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**CITIGROUP GLOBAL MARKETS
INTERNATIONAL LLC
AND SUBSIDIARY UNDERTAKINGS**

**Company No. 17421
Branch No. 1079**

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2004



CONSOLIDATED PROFIT & LOSS ACCOUNT (Unaudited)
for the year ended 31 December 2004

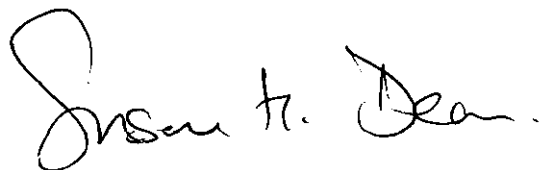
	Notes	2004 \$ Million	2003 \$ Million
Net dealing income		63	995
Commission income and fees		-	1,524
Interest receivable and similar income	3	6	2,269
Interest payable	3	-	(2,290)
Gross profit		<u>69</u>	<u>2,498</u>
Net operating expenses	4	(59)	(2,438)
Operating profit		<u>10</u>	<u>60</u>
Group profit on deemed disposal	7	-	1,595
Share of associate's loss	7	(31)	-
		<u>(21)</u>	<u>1,655</u>
(Loss)/ profit on ordinary activities before taxation		(21)	1,655
Tax on (loss)/profit on ordinary activities	5	(6)	(31)
		<u>(27)</u>	<u>1,624</u>
(Loss)/ profit on ordinary activities after taxation		(27)	1,624
Minority interests	13	-	(1)
(Loss)/profit for the year	11	<u>(27)</u>	<u>1,623</u>

CONSOLIDATED BALANCE SHEET (Unaudited)

as at 31 December 2004

	Notes	2004 \$ Million	2003 \$ Million
Fixed assets			
Investments	7	687	718
Current assets			
Debtors	8	200	186
Cash held by third parties		34	31
		234	217
Creditors: Amounts falling due within one year	9	(111)	(98)
Net current assets		123	119
Net assets		<u>810</u>	<u>837</u>
Capital and Reserves			
Called up share capital	10	501	501
Capital reserve	11	771	771
Profit and loss account	11	(462)	(435)
Shareholders' Funds		<u>810</u>	<u>837</u>

The financial statements on pages 1 to 12 were approved by the Board of Managers on and were signed on their behalf by:



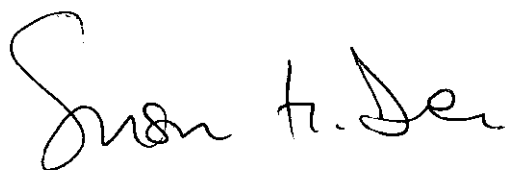
S.H. Dean

PARENT COMPANY BALANCE SHEET (Unaudited)

as at 31 December 2004

	Notes	2004 \$ Million	2003 \$ Million
Fixed assets			
Investments	7	603	611
Current assets			
Debtors	8	151	138
Creditors: Amounts falling due within one year	9	(61)	(48)
Net current assets		90	90
Net assets		<u>693</u>	<u>701</u>
Capital and reserves			
Called up share capital	10	501	501
Capital reserve	11	765	765
Profit and loss account	11	(573)	(565)
Shareholders' funds		<u>693</u>	<u>701</u>

The financial statements on pages 1 to 12 were approved by the Board of Managers on and were signed on their behalf by:



S.H. Dean

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

1. Principal activity

Citigroup Global Markets International LLC ("the Company") was incorporated on 26 April 1993 in the State of Delaware, United States of America, and established a registered branch in England under Schedule 21A to the Companies Act 1985. Its principal activity is to act as an intermediate holding company.

2. Principal accounting policies

The principal accounting policies, all of which have been applied consistently throughout the current year and the preceding year, are set out below:

(a) Basis of presentation

The financial statements have been prepared under the historical cost convention, except for current asset investments, contractual commitments and foreign exchange transactions which are stated at fair value (as defined in Note 2(d) below) at the balance sheet date. The financial statements have been prepared in US Dollars and in accordance with accounting standards applicable in the United Kingdom. Any reference to \$ in these financial statements, unless otherwise stated, refers to US Dollars.

In accordance with the revised Financial Reporting Standard ("FRS") 1, the Group has not prepared a cash flow statement.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or up to the date on which control passed. Acquisitions are accounted for under the acquisition method and goodwill representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired was previously written off against reserves. On disposal of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal. The Company's accounting policy is to amortise goodwill on any future acquisitions over its useful life on a straight-line basis.

No profit and loss account is presented for the Company, as permitted by Section 230 of the Companies Act 1985.

(c) Net dealing income

The Group's net revenue includes trading profits and losses, including dividends, earned from dealing, market making and principal trading in marketable investments, contractual commitments and foreign exchange, the substantial majority of which have liquid markets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

2. Principal accounting policies – continued

(c) Net dealing income - continued

Dealing securities held as trading inventory are stated at market value and profits and losses arising from this valuation are taken to the profit and loss account. This is not in accordance with Schedule 4 of the Companies Act 1985 which requires that such assets be stated at the lower of cost and net realisable value, or that if revalued any revaluation differences be taken to a revaluation reserve. The directors consider that these requirements would fail to give a true and fair view of the profit/loss for the year of a trading enterprise that holds readily marketable investments as current assets since their marketability enables decisions to be taken continually about whether to hold or sell those assets, and hence the economic measure of performance in any period is properly made by reference to market values. It is not practicable to quantify the effect on the accounts of these departures since information on original cost, being of no continuing relevance to the business, is not readily available and therefore a note of the historical cost profit or loss, as required by paragraph 26 of FRS 3, has not been presented.

Commission income and fees are derived from sales activities, underwriting activities, marketing securities owned by other group undertakings, trading services provided to other group undertakings, and corporate finance fees associated with mergers and acquisitions and other corporate finance advisory activities.

Commission revenues and expenses, are accounted for on the trade date of the related transaction. Corporate finance fees are recognised when earned.

(d) Fixed asset investments

Fixed asset investments, including subsidiary undertakings and associate's, are stated in the Company's balance sheet at cost less any write down for diminution in value regarded as permanent.

(e) Taxation

Corporation tax is recognised on taxable profits/losses at the current rate. Deferred taxation, calculated on the liability method at the rate at which the liability is likely to be paid, is provided to take account of timing differences arising from the different treatment of certain items for taxation purposes and for financial statement purposes. No deferred taxation is provided on those differences where, in the opinion of the Directors, it is probable that they will not reverse. The tax benefits arising from group relief are recognised in the financial statements.

(f) Foreign currency

Monetary assets and liabilities denominated in currencies other than US dollars have been translated into US dollars using the year end spot exchange rates. Non-monetary assets and liabilities, denominated in currencies other than US dollars, have been translated at the relevant historical exchange rates.

Transactions in foreign currencies are translated into US dollars at rates of exchange approximating those at the transaction date.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

3. Interest receivable and similar income and interest payable

	2004 \$ Million	2003 \$ Million
Interest receivable and similar income comprises:		
Interest on current asset investments, interest bearing debtors and cash assets	1	2,040
Interest on loans to other group undertakings	5	196
Interest on loans to associated undertakings	-	33
	<u>6</u>	<u>2,269</u>
Interest payable comprises:		
Interest on bank loans and overdrafts	-	12
Interest on other third party borrowings	-	1,898
Interest on borrowing from other group undertakings	-	374
Interest on borrowing from associated undertakings	-	6
	<u>-</u>	<u>2,290</u>

4. Net operating expenses

	2004 \$ Million	2003 \$ Million
Net operating expenses include:		
Employee remuneration	-	1,300
Social security costs	-	131
Pension costs	-	44
Auditors' remuneration:		
- Audit fees	-	1
	<u>-</u>	<u>1</u>

The Company has no employees. All employees of the Group are employed by Citigroup Global Markets Limited and Citibank N.A.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

5. Tax on profit on ordinary activities

(a) Analysis of tax charge in the year:

	2004	2003
	\$ Million	\$ Million
Current tax:		
UK corporation tax	(4)	6
Overseas current taxation	-	(45)
Adjustment in respect of corporation tax for earlier years	(2)	-
Adjustment in respect of overseas tax for earlier years	-	(2)
Total current tax (note 5(b))	<u>(6)</u>	<u>(41)</u>
Deferred tax:		
Origination and reversal of overseas timing differences	-	11
Adjustment in respect of overseas deferred tax for earlier years	-	(1)
Total deferred tax	<u>-</u>	<u>10</u>
Tax on (loss)/profit on ordinary activities	<u>(6)</u>	<u>(31)</u>

(b) Factors affecting tax charge for the year:

	2004	2003
	\$ Million	\$ Million
(Loss)/ profit on ordinary activities before tax	<u>(21)</u>	<u>1,655</u>
(Loss)/ profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	6	(497)
Effects of:		
Foreign tax deductions	-	13
Expenses not deductible for tax purposes	(1)	476
Depreciation expense in excess of capital allowances	-	(10)
Consolidation adjustment: associate's loss	(9)	-
Other timing differences	-	(93)
Utilisation of tax losses	-	122
Overseas tax in respect of European branch operations and dividends received	-	(45)
Tax losses carried forward	-	(5)
Adjustments to tax charge in relation to previous years	(2)	(2)
Current tax charge for year	<u>(6)</u>	<u>(41)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

6. Directors' emoluments

The Directors received no emoluments in respect of their services to the Company as directors or otherwise. The Group's Directors received \$4,671,000 (2003: \$3,550,000) in respect of their services for subsidiary undertakings during the year.

7. Fixed asset investments

Company

(a) Investment in associate and subsidiary undertakings:

	2004 \$ Million	2003 \$ Million
COST		
At 1 January	611	635
Return of Capital	-	(22)
Impairment provision	(8)	(2)
Net Book Value at 31 December	603	611

The Company's principal subsidiary undertakings, all of which are registered in England and Wales unless otherwise specified, are set out below. A schedule of all interests in subsidiary undertakings will be attached to the Company's Annual Return to the Registrar of Companies.

Company	Class of shares	Proportion of shares held by the company	Principal activity
Cheapside Holdings (Jersey) Limited	Ordinary	100%	Holding Company (registered in Jersey)
Citigroup Asset Management Limited	Ordinary	100%	Asset management
Cheapside (SSL) Limited	Ordinary	100%	In voluntary liquidation
Salomon Brothers UK Limited	Ordinary	100%	In voluntary liquidation

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

7. Fixed asset investments - continued

(b) Investment in associate undertaking

Group

The group's share of net assets in the associate comprises:

	2004 \$ Million	2003 \$ Million
Fixed assets	5	7
Current assets	33,779	27,742
Liabilities due within one year	(32,641)	(26,715)
Liabilities due after more than one year	(406)	(316)
Provisions for liabilities and charges	(50)	-
	<u>687</u>	<u>718</u>
Share of associate's loss	<u>31</u>	<u>-</u>

Group	Class of shares	Proportion of shares held by the company	Principal activity
Citigroup Global Markets Europe Limited	Ordinary Preference	18.7%	Holding Company

On 30 December 2003 Citigroup Global Markets Europe Limited ('CGMEL') undertook a capital restructuring. As a result, Citigroup Global Markets International LLC's ('CGMIL') investment in CGMEL was diluted to 18.7% and is therefore treated as an associate rather than a subsidiary undertaking.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

8. Debtors

The following amounts are included in debtors:

	Group		Company	
	2004	2003	2004	2003
Amounts falling due within one year:	\$ Million	\$ Million	\$ Million	\$ Million
Trade debtors	14	11	-	-
Due from other Group undertakings	32	173	2	7
Due from associated undertakings	149	-	149	130
Corporation tax recoverable	5	2	-	1
	200	186	151	138

9. Creditors

The following amounts are included in creditors:

	Group		Company	
	2004	2003	2004	2003
Amounts falling due within one year:	\$ Million	\$ Million	\$ Million	\$ Million
Bank loans and overdrafts	42	63	-	20
Due to other group undertakings	26	31	28	3
Due to associated undertakings	34	-	29	22
Other creditors and accruals	1	4	1	3
Group relief	8	-	3	-
	111	98	61	48

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

10. Called-Up Share Capital

The Company's share capital comprises:

	2004	2004
	Number	Number
Authorised:		
Class A Stock, without par value	1,000,000	1,000,000
Class B Stock, without par value	25,000	25,000
Class C Stock, without par value	31,327	31,327
Class D Stock, without par value	20,402	20,402
	<u>1,076,729</u>	<u>1,076,729</u>
	2004	2003
	\$ Million	\$ Million
Allotted and issued:		
980,140 Class A Stock, without par value	<u>501</u>	<u>501</u>

11. Reserves

Group

	Capital reserve \$ Million	Profit & loss account \$ Million	Total \$ Million
Balance at 1 January 2004	771	(435)	336
Loss for the year	-	(27)	(27)
Balance at 31 December 2004	<u>771</u>	<u>(462)</u>	<u>309</u>

Company

	Capital reserve \$ Million	Profit & loss account \$ Million	Total \$ Million
Balance at 1 January 2004	765	(565)	200
Loss for the year	-	(8)	(8)
Balance at 31 December 2004	<u>765</u>	<u>(573)</u>	<u>192</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

12. Reconciliation of movements in shareholder's funds

	Group 2004 \$ Million	Company 2004 \$ Million
Balance at 1 January	837	701
Loss for the year	(27)	(8)
Balance at 31 December	<u>810</u>	<u>693</u>

Company

13. Minority interests

	2004 \$ Million	2003 \$ Million
Balance at 1 January	-	703
Appropriation of loss for the year	-	1
Return of capital	-	(704)
Balance at 31 December	<u>-</u>	<u>-</u>

14. Post balance sheet event

The Company sold Citigroup Asset Management Limited on 1 December 2005 for \$54 million.

15. Group structure

The Company's immediate parent undertaking is Citigroup Financial Products Inc, registered in the State of Delaware, United States of America. The Company's parent company and ultimate controlling party is Citigroup Inc., incorporated in the State of Delaware, United States of America.

The audited consolidated financial statements of Citigroup Inc. are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from Corporate Affairs, Citigroup Inc., 13th Floor, 850 Third Avenue, New York, NY 10043.