

Final Terms dated 2 June 2008

Citigroup Funding Inc.
Issue of up to 100,000 Step Up Fixed Rate Notes due 7 July 2013
Guaranteed by Citigroup Inc.
under the U.S. \$20,000,000,000 Euro Medium Term Note Programme

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in the Public Offer Jurisdictions mentioned in Paragraph 52 of Part A below, provided such person is one of the persons mentioned in Paragraph 52 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

None of the Issuer, the Guarantor and any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

These Final Terms were executed in the English language. A non-binding translation into the German, French, Dutch and Greek language, respectively, will also be available. In the event that any discrepancy arises between the English version of these Final Terms and the non-binding translations into German, French, Dutch or Greek hereof, the English version will prevail.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth under the sections entitled "*Terms and Conditions of the Notes*" in the Base Prospectus dated 22 August 2007, as supplemented by a Supplement (No.1) dated 7 January 2008, a Supplement (No.2) dated 14 January 2008, a Supplement (No.3) dated 31 January 2008, a Supplement (No.4) dated 14 March 2008 and a Supplement (No. 5) dated 30 April 2008, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus and the afore-mentioned Supplements thereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the afore-mentioned Supplements thereto. The Base Prospectus and the afore-mentioned Supplements thereto are available for viewing at the registered office of the Issuer and at the office of the paying agent in London.

1. (i) Issuer: Citigroup Funding Inc.
- (ii) Guarantor: Citigroup Inc.
2. (i) Series Number: EMTN0427
- (ii) Tranche Number: 1
3. Specified Currency or Currencies: Euro ("EUR").
4. Aggregate Nominal Amount of Notes admitted to trading:
 - (i) Series: Up to 100,000 Notes. It is anticipated that the final Aggregate Nominal Amount of the Notes to be issued will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or around 7 July 2008.
 - (ii) Tranche: Up to 100,000 Notes. It is anticipated that the final Aggregate Nominal Amount of the Notes to be issued will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or around 7 July 2008.
5. Issue Price: EUR 1,000
6. Specified Denominations: EUR 1,000. The Notes may not be subdivided or reissued in a smaller denomination.
7. (i) Issue Date: 7 July 2008
- (ii) Interest Commencement Date: Issue Date
8. Maturity Date: 7 July 2013, subject to adjustment in accordance with the Modified Following Business Day Convention for which the applicable Business Centres are London, TARGET and New York
9. Types of Notes: Fixed Rate

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| 10. Interest Basis: | Step Up Fixed Rate
(further particulars specified below) |
| 11. Redemption/Payment Basis: | Redemption at par |
| 12. Change of Interest or
Redemption/Payment Basis: | Not Applicable |
| 13. Put/Call Options: | Not Applicable |
| 14. (i) Status of the Notes: | Senior |
| (ii) Status of the Guarantee: | Senior |
| 15. Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. Fixed Rate Note Provisions | Applicable |
| (i) Rate(s) of Interest: | 5.50 per cent. per annum from and including the Issue Date to but excluding 7 July 2009;

4.25 per cent. per annum from and including 7 July 2009 to but excluding 7 July 2010;

4.50 per cent. per annum from and including 7 July 2010 to but excluding 7 July 2011;

4.75 per cent. per annum from and including 7 July 2011 to but excluding 7 July 2012; and

5.00 per cent. per annum from and including 7 July 2012 to but excluding 7 July 2013. |
| (ii) Interest Payment Date(s): | 7 July in each year, payable in arrear, from and including 7 July 2009 to and including the Maturity Date, adjusted for payment only in accordance with the Modified Following Business Day Convention for which the applicable Business Centres are London, New York and TARGET. |
| (iii) Fixed Coupon Amount(s): | EUR 55.00 per Specified Denomination on the Interest Payment Date falling on 7 July 2009;

EUR 42.50 per Specified Denomination on the Interest Payment Date falling on 7 July 2010;

EUR 45.00 per Specified Denomination on the Interest Payment Date falling on 7 July 2011; |

EUR 47.50 per Specified Denomination on the Interest Payment Date falling on 7 July 2012; and
 EUR 50.00 per Specified Denomination on the Interest Payment Date falling on 7 July 2013.

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| (iv) Broken Amount(s): | Not Applicable |
| (v) Day Count Fraction: | 30/360 (unadjusted) |
| (vi) Determination Dates: | Not Applicable |
| (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable |
| 17. Floating Rate Note Provisions | Not Applicable |
| 18. Zero Coupon Note Provisions | Not Applicable |
| 19. Dual Currency Interest Provisions | Not Applicable |
| 20. Index-Linked Interest Provisions | Not Applicable |
| 21. Commodity Linked Interest Provisions | Not Applicable |
| 22. Inflation Linked Interest Provisions | Not Applicable |
| 23. Foreign Exchange Rate Linked Interest Provisions | Not Applicable |
| 24. Formula Linked Interest Provisions | Not Applicable |
| 25. Business Day Convention | |
| (i) For Interest Payment Dates: | Modified Following (unadjusted, for payment only) |
| (ii) For Interest Periods: | Not Applicable |
| (iii) For the Maturity Date: | Modified Following (unadjusted, for payment only) |
| (iv) Any other date: | Not Applicable |
| 26. Additional Business Centres (Condition 3(b)) | London, TARGET and New York |

PROVISIONS RELATING TO REDEMPTION

27. Call Option	Not Applicable
(i) Optional Redemption Date(s):	Not Applicable
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	Not Applicable
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	Not Applicable
(b) Maximum Redemption Amount:	Not Applicable
(iv) Notice period	Not Applicable
28. Put Option	Not Applicable
29. Final Redemption Amount of each Note	EUR 1,000 per Specified Denomination of EUR 1,000
In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	
(i) Index/Formula/variable:	Not Applicable
(ii) Calculation Agent responsible for calculating the Final Redemption Amount:	Not Applicable
(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	Not Applicable

(iv) Determination Date(s):	Not Applicable
(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	Not Applicable
(vi) Payment Date:	Not Applicable
(vii) Minimum Final Redemption Amount:	Not Applicable
(viii) Maximum Final Redemption Amount:	Not Applicable
30. Index Linked Redemption Amount	Not Applicable
31. Commodity Linked Redemption Amount	Not Applicable
32. Inflation Linked Redemption Amount	Not Applicable
33. Foreign Exchange Rate Linked Redemption Amount	Not Applicable
34. Formula Linked Redemption Amount	Not Applicable
35. Early Redemption Amount	
Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	EUR 1,000 per Specified Denomination of EUR 1,000

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| 36. Provisions applicable to Physical Delivery | Not Applicable |
| 37. Variation of Settlement | Not Applicable |
| 38. Early Redemption Amount | See above |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 39. Form of Notes | Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| 40. New Global Note | Not Applicable |
| 41. Financial Centre(s) or other special provisions relating to Payment Dates: | London, TARGET and New York |
| 42. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 43. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 44. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |

45. Redenomination, renominalisation and reconventioning provisions: Not Applicable
46. Consolidation provisions: Not Applicable
47. Other final terms: Not Applicable

DISTRIBUTION

48. (i) If syndicated, names of Managers: Not Applicable
- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
49. If non-syndicated, name and address of Dealer: Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
50. Total Commission and Concession: Distribution agents will earn an amount ranging on average between EUR 15.00 and EUR 17.50 per Note. Such range is due to potential changes in the market conditions during the Offer Period (as defined below) or thereafter. Further information on the placement fee may be obtained from the relevant distribution agent.
51. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
52. Non-exempt Offer: An offer of the Notes will be made other than pursuant to Article 3(2) of the Prospectus Directive in Belgium, Greece, Spain, Austria and Germany (the "**Public Offer Jurisdictions**") during the period from and including 2 June 2008 until and including 30 June 2008 (the "**Offer Period**"), during the hours in which banks are generally open for business in Belgium, Greece, Spain, Austria and Germany, respectively, and, upon fulfilment of local requirements, may start in other jurisdictions at a later stage.

The Commission de Surveillance du Secteur Financier has provided each of the competent authority in Belgium, Greece, Spain, Austria and Germany with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Base Prospectus has been passported into Belgium, Greece, Spain, Austria and Germany.

The Notes will be offered in Belgium through:

Citibank Belgium SA
Bld Général Jacques 263g
1050 Bruxelles
Belgium

The Notes will be offered in Greece through:

Citibank International PLC Greece Branch
8 Othonos Street
Athens
Greece 105 57

The Notes will be offered in Spain through:

Citibank España, S.A.
Avenida de Europa, 19
Parque Empresarial la Moraleja
28108 Alcobendas
Madrid
Spain

The Notes will be offered in Austria through such distribution agents as may be appointed by the Issuer from time to time.

The Notes will be offered in Germany through:

Citibank Privatkunden AG & Co. KGaA
Kasernenstraße 10
40213 Düsseldorf
Germany

53. Additional Selling Restrictions Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdictions and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Notes described herein pursuant to the U.S. \$20,000,000,000 Euro Medium Term Note Programme of Citigroup Funding Inc.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

Signed on behalf of the Guarantor:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the regulated market of the Luxembourg Stock Exchange with effect from 7 July 2008.
- (ii) Admission to trading Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and on the unregulated market (*Freiverkehr*) of the Frankfurt Stock Exchange with effect from 7 July 2008.

2. RATINGS

The Issuer's senior debt is rated Aa3 / P-1, Negative Outlook (Moody's), AA- / A-1+, CreditWatch Negative (S&P) and AA- / F1+, Negative Outlook (Fitch), based on the guarantee by Citigroup Inc.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: General Corporate Purposes
- (ii) Estimated net proceeds: The estimated net proceeds will depend on the final size of the offer. It is anticipated that the estimated net proceeds will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) on or around 7 July 2008. For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer on the Issue Date. They are not a reflection of the fees payable by/to the distribution agent or any other persons which may be involved in the distribution of the Notes from time to time.
- (iii) Estimated total expenses: Approximately EUR 3,960

5. Fixed Rate Notes only –YIELD

5.50 per cent. per annum from and including the Issue Date to but excluding 7 July 2009;

4.25 per cent. per annum from and including 7 July 2009 but excluding 7 July 2010;

4.50 per cent. per annum from and including 7 July 2010 but excluding 7 July 2011;

4.75 per cent. per annum from and including 7 July 2011 but excluding 7 July 2012; and

5.00 per cent. per annum from and including 7 July 2012 to but excluding 7 July 2013.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

ISIN Code: DE000A0TVDZ5

Common Code: 036649674

German Securities Number (WKN): A0TVDZ

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):

Clearstream Frankfurt

Delivery: Delivery against payment

Names and addresses of initial Paying Agent:

Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Names and addresses of additional Paying Agent(s) (if any):

Kredietbank S.A. Luxembourg, 43, Boulevard Royal,
L-2955 Luxembourg

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

TERMS AND CONDITIONS OF THE OFFER

Offer Price: EUR 1,000 per EUR 1,000 in nominal amount of the Notes.

Conditions to which the offer is subject:

Offers of the Notes are conditional on their issue. The Issuer reserves the right not to issue the Notes.

Description of the application process:

Investors may apply to subscribe for Notes during the Offer Period. The Offer Period may be discontinued at any time. In such case the Issuer shall give immediate notice to the public before the end of the Offer Period by means of a notice published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Investors will not be required to enter into any contractual arrangements directly with the Issuer related to the subscription for any Notes.

A prospective investor should contact the distribution agent prior to the end of the Offer Period. A prospective investor will subscribe for Notes in accordance with the arrangements agreed with the distribution agent relating to the subscription of securities generally.

There is no pre-identified allotment criteria. Citi will adopt allotment criteria that ensures equal treatment of prospective investors. All of the Notes requested through the distribution agent during the Offer Period will be assigned up to the maximum amount of the offer. A prospective investor will, on the Issue Date, receive 100 per cent. of the amount of Notes allocated to it during the Offer Period.

Applicants will be notified directly by the distribution agent of the success of their application.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not Applicable

Details of the minimum and/or maximum amount of application:

The minimum amount of application is the Specified Denomination

Details of the method and time limits for paying up and delivering the Notes:

The Notes will be made available on a delivery versus payment basis.

The Issuer estimates that the Notes will be delivered to the purchaser's respective book-entry securities accounts on or around the Issue Date.

Dealings in the Notes may commence on the Issue Date.

Manner in and date on which results of the offer are to be made public:

By means of a notice published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: Offers may be made by the distribution agents in Belgium, Greece, Spain, Austria and Germany to any person.

Offers (if any) in other EEA countries will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: Applicants will be notified directly by the distribution agent of the success of their application.

Dealings in the Notes may commence on the Issue Date.

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Responsibility for any tax implications of investing in these Notes rests entirely with the subscriber or purchaser.

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.

The Notes will be offered in Belgium through:

Citibank Belgium SA
Bld Général Jacques 263g
1050 Bruxelles
Belgium

The Notes will be offered in Greece through:

Citibank International PLC Greece Branch
8 Othonos Street
Athens
Greece 105 57

The Notes will be offered in Spain through:

Citibank España, S.A.
Avenida de Europa, 19
Parque Empresarial la Moraleja
28108 Alcobendas
Madrid
Spain

The Notes will be offered in Austria through such distribution agents as may be appointed by the Issuer from time to time.

The Notes will be offered in Germany through:

Citibank Privatkunden AG & Co. KGaA
Kasernenstraße 10
40213 Düsseldorf
Germany

SECONDARY MARKET

Citigroup Global Markets Limited will use its reasonable efforts, under normal market conditions, to provide a daily secondary market for the Notes.

APPENDIX

Taxation

BELGIUM

This section on taxation contains a brief summary with regard to certain principles which are of significance in Belgium in connection with the Notes. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for individual potential investors. It is based on the current Belgian tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may also be effected with retroactive effect and may negatively impact on the tax consequences described below. It is recommended that potential purchasers of the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes.

For Belgian income tax purposes, the Notes are to be considered as fixed income securities (article 2, § 1, 8° Income Tax Code 1992 (“ITC ‘92”)).

(a) Tax rules applicable to natural persons resident in Belgium

The tax rules set out below apply to natural persons holding the Notes other than in the course of their business activities and who are regarded as Belgian residents for tax purposes.

A 15% withholding tax on income from movable assets is deducted from all interest payments on the Notes by financial intermediaries established in Belgium. If interest is collected outside Belgium without a Belgian financial intermediary being involved, the taxpayer must declare that interest in his/her tax return. The standard tax rate can be increased by municipal taxes.

(b) Tax rules applicable to companies resident in Belgium

For taxpayers subject to corporate income tax, interest on the Notes forms part of the basis of assessment. Withholding tax on income from movable assets can be offset in accordance with applicable statutory conditions.

Some companies can, on submission of a special certificate of exemption, obtain exemption from the withholding tax.

Belgian companies are fully taxable on capital gains.

Any loss is in principle tax deductible.

(c) Tax rules applicable to non-residents

Non-residents companies who make use of the Notes to pursue their business activity in Belgium are subject to the same rules as companies resident in Belgium (see (b) above).

Other non-residents are subject to the 15% withholding tax, except in some very specific cases. It is recommended to consult further with tax advisers.

(d) Tax rules applicable to taxpayers taxed as legal persons

In the case of taxpayers who are taxed as legal persons, interest, which they collect in Belgium, is subject to a 15% withholding tax on income from movable assets. This withholding tax is a final tax.

Taxpayers subject to taxation as legal persons who collect interest without the involvement of an intermediary established in Belgium are liable for payment of the withholding tax.

(e) Tax on stock exchange transactions

Purchase and sale of Notes on the secondary market are subject to a 0.07% stock exchange tax. The amount of this tax is limited to EUR 500 per transaction.

(f) The Savings Directive

A Belgian paying agent within the meaning of the Savings Directive will withhold the Source Tax at the rate of 15% on interest payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the associated and dependant territories. The rate of the Source Tax will increase to 20% on 1st July 2008 and to 35% on 1st July 2011.

The Source Tax is computed on the amount of interest before deduction of any Belgian withholding tax. The Source Tax and the interest withholding tax can be both due.

The Source Tax is calculated pro rata to the period of holding of the Notes by the beneficial owner of the interest payments.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) the name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner, (ii) the name and address of the paying agent; and (iii) the account number of the beneficial owner.

GREECE

The following summary describes the principal Greek taxation consequences of the subscription, holding, redemption and disposal of the Notes by Greek tax residents or investors otherwise subject to Greek taxation (due to a permanent establishment in Greece) (for the purposes of this summary the **Greek Investors**), but does not purport to be a comprehensive description of all Greek taxation consideration thereof.

As a general remark, Greek tax laws are very volatile and may be amended or interpreted differently from their current interpretation and application anytime and more than once during the life of the Notes. This summary is based on the tax legislation, published case law, ministerial decisions and other regulatory acts of the respective Greek authorities as in force at the date of this Prospectus and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not constitute a complete analysis and therefore, potential investors should consult their own tax advisers as to the tax consequences of such purchase, ownership and disposal by reference to the particular characteristics of each investor. There may be special tax laws and rates applicable to specific categories of investors (such as mutual funds and insurance

companies), which are not dealt with by this summary. In addition, no reference is made to any credit or exemption mechanisms applying in the context of international treaties for the avoidance of double taxation.

For the purposes of this section, it is assumed that the Issuer is not a resident of Greece for Greek taxation purposes.

Greek Individuals

According to Greek Income Tax Code (“ITC”), interest payments deriving from debt securities issued by foreign entities, such as the Notes, shall be treated as types of financial income that are subject to a so-called “special or stand-alone taxation” (Art. 12 ITC), irrespective of whether the interest income is re-invested abroad or repatriated in Greece. Pursuant to this *pay-as-you-earn* taxation model (applying also to Greek corporate and government bonds), coupon payments shall be subject to a 10 % special tax rate.

Greek individuals are not entitled to deduct taxes withheld abroad for income which has been subject to such 10 % special tax. Therefore, the 10 % special tax shall apply only to the net coupons paid by the issuer.

Greek Corporates

Interest income received by Greek corporate investors, shall also be subject to a 10 % special tax whereas such rate has to be calculated on the gross coupon payment. The 10 % special tax shall be levied by the paying agent in Greece (or the Investor itself) and submitted to the Greek Tax Authorities within the first 15 days of the month following the month of the actual interest payment (Art. 60 (2) ITC). Furthermore, according to Greek tax legislation, the gross interest payments qualify as “foreign bond interest income” which therefore shall be calculated within the gross annual income of the Greek corporate investors, as primary figure for the determination of the taxable net profits and the computation of the final income tax liability (see Art. 105 (1) (b) in conjunction with Art. 24 (1) (b) ITC). However, any amounts paid under the 10 % special tax regime may be deducted from the final income tax liability. In case of credit institutions and insurance companies, further special rules shall apply.

Capital Gains Tax

Depending on the characteristics of the investor, the Notes can be subject to capital gains tax.

Transfer Tax - Stamp duty

The transfer of Notes by or to Greek Investors will not be subject to Greek transfer tax or stamp duty.

Inheritance Tax

Inheritance tax is payable in Greece in respect of the Notes on the basis of a progressive system which depends on the degree of relationship between the deceased and the beneficiary.

SPAIN

The following is a summary of the main Spanish tax consequences deriving from the ownership, transfer, redemption or reimbursement of the Notes referred to in this document by individuals or legal persons who are resident in Spain for tax purposes and by Non-Resident Income Tax taxpayers acting, with respect to the Notes, through a permanent establishment in Spain.

This summary is based on Spanish Law in force as of the date of approval of this document and on administrative interpretations thereof, and therefore is subject to any changes in such laws and interpretations thereof occurring after that date, including changes having retroactive effect. In particular, this description is based on the provisions established in the Individual Income Tax (**IIT**) Law (Law 35/2006, of 28th November, 2006, as amended) and in the Consolidated Text of the Corporate Income Tax (**CIT**) Law (Royal Legislative Decree 4/2004, of 5th March, 2004, as amended) which may not apply to those individuals or legal persons subject to special tax regimes (such as financial entities, exempt entities, cooperatives or “look-through” entities). In addition, the following section does not cover those tax laws in force in the Spanish Basque provinces and Navarra as well as the particularities in force in the Spanish autonomous communities (*comunidades autónomas*).

Accordingly, prospective investors in the Notes should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership and disposition of the Notes, including the effect of tax laws of any other jurisdiction, based on their particular circumstances.

For the purposes of our analysis, we have assumed that Citigroup Funding Inc. is a company resident for tax purposes in the United States of America and for the purposes of the Convention between the Kingdom of Spain and the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on 22nd February, 1990 and that the investors in the Notes are resident in Spain for tax purposes or non-Spanish residents acting, with respect to such Notes, through a permanent establishment in Spain.

Individual Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)

The Notes are deemed securities (*activos financieros*), in accordance with the definition set forth in Article 91 of the IIT Regulations (approved by the Royal Decree 439/2007, of 30th March, 2007, the **IIT Regulations**) and its interpretation by the Spanish tax authorities and hence the rules provided with regard to securities must be taken into consideration.

According to Article 25.2 of the IIT Law and its interpretation by the Spanish tax authorities, interest as well as income arising on the transfer, redemption or reimbursement of the Notes obtained by individuals who are resident in Spain for tax purposes will be deemed income from movable property, and therefore will be included in the investor’s IIT savings taxable base and taxed at a flat rate of 18 per cent.

Income arising on the disposal, redemption or reimbursement of the Notes will be equal to the difference between (i) the transfer, redemption or reimbursement value of the Notes (deducting the additional expenses incurred in the transfer, if they are duly justified) and (ii) their acquisition or subscription value (adding the additional expenses incurred in the acquisition, if they are duly justified).

When calculating the net income, expenses related to the management and deposit of the Notes will be deductible, excluding those pertaining to discretionary or individual portfolio management.

Exceptionally, negative income derived from the transfer of the Notes, in the event that a taxpayer had acquired other homogenous securities within the two months prior or subsequent to such transfer, shall be included in his or her IIT taxable base as and when the remaining homogenous securities are transferred.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid abroad, if any, on income deriving from the Notes.

With regard to withholding tax, as a general rule, according to Article 90 of the IIT Regulations, income from movable property paid in cash will be subject to a withholding tax at source, currently at a rate of 18 per cent., on account of the investor's final IIT liability to be levied by the payer of such income where the latter is resident in Spain for tax purposes, or a Spanish permanent establishment of a foreign person.

In particular, with regard to the withholding agent, regardless of the fact that the issuer of the Notes is not resident in Spain for tax purposes, the financial entity entrusted with the implementation of the redemption or reimbursement of the Notes will levy the withholding tax. With regard to income deriving from the transfer of the Notes, the obligation to withhold tax will fall on the financial entity acting on behalf of the transferor of the Notes or the notary public which intervenes in the transaction. In the absence of a financial entity or notary public entrusted to carry out or intervene in such transactions or act on behalf of the investor, the obligation to withhold tax will fall on the entity acting as depositary of the relevant Notes or the entity in charge of managing the collection of the payments distributed for the account of the investors, provided in both cases that such entity is resident in Spain for tax purposes or acts through a permanent establishment in Spain.

Corporate Income Tax (*Impuesto sobre Sociedades*)

Income, either in the form of interest payment or arising from the transfer, redemption or reimbursement of the Notes obtained by entities that are resident in Spain for tax purposes and regarded as CIT taxpayers will be taxed under the rules set forth in Section IV of the CIT Law. The general CIT rate is currently fixed at 30 per cent. for fiscal years starting as of 1st January, 2008.

With respect to withholding tax, as a general rule, according to the CIT Regulations (approved by the Royal Decree 1777/2004, of 30th June, 2004, the **CIT Regulations**), income from movable property paid in cash will be subject to a withholding tax at source, currently at a rate of 18 per cent., on account of the investor's final CIT liability, to be levied by the payer of such income where the latter is resident in Spain for tax purposes, or a Spanish permanent establishment of a foreign person.

With regard to the withholding agent, regardless of the fact that the issuer of the Notes is not resident in Spain for tax purposes, the financial entity entrusted with the implementation of the redemption or reimbursement of the Notes will levy the withholding tax. With regard to income deriving from the transfer of the Notes, the obligation to withhold tax will fall on the financial entity acting on behalf of the transferor of the Notes or the notary public which intervenes in the transaction. In the absence of a financial entity or notary public entrusted to carry out or intervene in such transactions or act on behalf of the investor, the obligation to withhold tax will fall on the entity acting as depositary of the relevant Notes or the entity in charge of managing the collection of the payments distributed for the account of the investors, provided in both cases that such entity is resident in Spain for tax purposes or acts through a permanent establishment in Spain.

Income arising with respect to Notes listed on an official secondary market of an OECD country (other than Spain) will not be subject to Spanish withholding tax, in accordance with Article 59.s) of the CIT Regulations.

Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*) (taxpayers who act with respect to the Notes through a permanent establishment in Spain)

Based on the fact that the issuer of the Notes is not resident in Spain for tax purposes, no Spanish tax should, in principle, be levied on investors that are not resident in Spain for tax purposes, unless they are acting with respect to the Notes through a Spanish permanent establishment. According to the general principles of the Spanish taxation system, Spanish permanent establishments of non-Spanish resident persons are taxed in a similar manner to Spanish CIT taxpayers, although some specific rules may apply. Due to the complexity of this matter, non-Spanish resident investors acting in Spain, with respect to the Notes, through a permanent establishment are strongly urged to seek appropriate advice in respect of their own tax position in this regard.

Net Wealth Tax (*Impuesto sobre el Patrimonio*)

On 18 April 2008, the Spanish Government approved a group of measures to improve the business environment in Spain. One of these measures is the elimination of the tax currently payable under the Spanish Net Wealth Tax (NWT). The law that develops this measure has not been enacted yet. The NWT is therefore still in force, although future regulations may repeal the NWT even with effects as of tax year 2008.

Individuals who are resident in Spain for tax purposes in accordance with the rules set forth by the IIT Law are subject to the NWT on each 31st December on their total net wealth, regardless of the location of their assets or the place where the rights attached thereto may be exercised. Law 19/1991, of 6th June, 1991 provides that in year 2008 a progressive tax rate ranging between 0.2 and 2.5 per cent. shall apply to taxable income in excess of EUR 108,182.18, although subject to the specific rules passed by the relevant Spanish autonomous communities (*comunidades autónomas*) with respect to this tax.

In this regard, holders of the Notes subject to this tax must include the Notes in the NWT taxable base at their face value.

Legal persons resident in Spain for tax purposes are not subject to the NWT.

Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Inheritance and Gift Tax, which is governed by Law 29/1987, of 18th December, 1987, is levied on individuals heirs and donees resident in Spain for tax purposes as determined by the IIT Law. Legal persons resident in Spain for tax purposes are not subject to this tax and any asset or right received by way of inheritance or gift by them will be subject to CIT.

The applicable Inheritance and Gift Tax rate for 2008 ranges between 7.65 and 34 per cent although depending on certain particular circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor, the effective tax payable could range between 0 and 81.6 per cent. of the relevant tax base, subject to the specific rules passed by the relevant Spanish autonomous communities (*comunidades autónomas*) with respect to this tax.

Indirect taxation

The acquisition, transfer, redemption, reimbursement and exchange of the Notes will be exempt from Transfer Tax and Stamp Duty, as well as from Value Added Tax, in accordance with the exemption set forth in Article 108 of Law 24/1988, of 28th July, 1988.

GERMANY

The following is a general discussion of certain German tax consequences of the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

Potential investors are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents.

Taxation in relation to the Notes

Tax treatment until 31 December 2008

Tax Residents

Interest/ Capital gains

Payments of interest on the Notes, including interest having accrued up to the disposition of a Note and credited separately ("**Accrued Interest**"), if any, to persons who are tax residents of Germany (i.e., persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal or corporate income tax (plus solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5 per cent. thereon). Such interest may also be subject to trade tax if the Notes form part of the property of a German trade or business. Accrued Interest paid upon the acquisition of a Note may give rise to negative income if the Note is held as a non-business asset.

In case of a disposal, assignment or redemption of a Note ("**Disposal**") held as a private asset any income or loss resulting from such disposal is subject to the taxation according to the yield to maturity method (pro-rated yield, *Emissionsrendite*), provided that such pro-rated yield is identifiable upon proof (decree of the German Federal Ministry of Finance dated July 18, 2007, IV B 8 – S 2252/0, ("**Decree**") and the decision of the German Supreme Tax Court dated July 11, 2006, VIII R 67/04). Any current income already taxed (see first paragraph) may be deducted from the pro-rated yield.

Withholding Tax

If the Notes are held in a custodial account which the Noteholder maintains with a German branch of a German or non-German bank or financial services institution (the "**Disbursing Agent**") a 30 per cent. withholding tax on interest payments (*Zinsabschlag*), plus 5.5 per cent. solidarity surcharge on such tax, will be levied, resulting in a total tax charge of 31.65 per cent. of the gross interest payment. Withholding tax on interest is also imposed on Accrued Interest.

Any difference between the proceeds from the Disposal and the issue or purchase price of the Notes shall, according to the Decree for simplification purposes, may be subject to withholding tax at a rate of 30 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon) if the Note has been kept in a custodial account with such Disbursing Agent since the time of issuance or acquisition, respectively. If the Notes have not been kept in a custodial account with a Disbursing Agent, withholding tax of 30 per cent. is applied to 30 per cent. of the amounts paid in partial or final redemption or the proceeds from the disposition or assignment of the Notes, respectively.

In computing the tax to be withheld the Disbursing Agent may deduct from the basis of the withholding tax any Accrued Interest paid by the Noteholder to the Disbursing Agent during the same calendar year. In general, no withholding tax will be levied if the holder of an Instrument is an individual (i) whose Instrument does not form part of the property of a German trade or business nor gives rise to income from the letting and leasing of property; and (ii) who filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent but only to the extent the interest income derived from the Note together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office.

If Notes are not kept in a custodial account with a Disbursing Agent, withholding tax will apply at a rate of 35 per cent. of the gross amount of interest paid by a Disbursing Agent upon presentation of a coupon (whether or not presented with the Note to which it appertains) to a holder of such coupon (other than a non-German bank or financial services institution). In this case proceeds from the disposition, assignment or redemption of a Coupon, and if the Notes qualify as financial innovations 30 per cent. of the proceeds from the disposition, assignment or redemption of a Note, will also be subject to withholding tax at a rate of 35 per cent. Where the 35 per cent. withholding tax applies Accrued Interest paid cannot be taken into account in determining the withholding tax base. Again a solidarity surcharge at a rate of 5.5 per cent. of the withholding tax applies so that the total tax burden to be withheld is 36.925 per cent.

Withholding tax and the solidarity surcharge thereon are credited as prepayments against the German personal or corporate income tax and the solidarity surcharge liability of the German resident. Amounts over-withheld will entitle the Noteholder to a refund, based on an assessment to tax.

Non-residents

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder; or (ii) the interest income otherwise constitutes German-source income (such as income from the letting and leasing of certain German-situs property). In the latter case a tax regime similar to that explained above under "*Tax Residents*" applies. Capital gains from the disposition of Notes other than proceeds from their sale or redemption re-characterized as interest income for German tax purposes (as explained above under "*Tax Residents*") are, however, only taxable in the case of (i) above.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above under "*Tax Residents*". Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition

or redemption of a Note are paid by a Disbursing Agent to a non-resident, withholding tax of 35 per cent. will apply as explained above under "*Tax Residents*". The withholding tax may be refunded based upon an applicable tax treaty.

Tax treatment from 1 January 2009 onwards/Introduction of a flat tax (Abgeltungsteuer) on Investment Income and Private Capital Gains

Tax Residents

In the course of the Company Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*), inter alia, a flat tax at a rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) on investment income (e.g. interest income with respect to the Notes) and private capital gains has been introduced. The flat tax regime will take effect from 1 January 2009. The flat tax will, in principle, be levied as a withholding tax on the basis of the gross amount of investment income and private capital gains, i.e. expenses related to such income – except for a standard lump sum (*Sparer-Pauschbetrag*) of Euro 801 (Euro 1.602 for married couples) – will not be deductible. The flat tax will satisfy any income tax liability of the investor in respect of such investment income or private capital gains. However, a taxpayer will be able to apply for a tax assessment if his or her personal income tax rate is lower than the flat tax rate.

According to the flat tax regime losses from the sale or redemption of securities can only be set-off against other investment income. If the set-off is not possible in the assessment period in which the losses have been realized, such losses can be carried forward into future assessment periods only and can be set-off against investment income generated in these future assessment periods.

The flat tax will apply to current investment income received 1 January 2009 and onwards and to capital gains/losses from the disposal of securities held as non-business assets, irrespective of any holding period, provided that the gains/losses are generated after 31 December 2008. However, the flat tax will only be imposed on private capital gains/losses from assets acquired after 31 December 2008, unless the assets were to qualify – as the Notes in the present case – as financial innovations. In this case the new tax regime will be applicable to private capital gains/losses from a disposal or redemption after 31 December 2008, even if the assets were acquired prior to 1 January 2009.

Withholding

If the Notes are held in a custody with or administrated by a German credit institution, financial services institution (including a German permanent establishment of such foreign institution), securities trading company or securities trading bank (the "**Disbursing Agent**" as amended by the Company Tax Reform Act 2008), the flat tax will be withheld by the Disbursing Agent upon interest payments, sale or redemption of the Notes. The withholding will be applied to investment income and capital gains from Notes held as private and Notes held as business assets. The flat tax is imposed on the interest payments and the excess of the proceeds from the sale or redemption over the purchase price paid for the Notes, the latter if the Notes were held in custody by the Disbursing Agent since their acquisition. If the Notes are held as private assets, the Disbursing Agent will provide for a set-off of losses with current investment income and capital gains from other securities. If custody has changed since the acquisition and the acquisition data is not proved, the tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30 per cent. of the proceeds from the sale or redemption of the Notes.

In general, no flat tax will be levied if the holder of a Note filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of Euro 801 (Euro 1.602 for married couples)) to the extent the income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Income not subject to the withholding flat tax (e.g. since there is no Disbursing Agent) will be subject to the flat tax rate of 25 per cent. (plus 5.5 per cent. solidarity surcharge thereon and, if applicable, church tax) upon statutory assessment.

In case of tax resident corporations or individual investors holding Notes as business assets the withheld flat tax at a rate of 25 per cent. will not be definite. Instead, the tax treatment remains in general as described above under "*Tax treatment until 31 December 2008*" regarding business investors.

Non-residents

The taxation of non-resident holders of a Note remains – with exceptions with respect to the enlargement of the scope of investment income and capital gains – unchanged in comparison to the tax regime applicable until 31 December, 2008 (insofar see above under "*Tax treatment until 31 December 2008*", "*Non-residents*").

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Note will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

EU Savings Directive

Germany has implemented the EU Directive into national legislation by means of an Interest Information Regulation (*Zinsinformationsverordnung*). The German Regulation follows the wording of the EU Directive very closely. Because the German Government interpreted the term "interest" broadly interest income also includes income from financial instruments, which qualify as interest income under German tax law. Additionally, the total amount of the proceeds from sale and redemption of the instruments will be reported. Starting on 1 July 2005 Germany has therefore begun to communicate all payments of interest on such instruments, including notes which qualify as financial instruments, to the beneficial owners Member State of residence if the notes are kept in a custodial account with a Disbursing Agent. The same applies to the total amount of the proceeds from disposition, assignment and redemption of financial instruments.

AUSTRIA

This section on taxation contains a brief summary with regard to certain important principles which are of significance in Austria in connection with the Notes. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for individual potential investors. It is based on the currently valid Austrian tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may also be effected with retroactive effect and may negatively impact on the tax consequences described above. It is recommended that potential purchasers of the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale. Tax risks resulting from the Notes shall be borne by the purchaser.

Income Tax

Individuals subject to unlimited income tax liability holding bonds as a non-business asset are subject to income tax on all resulting interest payments pursuant to sec. 27(1)(4) and 27(2)(2) of the Austrian Income Tax Act. Such interest payments are subject to a withholding tax of 25.0 per cent. in case they are paid out by an Austrian paying agent. This withholding tax has the effect of final taxation in the case of a public placement of the bonds (i.e. no additional income tax is levied over and above the amount of tax withheld). Even if interest payments are not effected through an Austrian paying agent, a flat income tax rate of 25.0 per cent. applies in the case of a public placement of the bonds. Since in this case no withholding tax is levied, interest payments must be included in the income tax return.

Individuals subject to unlimited income tax liability holding bonds as a business asset are subject to income tax on all resulting interest payments. Such interest payments are subject to a withholding tax of 25.0 per cent. in case they are paid out by an Austrian paying agent, this withholding tax having the effect of final taxation in the case of a public placement of the bonds (i.e. no additional income tax is levied over and above the amount of tax withheld). Even if interest payments are not effected through an Austrian paying agent, a flat income tax rate of 25.0 per cent. applies in the case of a public placement of the bonds. Again, such income has to be included in the income tax return.

Corporations subject to unlimited corporate income tax liability are subject to corporate income tax on all interest payments resulting from bonds at a rate of currently 25.0 per cent. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act, no withholding tax is levied.

Private foundations pursuant to the Austrian Private Foundations Act fulfilling the prerequisites contained in sec. 13(1) of the Austrian Corporate Income Tax Act and holding bonds as a non-business asset are subject to corporate income tax on all interest payments received pursuant to sec. 13(3)(1) of the Austrian Corporate Income Tax Act at a rate of 12.5% in the case of a public placement of the bonds. Under the conditions set forth in sec. 94(11) of the Austrian Income Tax Act, no withholding tax is levied.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act – which transforms into national law the provisions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent to a beneficial owner who is an individual resident in another Member State is subject to a withholding tax if no exception from such withholding applies.

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.