

where:

IV = Intrinsic Value

IM = Index Multiplier

CL = Closing Index Level

S = Strike

- (b) In the case of a Put Warrant, where the Closing Index Level is less than the Strike for a particular Series of CitiFirst Warrants on the Exercise Date:

$$IV = IM \times (S - CL)$$

where:

IV = Intrinsic Value

IM = Index Multiplier

S = Strike

CL = Closing Index Level

1.4 Postponement of Exercise Date or Relevant Expiry Date

An Exercise Date or the Relevant Expiry Date may, at Citi's option, be postponed if there is an Extraordinary Postponing Event declared under clause 2.3, and in such circumstances Citi shall give a notice to Holders in accordance with clause 5.1.

1.5 Early Termination of CitiFirst Warrant

CitiFirst Warrants in a particular Series automatically terminate if:

- (a) there is an Extraordinary Termination Event declared under clause 2.4; or
- (b) they are cancelled by Citi pursuant to clause 1.8,

In circumstances of a termination pursuant to clause 1.5(a), Citi will pay to Holders the Termination Value of the CitiFirst Warrants, calculated in accordance with clause 2.5.

1.6 Failure by a Holder to Exercise

- (a) If a CitiFirst Warrant has not been exercised by Closing Time on the Relevant Expiry Date, or if a CitiFirst Warrant has been exercised by Closing Time on the Relevant Expiry Date, but the Exercise Notice is invalid, Citi will pay to the Holder the Intrinsic Value (if any) within 10 Business Days of the Relevant Expiry Date.
- (b) Any dispute in relation to the calculation of Intrinsic Value for the purposes of clause 1.6(a) will be referred to ASX for resolution whose resolution will be binding.

1.7 Buy-Backs

Citi may buy back a CitiFirst Warrant and become the Holder of the CitiFirst Warrant, which shall not terminate when bought back. The CitiFirst Warrant may be subsequently resold by Citi.

1.8 Cancellation

Citi may cancel any CitiFirst Warrant if Citi is the Holder of the CitiFirst Warrant, by recording the cancellation in the Register.

1.9 Register

Citi at its cost will arrange for the establishment and maintenance of a register of Holders which complies with the Corporations Act and the Listing Rules as if the CitiFirst Warrants were shares in a company.

1.10 Holding Statements

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

1.11 Transfer

- (a) A CitiFirst Warrant may be transferred if and only if the transfer is in the manner prescribed by or under the Corporations Act, the Operating Rules and the ASX Settlement Operating Rules(as applicable).
- (b) The transferor of a CitiFirst Warrant is regarded as remaining the owner of the CitiFirst Warrant the subject of the instrument of transfer until the name of the transferee is entered in the Register in respect of that CitiFirst Warrant.

1.12 Joint Holders

There must not be more than 3 joint Holders of a CitiFirst Warrant 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 CitiFirst Warrant and one of these joint Holders dies, the survivors shall be the only persons recognised by Citi as having any title or interest in the CitiFirst Warrant.

1.13 Registration of Transfer of CitiFirst Warrants

Citi:

- (a) must deal with, certify and register a transfer of a CitiFirst Warrant which complies with clause 1.11 in accordance with the Operating Rules and the ASX Settlement Operating 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 Operating Rules and the ASX Settlement Operating Rules.

1.14 Status of CitiFirst Warrants

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

2. EXTRAORDINARY EVENTS

2.1 Definition

Citi may, on any Business Day, with the consent of ASX, nominate as an Extraordinary Event:

- (a) the cessation or suspension of publication of the Index or the Closing Index Level;
- (b) the suspension of or a material limitation in the trading in securities which together comprise a material percentage of the weight of the Index;
- (c) the suspension or a material limitation of trading in securities generally on ASX;
- (d) the suspension or a material limitation of trading in the futures contracts relating to the Index traded on the ASX 24 or any similar futures exchange;
- (e) a material change in the formula or method of calculation of the Index;
- (f) any event which causes the CitiFirst Warrants to cease to be CHESS Approved Financial Products;
- (g) any event which may reasonably be expected by the Issuer to lead to a material limitation of the ability of the Issuer to hedge the CitiFirst Warrants or to maintain a secondary market in the CitiFirst Warrants;
- (h) determination by Citi in good faith that the performance of its obligations with respect to the respective Series of CitiFirst Warrants will become, in circumstances beyond the reasonable control of Citi, impossible, unlawful, illegal or otherwise prohibited, as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power; or
- (i) on the withdrawal of admission to trading status or suspension of that Series of CitiFirst Warrants, unless such withdrawal or suspension is caused by Citi,

however, a limitation on the hours and number of days of trading will not constitute an Extraordinary Event if it results from an announced change in the regular days or hours of trading of the relevant exchange.

2.2 Citi's Discretion to Nominate

Where Citi has nominated an Extraordinary Event under clause 2.1 but the CitiFirst Warrant has yet to terminate under clause 1.5(a), Citi may, with the consent of ASX, withdraw that nomination at any time prior to the termination of the CitiFirst Warrants.

2.3 Extraordinary Postponing Events

If an Extraordinary Event has occurred and is continuing on an Exercise Date or Relevant Expiry Date, then the Exercise Date or Relevant Expiry Date may, at Citi's option, be postponed to the next Business Day in respect of which there is, in the reasonable opinion of Citi, no Extraordinary Event continuing (an **Extraordinary Postponing Event**).

In no circumstance shall the Exercise Date or Relevant Expiry Date be postponed to a date later than 10 Business Days after the original Exercise Date or Relevant Expiry Date, provided that if, in the reasonable opinion of Citi, an Extraordinary Event is continuing on that day, the Exercise Date or Relevant Expiry Date shall be that day.

2.4 Extraordinary Termination Events

If an Extraordinary Event has occurred and, in the reasonable opinion of Citi, is continuing and is likely to continue, Citi may terminate a Series of CitiFirst Warrants (an **Extraordinary Termination Event**), with that termination taking effect as and from the date on which that determination is made (the **Termination Date**). The Extraordinary Termination Event shall not exist until the consent of ASX to the proposed termination has been obtained.

As soon as reasonably possible after an Extraordinary Termination Event, Citi shall give notice to Holders in accordance with clause 5.1 and publicly announce the termination of the applicable Series of CitiFirst Warrants and the Termination Date in a manner reasonably satisfactory to ASX.

2.5 Appointment of Calculation Agent

- (a) Upon the occurrence of an Extraordinary Termination Event or as otherwise provided by these Terms of Issue, Citi shall, with the consent of ASX, use its reasonable endeavours to appoint a Calculation Agent, (which may be an associate of Citi), to make such calculations and do such other things as may be required to determine the fair market value (which will include an intrinsic value component), if any, of the applicable Series of CitiFirst Warrants, with such determination to be made, if applicable, in accordance with clause 3, on the Termination Date, if applicable (the **Termination Value**).
- (b) The Calculation Agent shall act as an independent expert and not as agent for Citi and its calculations and determinations shall (except in the event of manifest error) be final and binding on the Holders and Citi.
- (c) If, within 10 Business Days of the Termination Date, no Calculation Agent has been appointed, Citi shall, within a further 5 Business Days, with the consent of ASX, determine the Termination Value.
- (d) Within 5 Business Days of the Termination Value being determined as set out above and, if applicable, notified to Citi, Citi must:
 - (i) if the Termination Value is greater than zero, notify and pay to each Holder of such CitiFirst Warrants the Termination Value of all such CitiFirst Warrants held by such Holder; or
 - (ii) if the Termination Value is zero, notify each Holder of such CitiFirst Warrants in writing of the Termination Value.

3. NON PUBLICATION OR MODIFICATION OF THE INDEX

3.1 Non-Publication of Index

In the event that on any Exercise Date the Index is calculated but not published by S&P, the Exercise Date shall be postponed in accordance with clause 2.3, and the Intrinsic Value or Termination Value of the CitiFirst Warrants shall be calculated by reference to the level of the Index on the Exercise Date as obtained by Citi from such publicly available sources it considers appropriate in its absolute discretion.

3.2 Calculation of Index by Third Party

In the event that on any Exercise Date the Index is not calculated by S&P but is calculated and publicly announced by another person or party (the **Third Party**), the Intrinsic Value or Termination Value of the CitiFirst Warrants shall be calculated by reference to the value of the Index so calculated and announced by the Third Party, provided such Third Party is approved by Citi in its absolute discretion.

3.3 No Index

If neither S&P nor any Third Party is calculating and publishing the Index, the Calculation Agent shall, with the consent of ASX, make such calculations as it considers may be required to determine the Intrinsic Value or Termination Value using the formula and method of calculating the Index in effect on the date the Index was last calculated.

3.4 Change in Index

In the event that prior to the Exercise Date, S&P or the Third Party makes (in the reasonable opinion of Citi) a significant change in the formula for or the method of calculating the Index, the Calculation Agent shall make such calculations as it determines may be required to determine the Intrinsic Value or Termination Value of the CitiFirst Warrants using the formula for or method of calculating the Index in effect prior to such change or modification.

3.5 Advice on Calculation

Citi must, within 10 Business Days of receipt of any written request to do so, advise a Holder of any calculation made by the Calculation Agent pursuant to this clause 3 and the method of arriving at such calculation.

3.6 Calculations Final

All calculations and determinations by Citi and the Calculation Agent shall (except in the case of manifest error) be final and binding on Holders. No claim may be brought against Citi, the Calculation Agent or any other person in respect of any act or omission in relation to the calculation or publication of the Index or the calculation of the Intrinsic Value or Termination Value.

4. EXERCISE OF CITIFIRST WARRANT

4.1 Exercise Notice

- (a) A Holder of a CitiFirst Warrant may exercise the CitiFirst Warrants by delivering to Citi a duly completed Exercise Notice.
- (b) In the case of an American Style CitiFirst Warrant, an Exercise Notice can be delivered and becomes effective on any Business Day it is delivered to Citi prior to Closing Time on the Relevant Expiry Date (as determined by Citi in its absolute discretion), unless it is received after Closing Time in which case it shall become effective on the next Business Day during the Exercise Period (provided that date is before the Relevant Expiry Date) as determined by Citi in its absolute discretion.
- (c) In the case of a European Style CitiFirst Warrant, an Exercise Notice can be delivered to Citi on any Business Day prior to Closing Time on the Relevant Expiry Date. However, the Exercise Notice will be treated as having been received on the Relevant Expiry Date.

4.2 Exercise by Unregistered Person

Where a person claims to be entitled to be registered as the Holder of a CitiFirst Warrant but whose name does not appear in the Register as the Holder, that person may exercise the CitiFirst Warrant by giving to Citi an Exercise Notice in respect of the CitiFirst Warrants to be exercised specifying that the person claims to be so entitled.

In those circumstances, if the person giving the Exercise Notice becomes registered or is entitled to be registered as the Holder before the Business Day which is 6 Business Days after the Exercise Date then the Exercise Notice is to be treated as having been properly given and becomes effective immediately on that person becoming so registered.

4.3 Multiple Exercise Notices

If more than one Exercise Notice which is otherwise effective is given under either or both clause 4.1 and clause 4.2 in respect of a CitiFirst Warrant, the only Exercise Notice in respect of that CitiFirst Warrant which is to be treated as being effective is that given by the person who, to the knowledge, or in the reasonable opinion of Citi, was the last of those persons who, before the Closing Time on the Exercise Date, became entitled to be registered as the Holder of that CitiFirst Warrant (which may, if that is the case, include the person entitled to be registered as the Holder at the Closing Time on the Exercise Date) and every other Exercise Notice given in respect of that CitiFirst Warrant, notwithstanding clauses 4.1 and 4.2, is of no force or effect.

4.4 Effectiveness of Exercise Notices

An Exercise Notice becomes valid and effective if and only if:

- (a) it is duly completed and in proper form;
- (b) it is received by Citi prior to Closing Time on the Relevant Expiry Date; and
- (c) the CitiFirst Warrant has not terminated under clause 1.5.

If the requirements for an effective exercise notice set out in this clause 4.4 above are not satisfied, the Exercise Notice is null and void and Citi must give a notice accompanied by the purported Exercise Notice and all documents which accompanied it (including any cheque) to the person who gave that Exercise Notice not later than the Business Day which is 10 Business Days after the day which the purported Exercise Notice was given to Citi.

Any determination as to whether an Exercise Notice is duly completed and in proper form and otherwise effective shall be made by Citi in its absolute discretion and shall be conclusive and binding on Citi and the Holder.

4.5 Agreement to Pay

Where a valid Exercise Notice is given, a contract arises on the Exercise Date or Relevant Expiry Date (whichever is the first to occur) under which:

- (a) Citi will pay the Intrinsic Value (if any) to the Holder in accordance with clause 1.2; and
- (b) the exercised CitiFirst Warrants will cease to exist and all obligations of Citi in respect of those CitiFirst Warrants (apart from the obligation arising under clause 4.6) will terminate absolutely following payment of the amount referred to in clause 4.5(a).

4.6 Interest

If Citi does not pay the amount calculated in accordance with clause 4.5 by the time specified, interest accrues on that amount at the Default Rate accruing daily from the last day on which Citi was required to pay the Holder under clause 4.5 until payment is made.

4.7 Acknowledgment

The Holder and Citi acknowledge to each other that the amounts of interest calculated under clause 4.6 is a genuine pre-estimate of the damage that the Holder would suffer from the failure of Citi to perform its obligations under clause 4.5.

4.8 Calculations and Securities

In these Terms of Issue:

- (a) all calculations will be done to no less than three decimal places; and
- (b) no rounding of numbers will occur until a Holder exercises a CitiFirst Warrant and at that time the entitlement attaching to all CitiFirst Warrants of that Holder the subject of exercise will be aggregated and that aggregate will be rounded so that all money amounts are rounded to the nearest whole cent.

4.9 Warranties by Exercising Holder on Exercise of CitiFirst Warrant

By giving an Exercise Notice, the Holder warrants that:

- (a) the Holder has good, complete and unencumbered title to the CitiFirst Warrants;
- (b) none of the CitiFirst Warrants the subject of the Exercise Notice will breach or result in a breach of any exchange control, fiscal or other laws or regulations for the time being applicable; and
- (c) the Holder is not a resident or national of any jurisdiction where the exercise of the CitiFirst Warrants is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by Citi or any related entity of Citi,

and the Holder agrees to indemnify Citi against any loss, liability, damage, claim, cost or expense incurred as a result, directly or indirectly, of any warranty given by the Holder in this clause 4.9 proving to be untrue or incorrect.

5. NOTICES

5.1 When Notice is required

Citi must give notice to each Holder in the following circumstances:

- (a) on the termination of a CitiFirst Warrant under clause 1.5 of the Terms of Issue within 10 Business Days after the Termination Date;
- (b) on the occurrence of an Extraordinary Postponing Event;
- (c) on the occurrence of an Extraordinary Termination Event;
- (d) on the determination of the Termination Value in accordance with clause 2.5(d); or
- (e) as otherwise provided in these Terms of Issue.

5.2 Method of giving Notice

Except where otherwise provided by these Terms of Issue, all notices required or permitted to be given by Citi to a Holder pursuant to these Terms of Issue must be in writing and are treated as being duly given if:

- (a) left at the Holder's address as it appears in the Register; or

- (b) sent by pre-paid mail to the Holder's address as it appears in the Register (which must be airmail if that address is not within Australia).

5.3 Time of Receipt

A notice given by Citi in accordance with clause 5.2 is treated as having been duly given and received:

- (a) when delivered – in the case of it being left at the Holder's address as it appears in the Register; or
- (b) on the third Business Day after posting – in the case of it being sent by pre-paid mail.

5.4 Address of Parties

For the purposes of this clause 5 if more than one person is entered in the Register as the Holder of a CitiFirst Warrant, a notice given to any of those persons is effective as notice to all those persons.

5.5 Notices by Holder

All notices required or permitted to be given by the Holder to Citi pursuant to these Terms of Issue or otherwise in respect of the CitiFirst Warrant must be in writing and are treated as being duly given if and only if they are actually received at the office of Citi or at such other address as Citi may notify to the Holder.

6. GENERAL

6.1 Variation of Terms of Issue

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

- (a) with the consent of ASX:
 - (i) if the change is necessary or desirable in the reasonable opinion of Citi to comply with any statutory or other requirement of law or any requirement of ASX;
 - (ii) to accommodate transfers; or
 - (iii) if the change is made for the purpose of curing any ambiguity, error, defective provision or minor modification which does not materially prejudice the interests of Holders; or
- (b) where the terms of that Change are authorised by a resolution of the Holders passed in accordance with the following:
 - (i) Citi 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 Citi or its associates) to vote either in favour of or against the Change, a document setting out the reasons for and any advantages or disadvantages of the Change and a document summarising the provisions of this clause 6.1(b);
 - (ii) Citi retains all ballot papers which are returned to it within the voting period (which must, in any event, be not less than 20 Business Days after the date of dispatch of the last of the notices referred to in paragraph (i) of clause 6.1(b));
 - (iii) Citi's auditor (after consultation with Citi's lawyers, if desired by either the auditor or Citi) determines the validity of all ballot papers returned during the voting period and if Citi or an "associate" of Citi (within the meaning of Part 1.2, Division 2 of the Corporations Act (other than section 13)) (except if the person holds the relevant CitiFirst Warrants as trustee or nominee for another person) returns a ballot paper to a Holder it is to be treated as not being valid;

- (iv) Citi's auditor adds together all of the votes cast on valid ballot papers during the voting period (calculated on the basis of one vote for each CitiFirst Warrant held by the person casting that vote) in favour of the Change and all of the votes cast on valid ballot papers during the voting period (calculated on the same basis) against the Change; and
- (v) the number of votes validly cast in favour of the Change (as determined by the previous paragraph) is not less than three times greater than the number of votes validly cast against the Change (as so determined),

except that the Relevant Expiry Date is not to be amended except in the case of an Extraordinary Termination Event or Extraordinary Postponing Event.

6.2 Notification of Change to ASX

Any Change to these Terms of Issue made under clause 6.1 must be notified to ASX and, if requested by ASX, be notified to the market.

6.3 No Requisition by Holders

Nothing in these Terms of Issue authorises a Holder (alone or together with other Holders) to requisition the consideration of any resolution.

6.4 Waiver

The failure, delay, relaxation or indulgence on the part of Citi in exercising any power or right conferred upon Citi by these Terms of Issue does not operate as a waiver of that power or right nor does any single exercise of any power or right preclude any other or further exercise of it or the exercise of any other power or right under these Terms of Issue.

6.5 Discretions

The Holder may not give any direction to Citi, even where the CitiFirst Warrant is exercised, concerning the exercise by Citi of any discretion relating to the CitiFirst Warrants, or any discretion conferred on Citi by these Terms of Issue.

6.6 Governing Law and Jurisdiction

The CitiFirst Warrants 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.

6.7 Telephone Recording

The Holder agrees to the tape recording by Citi of any telephone conversations concerning the CitiFirst Warrant, the retention of any tape recording so made and the use of any tape recording so made as evidence of the content of the conversation.

SECTION 8 – DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

AEST means Australian Eastern Standard Time.

American Style means, in respect of a CitiFirst Warrant, a CitiFirst Warrant that can be exercised on any Business Day during an Exercise Period.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of ASX Settlement as amended or varied from time to time.

Business Day has the meaning given to it in the Operating Rules.

Calculation Agent means the agent appointed pursuant to clause 2.5 of the Terms of Issue.

Call Warrant means a CitiFirst Warrant whose type is specified as a "Index Call" in the Term Sheet.

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

CHES stands for the Clearing House Electronic Subregister System and has the meaning given to it in the ASX Settlement Operating Rules.

CHES Approved Financial Products means financial products which are approved under section 8 of the ASX Settlement Operating Rules.

CHES Subregister has the meaning given to it in the ASX Settlement Operating Rules.

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

CitiFirst Warrant means a CitiFirst warrant offered on the terms of this PDS.

Citigroup Australia Holdings means Citigroup Global Markets Australia Holdings Pty Limited (ABN 56 081 472 684).

Closing Index Level means, on any Exercise Date, the closing level of the Index as calculated by S&P.

Closing Time means 4:05pm Sydney time.

Company Announcements Platform means the electronic system operated by ASX for the receipt, storage, retrieval and dissemination of market information.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the regulations made under the Corporations Act.

Default Rate means, on any day, the interest rate calculated by adding 2 per cent to the prime rate (being the base lending rate published for prime corporate customers by Citibank Pty Limited (ABN 88 004 325 080 / AFSL 238098) in Australia) which applies on that day to overdrafts with Citibank.

European Style means, in respect of a CitiFirst Warrant, a CitiFirst Warrant that can only be exercised on the Relevant Expiry Date for that CitiFirst Warrant.

Exercise Date means:

- (a) in the case of American Style CitiFirst Warrants, any Business Day prior to Closing Time on the Relevant Expiry Date on which the Holder has delivered to Citi an Exercise Notice; or
- (b) in the case of European Style CitiFirst Warrants, the Relevant Expiry Date.

Exercise Notice means a notice in the form of Appendix 2 given by the Holder or other person entitled to give such a notice to Citi in respect of a CitiFirst Warrant in accordance with clause 4 of the Terms of Issue.

Exercise Period means:

- (a) in the case of American Style CitiFirst Warrants, the period beginning on the day the CitiFirst Warrants commence trading on ASX, and ending on and including the Relevant Expiry Date; or
- (b) in the case of European Style CitiFirst Warrants, the Relevant Expiry Date.

Extraordinary Event has the meaning given to it in clause 2.1 of the Terms of Issue.

Extraordinary Postponing Event has the meaning given to it in clause 2.3 of the Terms of Issue.

Extraordinary Termination Event has the meaning given to it in clause 2.4 of the Terms of Issue.

FSG means the financial services guide that appears as Appendix 1 to this PDS.

Group has the meaning given to it in Section 3 of this PDS.

Guarantee means the deed poll guarantee executed by the Guarantor in favour of Holders to guarantee certain obligations of Citi, as explained in Section 6 of this PDS.

Guarantor means Citigroup Inc., a Delaware corporation.

HIN or **Holder Identification Number** has the meaning given to it in the ASX Settlement Operating Rules.

Holder means the person recorded in the Register as the holder of a CitiFirst Warrant from time to time.

Index or **S&P / ASX 200 Index** means the index so named which is compiled and published by S&P.

Index Multiplier means the monetary value given to each Index point for a particular Series, as set out on the Term Sheet.

Intrinsic Value means the value calculated in accordance with clause 1.3 of the Terms of Issue.

Issue Price means, in relation to a Series, the amount paid for one CitiFirst Warrant in that Series.

Issuer means Citi.

Issuer Sponsored Subregister has the meaning given to it in the ASX Settlement Operating Rules.

ITS means the Integrated Trading System provided for the trading of securities on ASX.

Listed Entity means any entity listed on the ASX the securities of which form part of the Index.

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

MM means million.

Offer means the initial offer of the relevant series of CitiFirst Warrants by Citi to Citigroup Australia Holdings under the Terms of Issue.

Operating Rules means the operating rules of ASX as amended or varied from time to time.

Operating Rules Procedures means the procedures for the Operating Rules as amended or varied from time to time.

PDS means this Combined Financial Services Guide and Product Disclosure Statement.

PID has the meaning given to it in the ASX Settlement Operating Rules.

Put Warrant means a CitiFirst Warrant whose type is specified as a "Index Put" in the Term Sheet.

Recognised Market means any stock market of a securities exchange, an exempt stock market and a futures market of a futures exchange, and includes any financial market authorised under the Corporations Act.

Register means the register of Holders kept and maintained under clause 1.9 of the Terms of Issue.

Registrar means Computershare Investor Services Pty Limited (ACN 078 279 277), or such other registrar as may be approved by Citi.

Relevant Expiry Date means, in relation to a Series, the earlier of:

- (a) the date on which the CitiFirst Warrants in that Series terminate pursuant to clause 1.5 of the Terms of Issue (in which circumstances it will be the Termination Date); or
- (b) the expiry date that appears in the Term Sheet.

Series means CitiFirst Warrants which:

- (a) are either a Put Warrant or a Call Warrant;
- (b) have a particular Strike;
- (c) have the same Relevant Expiry Date; and
- (d) are issued on the same terms.

S&P means Standard & Poor's, a division of The McGraw-Hill Companies, Inc, or, as applicable, the trademark held by The McGraw-Hill Companies, Inc.

SRN or **Shareholder Registration Number** has the meaning given to it in the ASX Settlement Operating Rules.

Strike means in relation to a Series, the level of the Index in respect of that Series as set out in the Term Sheet.

Term Sheet means the summary table that appears on page 1 of this PDS setting out the product specific information for each of the CitiFirst Warrants to be issued under this PDS.

Termination Date has the meaning given to it in clause 2.4 of the Terms of Issue.

Termination Value has the meaning given to it in clause 2.5(a) of the Terms of Issue.

Terms of Issue means the terms of issue of the CitiFirst Warrants contained in section 7 of this PDS.

US Person has the meaning given to it by Regulation S under the US Securities Act.

2. INTERPRETATION

In this PDS and the Terms of Issue, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) headings are for convenience only and do not affect interpretation;
- (d) a reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, government and governmental authority and vice versa;
- (e) a reference to section, clause, Part, Schedule or Appendix is to a reference to a section, clause, or Part of or a Schedule or Appendix to this PDS;
- (f) a reference to any agreement or document is a reference to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (g) a reference to "dollars", "cents" and "\$" is a reference to Australian currency unless otherwise stated;
- (h) a reference to a matter being "with the consent of ASX" is a reference to that matter being with the consent of ASX unless that consent is unreasonably withheld or delayed;
- (i) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (j) a reference to a date or time is to a date or time in Sydney, Australia unless otherwise stated; and
- (k) expressions not otherwise defined which are defined in the Corporations Act, the ASX Settlement Operating Rules, the Operating Rules or the Listing Rules have the meaning given to them in the Corporations Act, the ASX Settlement Operating Rules, the Operating Rules or the Listing Rules (as the case may be).

APPENDIX 1 – FINANCIAL SERVICES GUIDE

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

Dated: 25 April 2011

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?

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

Details of Citi and its relationship with other members of the Citigroup Inc. group of companies appear in section 3 of the PDS to which this FSG is annexed.

In Australia, Citi is a Participant of the ASX. Citi 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 Citi 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; or
- writing to us at:

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

WHAT KIND OF FINANCIAL SERVICES IS CITI AUTHORISED TO PROVIDE?

Citi 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 provide both general and personal advice to, and to deal on behalf of retail and wholesale clients in relation to:

- 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) of the Corporations Act applies; that is a financial product of the kind referred to in subparagraph 764A(1)(b)(ii) or 764A(1)(ba)(ii) of the Corporations Act; and
 - (B) that is transferable; and
 - (C) that is a warrant as defined in the Operating 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;
- government bonds and debentures; and
- financial products other than foreign exchange.

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

OUR PRODUCTS AND SERVICES

In Australia, Citi 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 Citi and/or its subsidiaries and/or associates. Furthermore, your representative is not required to place any portion of investments placed with Citi and/or its subsidiaries and/or associates.

YOUR RIGHTS AS AN INVESTOR

Your representative will be acting on behalf of Citi. Citi 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, Citi 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 Citi 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 Inc. group of companies may from time to time issue financial products that are recommended and/or distributed by Citi and may benefit from that;
- members of the Citigroup Inc. 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
- Citi will also trade financial products on its own account.

WHAT YOU SHOULD DO IF YOU HAVE A COMPLAINT

Citi has formal internal complaint handling procedures which are consistent with the Australian Standard ISO 10002-2006. As a client, you have the right for any complaint in relation to your dealings with Citi 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 Citi 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 Global Markets Australia Pty Limited, Level 22, 2 Park Street, Sydney NSW 2000, and provide all relevant details of your complaint.

External Complaint Services and Regulatory Bodies

Citi is a member of the Financial Ombudsman Service (**FOS**). FOS assists with the resolution of disputes between consumers and participating financial services providers.

If you have made a complaint to Citi 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 FOS. FOS' details are:

Financial Ombudsman Service
GPO Box 3, Melbourne VIC 3001
Toll-free: 1300 78 08 08
Fax: + 61 3 9613 6399
Email: info@fos.org.au

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 Citi or FOS. For a complaint that exceeds \$500,000, alternative dispute resolution mechanisms may be utilised.

ASIC also has an information line that you may use to make a complaint and obtain information about your rights on 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 are 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.

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 any affiliate of Citi or your broker.

COMPENSATION ARRANGEMENTS

Citigroup Inc. has provided a guarantee in respect of Citi's liabilities to customers due to breaches by Citi or its current representatives of their relevant obligations under Chapter 7 of the Corporations Act. The guarantee is approved by ASIC as an alternate compensation arrangement put in place instead of professional indemnity insurance. The guarantee satisfies the requirements under section 912B of the Corporations Act. The guarantee reduces the risk that Citi cannot pay customer claims because of insufficient financial resources.

HOW WE ARE REMUNERATED FOR THE SERVICES WE PROVIDE

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

Transaction based fee arrangement

Under a transaction based fee arrangement, Citi 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 the 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.

Citi may also receive commissions, volume bonuses and other incentives from fund managers and product issuers (including Citi 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 Citi 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 financial services guide or statement of advice 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. Citi employees and directors receive salaries, bonuses based on performance criteria and other benefits from us.

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

PARTICULARS OF REMUNERATION

You may request particulars of the remuneration (including commissions) or other benefits received by Citi, its related bodies corporate, and/or a director or employee of Citi or its related bodies corporate that relate to the provision to you of a financial service. However, that request must be made within a reasonable time after you are provided with a copy of this FSG and before any financial services identified in this FSG are provided to you.

PRIVACY PROTECTION AT CITI

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 Citi. 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 Citi website at www.citigroup.com.au.

APPENDIX 2 - EXERCISE NOTICE

[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 CitiFirst Warrants specified below, hereby exercise the CitiFirst Warrants pursuant to the right granted under clause 1.2 of the Terms of Issue.

This Exercise Notice is irrevocable.

By completing this Exercise Notice, I/we represent and warrant that the CitiFirst Warrants are neither directly nor indirectly held in favour of a US Person and have been acquired in accordance with the sales restrictions set forth in the PDS.

ASX Code	Index	Relevant Expiry Date	Strike	Type of CitiFirst Warrant	Index Multiplier	Number of CitiFirst Warrants

Complete if the Holder is a company

[COMPANY NAME] LIMITED)
)

 Signature

 Signature

 Print name

 Print name

 Office held

 Office held

Complete if the Holder is an individual

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

Signature

Witness

Print name

CORPORATE DIRECTORY

Citi

Citigroup Global Markets Australia Pty Limited

Level 40

Citigroup Centre

2 Park Street

Sydney NSW 2000

Guarantor

Citigroup Inc.

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New York New York 10043

United States of America

Lawyers

Freehills

MLC Centre

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Sydney NSW 2000

Registrar

Computershare Investor Services Pty Limited

Level 4

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Sydney NSW 2000