

## ORB INTERNATIONAL ENHANCED INCOME (YIELDS) and (YIELDS2)

### Income Plus Trading Strategy



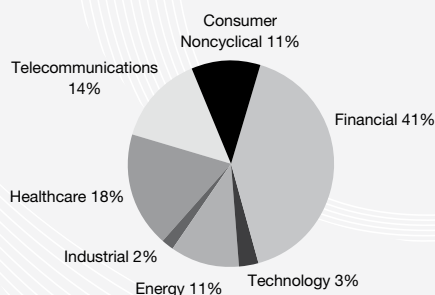
The Income Plus Strategy is based on Citigroup's proprietary trading model that seeks to offer a high level of income and potential for capital appreciation through exposure to global equity markets. Each year, the Strategy selects a portfolio of 30 high yielding stocks from the Dow Jones Global Titans 50 SM (DJGT) index. Further yield enhancement is achieved by writing quarterly covered call options on each of the stocks within the Strategy. The call option overwriting is intended to help the Strategy outperform a direct investment in the underlying portfolio of stocks in all but strong bull market scenarios.

Both the YIELDS and YIELDS2 Investments have exposure to the Income Plus Trading Strategy whilst at the same time guaranteeing the capital value of \$10 if held to their respective maturities.

For the quarter ending 31 December 2007, the Strategy Total Return in Australian Dollars was -2.59%. This compares with -1.97% for the AUD Price return of the Dow Jones Global Titans Index. In October the Income Plus Trading Strategy (IPTs) distributed income of 2.41%.

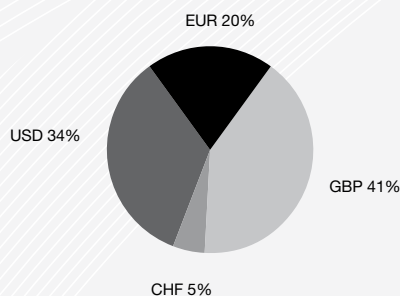
In December, the Strategy value depreciated leading to a month-on-month price performance of -1.87%. The overall effect (excluding FX) of the sector performances on the Strategy was negative. The Strategy suffered from a weakening of the USD, EUR and CHF against the AUD over the period. Overall the currencies had a negative net effect on the Strategy performance.

### Sector Distribution



### Currency Distribution

The Australian Dollar was stronger over the period against the USD.



### Top Ten Holdings

Company	Sector	Currency	Country
AT&T	Telecommunications	USD	US
Barclays	Financial	GBP	UK
ENI	Energy	EUR	IT
HBOS	Financial	GBP	UK
HSBC Holdings	Financial	GBP	UK
Merck & Co.	Healthcare	USD	US
Pfizer	Healthcare	USD	US
Royal Bank of Scotland	Financial	GBP	UK
Verizon Communications	Telecommunications	USD	US
Vodafone	Telecommunications	GBP	UK

### YIELDS

As at 31 December, the value of YIELDS as traded on the Australian Stock Exchange remained at the same level from the previous month. The Fair Market Value was down 3.84% over the quarter. This is largely attributable to the strengthening value in AUD over the quarter. The allocation to the IPTs remained steady in December at 14%. The Gap Measure was lower from 24% to 22% as at 31 December 2007.

There was no distribution for YIELDS over the quarter. This occurred because the NAV would have been less than 105% of the bond floor had the coupon been paid out. The coupon that would have been paid has been reinvested in the strategy to maintain the current allocation to the strategy of 14%.

### Factors impacting the performance of YIELDS:

**Appreciation of the AUD v USD since commencement.** This has impacted both the value of the dynamic portfolio and the recent distribution. The AUD/USD rate has risen from 0.7013 cents on 30 July 2004 (Issue date) to 0.8780 cents as at 31 December 2007.

**Allocation to the Income Plus Trading Strategy.** YIELDS has a current allocation of 14% to the IPTs. Six de-leverage events have occurred since issue.

**Continued equity market weakness.** Global equity market volatility over the last quarter and the strengthening of the AUD has adversely impacted both the value of the dynamic portfolio and the ability of Yields to pay a distribution. The Dow Jones Global Titans Index has declined by 1.97% (in AUD terms) over the quarter.

### YIELDS2

YIELDS2 was issued on 6 December 2004 and also invests in the IPTs.

During the 3 months ending 31 December 2007, the value of YIELDS2 as traded on the Australian Stock Exchange was down 2.78%. The Fair Market Value was down 5.56% over the quarter. The allocation to the IPTs de-leveraged during the quarter from 40% to 24% and the Gap Measure as at 31 December 2007 was 17%.

A distribution of 8.42 cents per YIELDS2 occurred over the quarter. This payment saw YIELDS2 trade on an ex-distribution basis on the 15 October 2007 and a distribution was paid to holders on 16 November 2007.

### Factors impacting the performance of YIELDS2:

**Appreciation of the AUD v USD since commencement and over the quarter.** This has impacted both the value of the dynamic portfolio and the recent distribution. The AUD/USD rate has risen from 0.7729 cents on 6 December 2004 (Issue date) to 0.8780 cents as at 31 December 2007.

**Allocation to the Income Plus Trading Strategy.** YIELDS2 had a de-leverage event occur in both October and November where the allocation to strategy fell from 40% to 19%. In December an up-leverage event occurred where the allocation to strategy increased from 19% to 24%.

**Continued market weakness.** Global equity market volatility over the last quarter and the strengthening of the AUD has adversely impacted both the value of the dynamic portfolio and the ability of Yields to pay a distribution. The Dow Jones Global Titans Index has declined by 1.97% (in AUD terms) over the quarter.

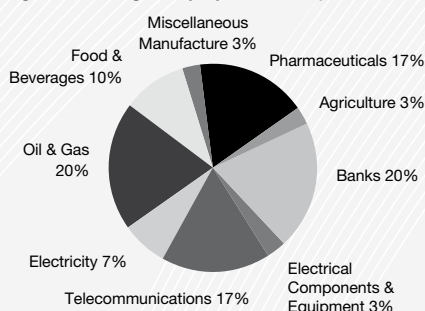
# CREDIT SUISSE ORB INVESTMENT TRADED SECURITIES ("ORBITS")



ORBITS have been designed to give a return modelled on a buy-write strategy. The structure provides capped returns (similar to purchasing shares and then selling call options in a buy-write strategy) and minimum coupons (similar to the premium received from selling call options, plus dividends received in a buy-write strategy). The overall strategy provides a capital guarantee structure with 100% participation in each underlying security in the relevant Reference Portfolio up to the relevant cap level for each quarter.

## Reference Portfolio

The Reference Portfolio for International Income ORBITS and International Growth ORBITS contains 30 Reference Securities selected from the 100 largest entities globally by market capitalisation.



For the quarter ending December 2007, the performance of both International Income ORBITS and International Growth ORBITS in terms of the coupon accrual were both negative.

## International Income ORBITS

The quarterly accrued Coupon in relation to International Income ORBITS (ORBSC1) for the quarter ended 21 December 2007 is -3.95%. Please note this is an accrued coupon and is not payable to investors. Coupons are paid annually in accordance with the Combined Product Disclosure Statement.

The last transaction price for the quarter ending December 2007 was AUD 0.89.

## International Growth ORBITS

The accrued Bonus Coupon in relation to International Growth ORBITS (ORBSC3) for the quarter ended 21 December 2007 is -2.98%. Please note this is an accrued coupon and is not payable to investors. The Bonus Coupon is paid on expiry.

The last transaction price for the quarter ending December 2007 was AUD 0.91.

(1) Return figures are calculated as a % change over the period, include income distributed by the Strategy and assume no reinvestment over life. (N.B. The % coupon paid on the Note is not the same as the % income distributed by the Strategy as the coupon is among other things a function of the allocation to the Strategy). Yield is based on value of Strategy as of beginning of period. (2) Percentage change of each currency holdings within Strategy versus AUD over the past month, using currency weightings as of end of month. (3) Breakdown as of beginning of month using live weights and prevailing exchange rates and showing the exposure of the Strategy holding to the currencies listed. (4) Top ten holdings shown alphabetically as of last rebalancing (5) Price performance showing sector returns as measured in the stocks' respective local currencies over the past month, using live weights as of beginning of month. (6) Breakdown as of beginning of month using live weights reflecting the relative value of each stock/sector as of that time in percentage of the value of the total Strategy holding.

(i) Bid Price is the ASX market bid price of YIELDS (ASX code: YLDSO1) as at the respective month end. This price reflects the highest market bid in the security as at the close of trading. In the event of no higher bids this price may represent Citigroup's market bid price for YIELDS. On the Issue Date the initial value of YIELDS was AUD 9.64 per unit. (ii) Price return and total return since Issue Date are calculated as a % change in price versus the YIELDS value at the beginning of the reference period net of any upfront fee and other ongoing fees. Total return figures include distribution paid and assume no reinvestment over life. (iii) YIELDS Distribution % is calculated as the total distribution declared per unit during the period as a % of the value of YIELDS at the beginning of the period. % figures are not annualised. (iv) This is the AUD amount collected to date per YIELDS unit for the next quarterly distribution. This amount is an estimate as of month end, based on available information at the time and assumes the current allocation remaining constant. It is for indication only and may be subject to change. (v) Strategy and BP monthly change are estimates and are calculated using beginning and end of month Citigroup bid prices and allocations to the Strategy. (vi) The Dynamic Portfolio Reference level is the indicative value of the Net Portfolio Unit NAV as at the respective month end and has been derived from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging transactions. It is for indicative purposes only and subject to change. (vii) If the Gap measure rises above 25%, an "up-leverage" event will occur; a fall of the Gap measure below 15% would lead to a "de-leverage" event. MoM means month on month change. Figures are calculated using month end data. Charts are based on month end data. Source: Bloomberg (DJGT Index and exchange rates) and Citigroup Global Markets Limited.

## Disclaimers

**ORB International Enhanced Income YIELDS** - This information provided on YIELDS has been sourced from Citigroup Global Markets Australia Pty Limited ('CGMA') (ABN 64 003 114 832 AFSL 240992), a Participant of the ASX Group and a Participant of the Sydney Futures Exchange Limited. It has been prepared by the Strategy Sponsor of YIELDS, Citigroup Global Markets Limited ('CGML'), for information purposes only and is subject to change without notice. Although the information contained herein has been obtained from sources believed to be reliable, CGMA and its affiliates ('Citigroup') do not guarantee its accuracy, and such information may be incomplete or condensed. Any prices used are indicative and may not be available when any order is entered. The value of investments mentioned herein and any income, which might accrue from them, may fluctuate and may fall or rise against an investor's interest. All opinions and estimates included in this document constitute judgment of CGML as of the date of this report and are subject to change without notice. Citigroup may from time to time take proprietary positions and/or make a market in instruments identical or economically related to financial products acquired by you, or may have an investment banking or other commercial relationship with and access to information from the issuer(s) of securities, financial products or other interests underlying transactions entered into with you. CGMA may also undertake proprietary activities, including hedging transactions related to the initiation or termination of a transaction with you, that may adversely affect the market price, rate, index or other market factors underlying a transaction entered into with you and consequently the value of the transaction.

**Credit Suisse ORB Investment Traded Securities ("ORBITS")** - This report has been prepared by Investorlink Securities Limited (ABN 74 062 361 166) for information purposes only and is subject to change without notice. Although the information supplied in the report has been obtained from sources believed to be reliable, Investorlink Securities Limited does not guarantee its accuracy or completeness.

## Orb summary as at 31 December 2007

ORB International Enhanced Income (YIELDS)			
Field	Value	Issuer	Guarantor
Closing price (ASX)	A\$8.59	 Citigroup Global Markets Australia Pty Ltd.	 Citigroup Global Markets Holdings Inc.
Capital Guarantee	A\$10.00		
Issue Date	30 July 2004		
Maturity Date	22 July 2010		

ORB International Enhanced Income (YIELDS2)			
Field	Value	Issuer	Guarantor
Closing price (ASX)	A\$8.75	 Citigroup Global Markets Australia Pty Ltd.	 Citigroup Global Markets Holdings Inc.
Capital Guarantee	A\$10.00		
Issue Date	6 December 2004		
Maturity Date	6 December 2010		

International Income ORBITS			
Field	Value	Issuer	Guarantor
Closing price (ASX)	A\$0.89	 Credit Suisse, Sydney Branch	 Credit Suisse
Capital Guarantee	A\$1.00		
Issue Date	21 September 2005		
Expire Date	21 September 2011		

International Growth ORBITS			
Field	Value	Issuer	Guarantor
Closing price (ASX)	A\$0.91	 Credit Suisse, Sydney Branch	 Credit Suisse
Capital Guarantee	A\$1.00		
Issue Date	21 September 2005		
Maturity Date	21 September 2011		

## How to contact ORB

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