

Press Release

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Citi Targets \$50 Billion Over 10 Years to Address Global Climate Change

**Includes Significant Increases in Investment and Financing of Alternative Energy, Clean Technology, and Other Carbon-Emission Reduction Activities
Builds on Existing \$10 Billion Climate Change Activities**

New York - Citi today announced that it will direct \$50 billion over the next 10 years to address global climate change through investments, financings and related activities to support the commercialization and growth of alternative energy and clean technology among the clients and markets it serves, as well as within its own businesses and operations.

The \$50 billion target is a realistic estimate based on market-based activities and transactions with clients as well as energy saving, "green" projects within Citi's own operations. This target includes nearly \$10 billion in activities Citi has already undertaken to address climate change to date, and is the latest example of Citi's ongoing efforts in the broader environmental arena, including investments to control its own environmental footprint, advice to clients on risks and opportunities, and policy engagement.

"With a presence in more than 100 countries, Citi holds a unique position within the global community. This informs our commitment to bring forward the best solutions for our clients, while also benefiting the people and the communities where we operate," said Charles Prince, Chairman and CEO of Citi.

"One area where we believe we have this opportunity is on environmental and climate issues, which pose a significant challenge to the world, to the global economy, and to clients and require forceful action," Prince said. "The comprehensive program we are announcing today is not a wish-list, but a realistic, achievable plan that serves a critical global need and responds to an emerging investment opportunity."

Citi has long been active on environmental issues, as evidenced by its initial and ongoing leadership in the development of the Equator Principles, which established best practices for assessing and mitigating social and environmental risks in project finance. Citi has also called for the development of global and U.S. frameworks that will help reduce greenhouse gas (GHG) emissions, drive innovation and opportunity, bring clarity and certainty to the markets and achieve a level playing field.

"As a global leader in financial services, we recognize our responsibility to confront climate change and the importance of identifying and helping implement new solutions for our clients and our businesses. We will continue to partner with environmental experts and clients as we address this issue," Prince said.

"This new initiative is an excellent complement to Citi's call for stronger, market-based climate policy in the United States and abroad," said Eileen Claussen, President of the Pew Center on Global Climate Change. "Citi understands how profoundly climate change will transform the economy, and they are pioneering opportunities for the capital markets to meet the climate challenge."

Citi's activities in the area of climate change span its entire business and operations. They include:

Corporate-Wide

Citi will increase ten-fold, to \$10 billion, its commitment to reduce its corporate environmental footprint through its own real estate portfolio, procurement and energy use, as part of its pledge to reduce GHG emissions by 10% by 2011. This ambitious undertaking across Citi's more than 14,500 global facilities is driven by the creation of a Global Energy Council; purchase of 52,283 MWh of green power for operations; and its goal of achieving environmental certification (e.g. Leadership in Energy and Environmental Design or LEED in the U.S.) for the construction of all new office buildings and operations centers and evaluation of existing larger facilities.

In 2007, two major U.S. office facilities in Dallas and New York City are in the process of achieving LEED status, with a new office tower in Long Island City, NY, housing 1,500 employees, achieving LEED Silver rating, and a data center in Europe that is being designed to achieve LEED Gold status. Citi expects to open LEED-certified retail branches in 2008, and has already begun installation of 100% recycled materials.

Citi Markets & Banking

Citi's Markets & Banking group plans to invest in and finance over \$31 billion in clean energy and alternative technology over the next ten years through the expansion of existing activities and the launch of new client services. With committed investments and financings approaching \$7.5 billion to date, the Markets & Banking group sees tremendous opportunities to support companies working in alternative energies such as solar, wind, hydro and geothermal; helping to commercialize energy efficiency ideas; and facilitating investments in aging infrastructure using clean and efficient technologies.

Citi has a growing portfolio of equity investments in renewable energy projects, including wind farms in Minnesota and New Mexico. Citi recently advised and financed the \$2.15 billion acquisition of a major US wind portfolio by EDP - Energias de Portugal that plans to bring over 9,000 MW of new wind development projects to market. Citi also underwrote US Green Bonds for a green/carbon neutral real-estate development in Syracuse, NY, and will continue developing innovative financial products to support clients as they implement climate change initiatives.

Since 2006, Citi has also provided advisory services in targeted GHG-intensive sectors to help clients analyze and understand carbon exposure and reduction strategies, building on Citi's industry leading environmental and social risk management (ESRM) capabilities.

Citi Alternative Investments

Various businesses at Citi Alternative Investments (CAI) have been active in making environmentally friendly investments. For example, as part of the Sustainable Development Investment Program, CVC International has invested \$150 million to date, including such notable transactions as Suzlon Wind Energy, a wind turbine manufacturer based in India, and Sindicatum Carbon Capital, a developer of projects that reduce GHG emissions globally. Citi Property Investors (CPI) invests in sustainable building projects. Its first such investment was in the Loreto Bay Company, a 5,000-home community in Baja California, Mexico that is one of the largest sustainable resort communities in North America.

Underscoring Citi's continued commitment to the environment, in April 2007, CAI created a standalone investment center called Sustainable Development Investments (SDI). SDI builds on Citi's Sustainable Development Investment Program with an expected ten-fold increase in its capital commitment to over \$2 billion of private equity over the next ten years in renewable and alternative energy, clean technologies, energy efficiency, carbon credit markets, waste and water management and sustainable forestry. Similarly, CPI intends to commit \$500 million to investments in sustainable building projects over the next 10 years.

Global Consumer Group

Citi's consumer franchise is offering climate friendly mortgage, card and commercial finance products to its clients. In the summer of 2006, CitiMortgage and Sharp Electronics Corporation,

the world's leading producer of solar cells and U.S. subsidiary of Sharp Corporation (Osaka, Japan), signed a joint marketing agreement that enables Sharp's Solar Energy Solutions Group offer home equity loans and lines of credit through CitiMortgage as an additional financing option for homeowners to purchase and install solar electric systems. The home equity program offers customers an affordable alternative to make this energy-efficient upgrade to their homes.

Citi's commercial finance and leasing division, CitiCapital, is more than doubling its commitment to facilitating the reduction of carbon-gas emissions and promoting sustainability by 2010. Its CitiCapital Energy Finance Unit has an existing portfolio of over \$1 billion from underwriting energy efficiency upgrades for universities, local school districts and various municipalities in the United States, allowing clients to amortize the cost savings of improvement over a 15- to 20-year period generally without capital outlays.

In the workplace, Citi recently demonstrated its commitment to healthy work settings and environmental responsibility with its new Citi Cards facility in Elk Grove Village, Illinois, which was designed with numerous environmentally sustainable features.

In addition, Citi Community Development is building on its existing investing activities to include green-related investments, such as renewable energy tax credit investments and green private equity investments. And members of Citi's popular "Thank you" points rewards program can redeem points for a range of environmentally responsible rewards.

Global Wealth Management

Citi Investment Research issued over 70 climate-related notes in 2006. A major thematic investment research report by Edward Kerschner, Chief Investment Officer of Citi Investment Research, highlights the investment opportunities and implications of a changing climate. Based on this report, Citi is holding a two-day conference on June 5-6, 2007, that will bring senior executives from the corporate, political, regulatory and advisory arenas together with influential global investors to discuss the issue.

Citi Smith Barney and Citi Private Bank also advise clients on opportunities in the socially responsible investment arena, including climate-friendly opportunities.

Citi Private Bank and the Financial Times have created an Environmental Award for businesses from around the world that have significantly improved their environmental performance. The focus in 2007 is on GHG reductions, and the inaugural awards event will be held in London on September 19, 2007.

Additional Activities

- Citibank, Citi Smith Barney, and Citi Cards now offer paperless statements to customers. For each client who elects to take advantage of this opportunity, a tree is planted.
- Citi actively engages on the issue of climate change with stakeholders, including clients, employees and non-governmental organizations and socially responsible investors.
- In 2006, the Citi Foundation provided \$2 million in grants for sustainable enterprise, including climate-related programs in alternative energy and sustainable forestry and agriculture, and expects to continue to develop and grow this portfolio. The Citi Foundation currently supports projects such as the Ecologic Development Fund, which works in Honduras and Panama to produce community-based carbon offsets via the reforestation of a reserve.
- Citi endorses industry-wide efforts to advance climate solutions, and is actively involved with other corporations on climate change in such groups as Columbia University's Global Roundtable on Climate Change (GROCC), the Pew Center on Global Climate Change's Business Environmental Leadership Council, the 3C initiative led by Vattenfall,

the World Resources Institute (WRI), and Renewable Energy and Energy Efficiency Program (REEEP).

Citi's stock is part of Dow Jones Sustainability Index and FTSE4Good, both of which acknowledge leadership in setting standards in sustainable growth and in demonstrating exceptional environmental, social and economic performance.

Citi has been working with Sustainable Finance Ltd., leading advisors on sustainability opportunities to the financial sector, to develop and implement Citi's environmental strategy, including the climate change commitments announced today.

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Citi

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