

564838/30

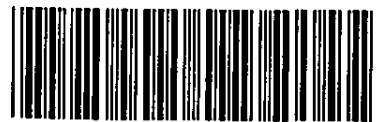
**CITIGROUP GLOBAL MARKETS
INTERNATIONAL LLC
AND SUBSIDIARY UNDERTAKINGS**

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2009

FRIDAY



A3HE4PTU

A21

10/12/2010

482

COMPANIES HOUSE

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT (Unaudited)

for the year ended 31 December 2009

	Notes	2009 \$ Million	2008 \$ Million
Net dealing income		-	1
Interest receivable	2	3	9
Gross profit		<u>3</u>	<u>10</u>
Net Operating expenses	3	(1)	1
Operating profit		<u>2</u>	<u>11</u>
Share of associate's profit/(loss)	6	644	(497)
Operating profit/(loss) on ordinary activities before taxation		<u>646</u>	<u>(486)</u>
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the financial year		<u><u>646</u></u>	<u><u>(486)</u></u>

The notes on pages 4 to 11 form an integral part of these financial statements

All results are derived from continuing operations

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

CONSOLIDATED BALANCE SHEET (Unaudited)

as at 31 December 2009

	Notes	2009 \$ Million	2008 \$ Million
Fixed assets			
Investments	6	<u>3,172</u>	<u>2,528</u>
		3,172	2,528
Current assets			
Debtors	7	197	181
Cash at bank and in hand		<u>-</u>	<u>3</u>
		197	184
Creditors amounts falling due within one year			
Creditors	8	(28)	(18)
Net current assets		<u>169</u>	<u>166</u>
Net assets		<u>3,341</u>	<u>2,694</u>
Capital and reserves			
Called up share capital	10	501	501
Capital reserve	11	3,599	3,599
Profit and loss account	11	(759)	(1,406)
Shareholder's funds		<u>3,341</u>	<u>2,694</u>

The financial statements on pages 1 to 11 were approved by the Board of Members on 3 December 2010 and were signed on their behalf by



D I Sharland
Director

Registered Number 2333914

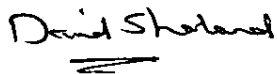
CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

PARENT COMPANY BALANCE SHEET (Unaudited)

as at 31 December 2009

	Notes	2009 \$ Million	2008 \$ Million
Fixed assets			
Investments	6	2,832	2,837
Current assets			
Debtors	7	197	178
Creditors, amounts falling due within one year	8	(33)	(17)
Net current assets		<u>164</u>	<u>161</u>
Net assets		<u>2,996</u>	<u>2,998</u>
Capital and reserves			
Called up share capital	10	501	501
Capital reserve	11	3,593	3,593
Profit and loss account	11	(1,098)	(1,096)
Shareholder's funds		<u>2,996</u>	<u>2,998</u>

The financial statements on pages 1 to 11 were approved by the Board of Members on 3 December 2010 and were signed on their behalf by



D I Sharland
Director

Registered Number 2333914

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

1 Principal accounting policies

(a) Basis of presentation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The principal accounting policies, set out below, have been applied consistently throughout the current and preceding year.

The financial statements have been prepared in US Dollars, which is the functional currency of the Group, and any reference to \$ in these financial statements refers to US Dollars.

As permitted by FRS 1, 'Cash Flow Statements', the Group has not prepared a cash flow statement. The Group's results are consolidated in the financial statements of its ultimate parent company, Citigroup Inc., which are made available to the public annually.

Under the subsidiary undertakings exemption of FRS 8, 'Related Party Disclosures', the Group is not required to disclose all transactions with other group companies and investees of the Group qualifying as related parties.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings to 31 December 2009 unless otherwise stated. The acquisition method of accounting has been adopted. Under this method the results of subsidiary undertakings acquired or disposed in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

No profit and loss account is presented for the Company, as permitted by Section 408 of the Companies Act 2006.

(c) Financial Instruments

Loans and receivables

Loans and accounts receivables are initially recognised at fair value including direct and incremental transaction costs and subsequently measured at amortised cost using the effective interest rate method. Liabilities are measured at amortised cost using the effective interest rate method.

Determination of fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted market value in an active market.

(d) Trading income

Net dealing income includes gains and losses relating to financial instruments that are "held for trading" or designated at fair value, and includes all realised and unrealised fair value changes and foreign exchange differences.

(e) Fixed asset investments

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

(f) 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.

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

1 Principal accounting policies (continued)

(g) Foreign currency

The Company and Group's presentation and functional currency is US Dollars

Group and Company

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 transaction date. Any exchange profits and losses are taken to the profit and loss account as incurred.

Group

Exchange differences arising from the re-translation of opening net investments in subsidiary undertakings at year end exchange rates and from translation of the results of those subsidiaries at average rates are taken to reserves.

2 Interest receivable

	2009 \$ Million	2008 \$ Million
Interest receivable on loans to other group undertakings	3	9
Net interest income	<u>3</u>	<u>9</u>

3 Net operating expenses

	2009 \$ Million	2008 \$ Million
Operating expenses include		
Auditor's remuneration		
Fees payable for the audit of the annual statutory accounts	0.02	0.02

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

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

4 Tax on profit /(loss) on ordinary activities

(a) Analysis of tax charge in the year

	2009 \$ Million	2008 \$ Million
Current tax:		
UK corporation tax	-	-
Total current tax (Note 4(b))	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

	\$ Million	\$ Million
Profit/(loss) on ordinary activities before tax	<u>646</u>	<u>(486)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28%)	(181)	138
Effects of		
Group Relief for nil consideration	1	3
Consolidation adjustment associate's profit/(loss)	180	(139)
Adjustments to tax charge in relation to previous years	-	(2)
Current tax charge for year	<u>-</u>	<u>-</u>

5 Directors' emoluments

The Company's Directors remuneration in respect of services to the Company were as follows

	2009 \$ '000	2008 \$'000
Aggregate emoluments	7	6

Contributions to the money purchase pension schemes are accruing to one of the Directors (2008 one) The Directors of the Company participate in a parent company share plan Three of the Directors of the Company participate in a parent company share option plan and during the year none of the Directors exercised options (2008 none)

The emoluments of the highest paid Director were \$5,143 (2008 \$5,890) During the year the highest paid Director did not exercise any share options

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

6 Fixed asset investments

Company

(a) Investment in associate and subsidiary undertakings:

	2009 \$ Million	2008 \$ Million
At 1 January	2,837	1,650
Capital contribution	-	1,187
Impairment provision	(5)	-
Cost at 31 December	<u>2,832</u>	<u>2,837</u>

The Groups 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	% holding in ordinary share capital	Principal activity
Cheapside Holdings (Jersey) Limited	Ordinary	100%	Holding Company (registered in Jersey)
Tanneryle Limited	Ordinary	100%	Funding Company

Group

(b) Investment in associate undertaking

The Group's share of net assets in the associate comprises

	2009 \$ Million	2008 \$ Million
Fixed assets	48	41
Current assets	60,462	80,103
Current liabilities	(55,068)	(77,297)
Liabilities after one year	(2,252)	(295)
Provision for liabilities and charges, net of pension assets	(18)	(24)
	<u>3,172</u>	<u>2,528</u>
Share of associate's profit/(loss)	<u>644</u>	<u>(497)</u>

Group	Proportion of voting shares held by the Company	Principal activity
Citigroup Global Markets Europe Limited (CGMEL)	34.92% (Effective interest 25.04%)	Holding company

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

7 Debtors

	Group		Company	
	2009	2008	2009	2008
	\$ Million	\$ Million	\$ Million	\$ Million
Due from other group undertakings	5	6	5	3
Due from associated undertakings	192	174	192	174
Corporation tax assets	-	1	-	1
	<u>197</u>	<u>181</u>	<u>197</u>	<u>178</u>

8. Creditors amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	\$ Million	\$ Million	\$ Million	\$ Million
Due to other group undertakings	9	11	14	9
Due to associated undertakings	19	7	19	8
	<u>28</u>	<u>18</u>	<u>33</u>	<u>17</u>

9 Financial instruments and risks

The Group holds financial instruments for operational purposes. The financial instruments held for trading are held as part of portfolios which are maintained and monitored by instrument or risk type.

The Group's approach to risk management is described below.

Operational risk

The operational risks of the Group are subject to periodic reviews by Citi Internal Audit and Risk and control self-assessment reviews conducted by management.

Credit risk

The Group is exposed to credit risk to the extent that counterparties to financial instruments fail to discharge their obligations and the Group incurs a financial loss. The Group monitors and limits its exposure to credit risk through the application of Citi policies and procedures in relation to credit.

Market Risk

The tables on the following page show the earlier of contractual re-pricing and maturity terms for each category of financial asset and liability. Positions may not be reflective of those in subsequent periods. In addition, significant variation in interest rate sensitivity may exist within the re-pricing periods presented and amount the currencies in which the Company has interest rate positions.

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

9 Financial instruments and risks (continued)

Group	Trading or non-interest bearing \$ Million	3 months or less \$ Million	1-5 years \$ Million	Total \$ Million
2009				
Assets				
Debtors				
Due from group undertakings	5	-	-	5
Due from associated undertakings	17	175	-	192
Total financial assets	<u>22</u>	<u>175</u>	<u>-</u>	<u>197</u>
Liabilities				
Creditors				
Due to group undertakings	1	8	-	9
Due to associated undertakings	-	19	-	19
Total financial liabilities	<u>1</u>	<u>27</u>	<u>-</u>	<u>28</u>
Group				
2008				
Assets				
Cash	-	3	-	3
Debtors				
Due from group undertakings	5	1	-	6
Due from associated undertakings	13	161	-	174
Total financial assets	<u>18</u>	<u>165</u>	<u>-</u>	<u>183</u>
Liabilities				
Creditors				
Due to group undertakings	5	6	-	11
Due to associated undertakings	8	-	-	8
Total financial liabilities	<u>13</u>	<u>6</u>	<u>-</u>	<u>19</u>

Fair values of financial instruments

In the normal course of its operations, the Group enters into various financial instruments involving forward settlement. As discussed in Note 1c), financial instruments are recorded at fair value or amortised cost.

In both 2009 and 2008 the Group carrying values of all financial assets and liabilities was substantially the same as the fair value.

Given the short term nature and characteristics of amounts due to and from other Group and Associate companies, fair value has been assumed to be equivalent to carrying value.

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

10 Called-up share capital

	2009 Number	2008 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>1,051,729</u>	<u>1,051,729</u>
	2009 \$ Million	2008 \$ Million
Alloted and issued		
980,140 Class A Stock, without par value	<u>501</u>	<u>501</u>

11 Reserves

Group	Capital reserve \$ Million	Profit and loss account \$ Million	Total \$ Million
At 1 January 2009	3,599	(1,406)	2,193
Profit for the year	-	646	646
At 31 December 2009	<u>3,599</u>	<u>(760)</u>	<u>2,839</u>
Company	Capital reserve \$ Million	Profit and loss account \$ Million	Total \$ Million
At 1 January 2009	3,593	(1,096)	2,497
Loss for the year	-	(2)	(2)
At 31 December 2009	<u>3,593</u>	<u>(1,098)</u>	<u>2,495</u>

12 Reconciliation of movements in shareholder's funds

	Group 2009 \$ Million	Company 2009 \$ Million
Balance at 1 January	2,694	2,998
Profit/(loss) for the year	646	(2)
Balance at 31 December	<u>3,340</u>	<u>2,996</u>

CITIGROUP GLOBAL MARKETS INTERNATIONAL LLC

NOTES TO THE FINANCIAL STATEMENTS

13. Group structure

The Company's immediate parent undertaking is CFPI, 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 www.citigroup.com/citi/corporategovernance/ar.htm