

Participate in the Economic Recovery Using Citiwarrants Today

Share	BHP	RIO
Rating	Buy / Medium Risk	Buy / Medium Risk
Current Price*	\$41.67	\$73.87
Price Target	\$50.00	\$85.00
Dividend Yield	\$0.49	\$1.56

*Current price as at 05th March 2010

Use Citi Instalment Warrants to increase exposure to BHP and RIO



BHP Billiton & Rio Tinto

- With the Australian and Global Economy showing increasing signs of recovery investors can participate by investing in Australian diversified miners; BHP & RIO
- BHP & Rio are already 6% and 11% off their February 2010 lows respectively
- The recent pullback presents a good opportunity to trade this view. BHP and RIO are still 6% and 9% off recent January highs
- Citi's Investment Research and Analysis team has Buy / Medium Risk ratings on the shares of BHP and RIO with price targets of:
 - BHP - \$51.00
 - RIO - \$85.00
- A full report with important disclosures accompanies this note.
- Using Citi Instalment or Self-Funding Instalment Warrants rather than shares, investors can potentially enhance their exposure to capital growth and dividends with the same initial outlay

Strategy

- An investor expecting long term growth in BHP or RIO may enhance their exposure to the stocks using IOD series instalment warrants. Features of the IOD series include:
 - Moderate Gearing
 - Long time to maturity, resulting in slower decay
 - If investment is held for more than 12 months the investor will receive the CGT discount
- For example, if you had \$100,000 to invest in either the underlying shares or the IOD series Instalment warrants, the dollar returns could be as follows:

Code	BHP	BHPIOD	RIO	RIOIOD
Buy Price	\$41.67	\$22.54	\$73.87	\$49.87
Number of Units	2,400	4,437	1,354	2,005
Dividend Received*	\$2,279.82	\$4,214.73	\$1,380.80	\$2,045.32
Sell Price on 05/03/11**	\$51.00	\$28.61	\$86.00	\$58.98
Profit	\$24,670.03	\$31,144.63	\$17,801.54	\$20,312.81
Total Return on Investment (p.a.)	24.67%	31.14%	17.80%	20.31%

*Forecast Dividends between 05/03/2010 and 05/03/2011

**Hypothetical sell price



- A more bullish Investor may look to increase their short-term returns using the IOK series Instalments. Benefits of the IOK series include:
 - Lower entry price
 - Increased exposure to capital gains and dividends
- For example, if you had \$100,000 to invest in either the underlying shares or the IOD series Instalment warrants, the dollar returns **could** be as follows:

Code	BHP	BHPIOD	RIO	RIOIOD
Buy Price	\$41.67	\$10.42	\$73.87	\$27.72
Number of Units	2400	9,597	1,354	3,608
Dividend Received*	\$1,079.91	\$4,318.62	\$690.40	\$1,839.83
Sell Price on 23/9/10**	\$47.00	\$12.00	\$83.00	\$33.00
Profit	\$13,870.89	\$19,481.77	\$13,049.95	\$20,887.45
Total Return on Investment (p.a.)	24.94%	35.03%	23.46%	37.56%

*Forecast Dividends between 05/03/2010 and 23/09/2011
**Hypothetical sell price

- Citi Instalments and Self Funding instalments available over BHP and RIO include:

Code	Maturity	Strike	Gearing	Delta
BHPIOO	15/12/2011	\$22.50	54%	0.93
BHPIOD	17/06/2011	\$23.00	55%	0.96
BHPIOA	23/06/2010	\$27.50	66%	0.96
BHPIOS	25/03/2010	\$30.00	71%	1.00
BHPIOF	23/06/2010	\$32.00	76%	0.92
BHPIOI	15/12/2011	\$32.50	77%	0.80
BHPIOK	23/09/2010	\$35.00	83%	0.86
BHPIOP	25/03/2010	\$37.00	88%	0.92
RIOIOD	17/06/2011	\$27.76	37%	0.97
RIOIOP	25/03/2010	\$35.00	47%	1.00
RIOIOO	15/12/2011	\$45.00	61%	0.88
RIOIOK	23/09/2010	\$50.00	68%	0.90
RIOIOI	15/12/2011	\$65.00	88%	0.74
RIOIOA	23/06/2010	\$68.95	93%	0.67
BHPSOA	28/06/2012	\$21.21	51%	0.91
BHPSOB	27/06/2013	\$19.60	47%	0.88
BHPSOC	26/06/2014	\$13.57	32%	0.92
BHPSOD	26/06/2015	\$24.51	58%	0.78
RIOSOA	28/06/2012	\$45.31	61%	0.85
RIOSOB	27/06/2013	\$46.00	62%	0.81
RIOSOC	26/06/2014	\$32.18	43%	0.87
RIOSOD	26/06/2015	\$39.48	53%	0.81

Other Considerations

- As the holder of the Citi Instalment you are entitled to the dividend
- Depending upon the investor's tax circumstance, if the instalment is held for 45 days the investor is entitled to the franking credits
- If the investment is held for more than 1 year the investor will be eligible for the CGT discount.
- Instalment warrants are also available for Self Managed Super Funds (SMSF)



Risks

- Investors should read the relevant Product Disclosure Statement, which details the potential risks associated with investing in Self Funding Instalments. Such risks can include:
 - Factors affecting the price of the warrant, e.g. the price of the underlying security
 - Possible illiquidity of trading market
 - General market risks
 - Legislative and tax risks

Contact Details

For further details on this or any other Citi Structured Product please contact the sales desk on 1300 30 70 70 or email australia.warrants@citi.com

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