

Palisades Water Index Certificates

Final Summary of Indicative Terms and Conditions*

(*This Final Summary will be followed by a final prospectus)

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| Issuer: | Citigroup Global Markets Holdings Inc. (AA-; Aa1) |
| Securities: | Low Strike Price European style certificates linked to the performance of the Underlying Index |
| Underlying Index: | Palisades Water Index (Bloomberg: ZWI Index) |
| Lead Manager: | Citigroup Global Markets Limited |
| Number of Certificates: | Number of Certificates issued on Issue Date is 2,500. Total number of Certificates issued can be up to 50,000. |
| Issue Price: | USD 1507.98 |
| Initial Trade Price per Certificate: | USD 1511.00 |
| Management Fee: | Equivalent to 0.33% per annum. Accrued and deducted daily from certificate value according to the Net Exposure Factor formula below: Net Exposure Factor = $1 - (\text{number of calendar days since Strike Date} / 365 * 0.33\%)$ |
| Trade Date: | June 06, 2006 |
| Strike Date: | June 06, 2006 |
| Issue Date: | June 20, 2006 |
| Settlement Date: | June 20, 2006 |
| Expiry Date: | June 12, 2009 |
| Final Settlement Date: | 3 business days after the Expiry Date. |
| Final Settlement Price: | The Official Closing Level of the Underlying Index on the Expiry Date, less 0.375% . |
| Certificate payoff at Expiry: | An amount of USD per certificate payable on the Final Settlement Date and equal to: [Max (USD 0.01; Final Settlement Price - Strike) x Net Exposure Factor] + Accrued Dividend per Certificate. |
| Settlement: | Cash Settlement. Settlement may be conditional upon provision of certification that Certificate holder is either a non-US person or a QIB. |
| Strike | USD 0.00001 |
| Currency: | USD |
| Stock Component: | Constituent stock of the Underlying Index at any date t in proportion corresponding to the weight of the stock within one unit of the Underlying Index at such date. |
| Net Dividend: | Where the ex-dividend date of a Stock Component has occurred during the term of the certificate Between Strike Date and Expiry Date, an amount equal to any cash dividend paid by the Stock Component less any applicable withholding or other taxes deductions, duties or charges whatsoever and howsoever applied to such dividend and sustained or incurred (or would have been sustained or incurred) by the Issuer or any of its affiliates, as determined by the Calculation Agent in its sole and absolute discretion. |
| Accrued Dividend per | On any date T, the Accrued Dividend per Certificate will be calculated as an amount |

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| Certificate: | <p>equal to the sum of any Net Dividend applicable to the period between the Quarterly Valuation Date preceding T (excluded) and the date T (included) in respect of any Stock Component, converted in USD at the rate prevailing on a date at or around the relevant dividend ex-date, in proportion to the weighting of that Stock Component within one unit of the Underlying Index on that date, as determined by the Calculation Agent.</p> <p>The secondary market price of the Certificate on any Date T will reflect the Accrued Dividend to that date T.</p> |
| Quarterly Dividend per Certificate: | On any Quarterly Valuation Date, the Quarterly Coupon will be calculated as the Accrued Dividend per Certificate applicable to the period between the previous Quarterly Valuation Date (excluded) and the current Quarterly Valuation Date (included). |
| Quarterly Valuation Dates: | July 15, 2006 and on quarterly anniversaries thereafter with final valuation on the Expiry Date. |
| Dividend Settlement Dates: | 5 business days after each Quarterly Valuation Dates except for the final Dividend Settlement Date which will be equal to Final Settlement Date. |
| Stock Dividends and Rights Issues: | All necessary adjustments will be determined by the Calculation Agent, in accordance with the Underlying Index methodology. |
| Index Adjustment Events | Cancellation & Payment (Index Cancellation & Index Modification); modified Calculation Agent Adjustment (Index Disruption) |
| Selling Restrictions: | <p>No offer, sale or delivery of the certificates into the United States or to U.S. persons except (i) to qualified institutional buyers ("QIBs") pursuant to Rule 144A under the United States Securities Act of 1933 (the "Securities Act") or (ii) otherwise pursuant to any other applicable exemption under the Securities Act.</p> <p>Sales, transfers or exercise of the certificates will be conditional upon provision of certification that the buyer, transferee or holder is either a non-U.S. person or a QIB.</p> |
| Minimum Trade Size: | Equivalent to USD 100,000 |
| Listing: | Application will be made to list the certificates on the Luxembourg Stock Exchange |
| ISIN | USU173787354 |
| Clearing and Settlement: | Euroclear |
| Business Days: | <p>Valuation: All exchange where Stock Components trade</p> <p>Payment: New York and London</p> |

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| Secondary Markets: | <p>Business Hours (in normal market conditions, on London and New York working days) in any day from the Strike Date until the Expiry Date:</p> <p>Regular Hours: 14:30 - 17:00PM GMT:</p> <p>Any order given on the day T will be subject to 75 bps bid/offer spread on orders between USD 100,000 and USD 2,000,000 and 100 bps on all orders above USD 2,000,000.</p> <p>Outside Regular Hours: 08:30 – 14:30 GMT: 300 bps bid/offer spread on orders between USD 100,000 – 2,000,000. Total combined orders in this session cannot exceed USD 4,000,000</p> <p>Any size buy order up to the numbers of total number of Certificates issued left, or any size sell order up to total position held, submitted no later than 12:00 GMT on day T, which is requested by holder to be executed at the Index Close, the issuer commits to provide a payoff per certificate equal to $[\text{MAX}(\text{USD } 0.01; \text{Underlying Index closing level at day T} - 0.375\% \cdot \text{Strike Price}) \times \text{Net Exposure Factor}] + \text{Accrued Dividends per Certificate}$.</p> |
| Governing Law: | English Law |
| Calculation Agent: | Citigroup Global Markets Limited |

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transaction are accentuated by leverage. Even where the financial product is principal protected there is a risk that any failure by a counterparty to perform obligations when due may result in the loss of all or part of your investment. We may from time to time have long or short principal positions and/or actively trade, by making markets to our clients, in financial products identical to or economically related to the financial products or transactions referred to in this communication. We may also undertake hedging transactions related to the initiation or termination of a financial product or transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product or transaction and consequently its value. We 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 a financial product or transaction. Any decision to purchase financial products referred to in this communication should be based upon the information contained in any associated offering document. The information contained herein is therefore qualified in its entirety by such offering document. In the case of an offering document with a section headed "Investment Considerations" or equivalent, please refer to that section for a discussion of certain factors to be considered in connection with an investment in the securities described therein. Some of the strategies discussed in this material may involve the use of exchange-listed options. Before entering into any transaction using such contracts, clients who are US persons should read and understand the current Options Clearing Corp.

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