See the Disclosure Appendix for the Analyst Certification and Other Disclosures

INDIA

Rohini Malkani
+91-22-6631-9876
rohini.malkani@citigroup.com
Mumbai

Anushka Shah
Mumbai

Note Released: 29-Aug-08

India Econ Flash

1QFY09 GDP up 7.9%; Revise FY09 and FY10 GDP to 7.5% and 7.4%

Quarterly GDP Growth — Forecasts and Actual (Percent)

Event	Actual	Citi Forecast	Consensus	Previous Data (4QFY08)	Previous Data(3QFY08)
1QFY09	7.9	7.6	8.0	8.8	8.8

* April Production revised from 7% to 6.2%*Source: CSO, Bloomberg, and Citi

- **1Q FY09 GDP rose 7.9%** v/s 8.8% last quarter and 9.2% in 1QFY08. Growth was led by agri up 3%, industry up 6.9% and services up 10%. GDP by expenditure indicates that while consumption growth at 7.9% was higher than trends in 1QFY08, investments growth decelerated to 9%- the first time below double-digits since 4QFY03. We expect these trends to continue in FY09.

- **FY09 estimates revised from 7.7% to 7.5%:** Taking into account the latest monsoon/crop sowing data, we revised down our agri estimates from 3% to 2% in FY09. Looking at GDP by expenditure, despite higher rates, we believe that the fiscal stimuli (tax breaks, pay commission and farm debt waiver) will partially offset the interest impact on the consumption side. As regards investments, tight liquidity conditions (both domestic and global) and rising inputs costs will likely result in fixed capital formation coming at sub 10% for the first time since FY04. Our numbers factor in one more rate hike.

- **FY10 lowered from 7.9% to 7.4%:** As mentioned in our August Macroscope[1] the deterioration in the global and domestic macro environment has seen India Inc adapt and innovate with a clear focus on profitability. However, the adverse macro environment is impacting growth and expansion plans, with the recent developments in Singur – the location for Tata's Nano car project another negative[2]. We thus expect the deceleration in investment growth to worsen and lower our FY10 estimate to 7.0%. *(see pg 2 for details).* **Growth would have been lower** were it not for the buoyant savings, productivity gains, healthier balance sheets and the possibility of monetary easing next year.

Quarterly and Annual Trends in GDP by Activity (% YoY)

(% YoY)	Wts	FY09	FY08				Full Year		
		Q1	Q1	Q2	Q3	Q4	FY08	FY09E	FY10E
Agriculture	**17.8**	**3.0**	**4.4**	**4.7**	**6.0**	**2.9**	**4.5**	**2.0**	**3.0**
Industry	**26.6**	**6.9**	**9.1**	**9.4**	**8.2**	**7.6**	**8.5**	**6.8**	**6.4**
Manufacturing	15.4	5.6	10.9	9.2	9.6	5.8	8.8	6.8	6.5
Mining	2.0	4.8	1.7	5.5	5.7	5.9	4.7	3.5	3.5
Electricity	2.1	2.6	7.9	6.9	4.8	5.6	6.3	6.0	5.0
Construction	7.3	11.4	7.7	11.8	7.1	12.6	9.8	8.0	7.5
Services	**55.6**	**10.0**	**11.0**	**10.5**	**10.4**	**11.2**	**10.8**	**9.6**	**9.2**
Trade, hotels, comm	27.5	11.2	13.1	11.0	11.5	12.4	12.0	10.5	10.0
Financing, insurance	14.7	9.3	12.6	12.4	11.9	10.5	11.8	8.8	10.5
Community services	13.4	8.4	5.2	7.7	6.2	9.5	7.3	8.5	6.1
GDP at factor cost	**100.0**	**7.9**	**9.2**	**9.3**	**8.8**	**8.8**	**9.0**	**7.5**	**7.4**

Source: CSO

[1] **August Macroscope** "Tough Times = Innovating India" dated Aug 13, 2008 at https://www.citigroupgeo.com/pdf/SAP19196.pdf

[2] Effectively summarised by Mr **Mukesh Ambani** "A fear psychosis is being created to slow down certain projects of national importance. This will be counter productive for the country's economic growth, its global image as well as our ability to attract investments from across the world" – *Mukesh Ambani fires up in Tata's defence, ToI dated August 28, 2008*

FY10 – Investment Outlook less favorable

Growth to come in at 7.5% and 7.4% in FY09 and FY10

- Trends in investments are likely to weaken as the impact of monetary tightening kicks in
- However, consumption may be shielded from a downturn due to the Sixth Pay Commission recommendations and budgetary proposal
- Our FY09 and FY10 GDP estimates of 7.5% and 7.4% incorporate a deceleration in investments to 8% and 7%, respectively from the double digit growth seen during FY04-FY08

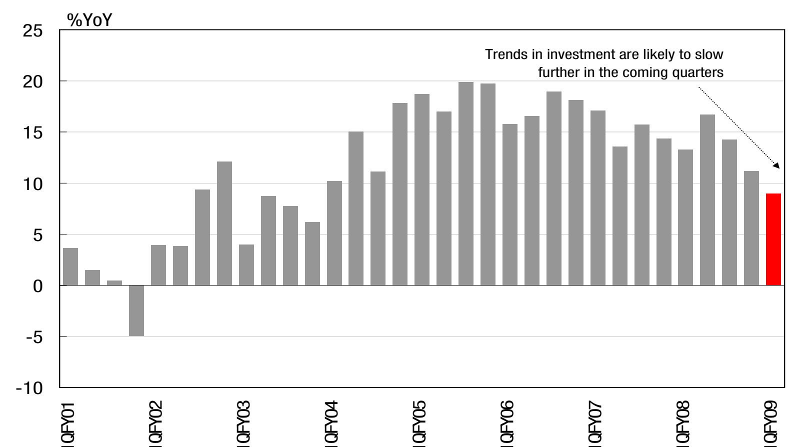
GDP by EXPENDITURE (%)

	FY09	FY08						
	Q1	Q1	Q2	Q3	Q4	FY08	FY09E	FY10E
Total Consmp (% GDP)	**70.1**	**70.1**	**68.1**	**69.0**	**64.7**	**67.8**	**67.9**	**67.6**
%YoY	7.9	6.1	8.0	8.5	9.7	8.1	7.6	6.9
Pvt Consmp (% GDP)	59.8	59.8	59.5	60.7	53.4	58.2	58.1	57.9
%YoY	8.0	7.6	7.6	9.4	8.3	8.3	7.4	7.0
Public Consmp (% GDP)	10.3	10.3	8.7	8.3	11.2	9.6	9.7	9.7
%YoY	7.7	-2.2	10.3	2.2	16.7	7.0	8.5	6.5
Gross Fixed Cap Form (%GDP)	**32.3**	**32.0**	**33.4**	**31.0**	**31.6**	**31.9**	**32.1**	**32.0**
% YoY	9.0	13.3	16.7	14.3	11.2	13.8	8.0	7.0
Net Exports (% to GDP)	-1.7	-1.1	-8.1	-6.4	-1.2	-4.1	-4.5	-4.1
Real GDP	**7.9**	**9.2**	**9.2**	**8.9**	**8.8**	**9.0**	**7.5**	**7.4**

The Investment Cycle May no longer be that resilient

- Investments have faced a double whammy with rising input costs on the one hand; and higher, more stringent borrowing constraints on the other.
- While companies are coping through back-to-back supply arrangements, escalation clauses and building in a buffer while bidding, the pace of growth of order books has decelerated.
- Due to upcoming elections in 2009, government spending has increased, but things could slow things could slow in coming months due to election uncertainty.

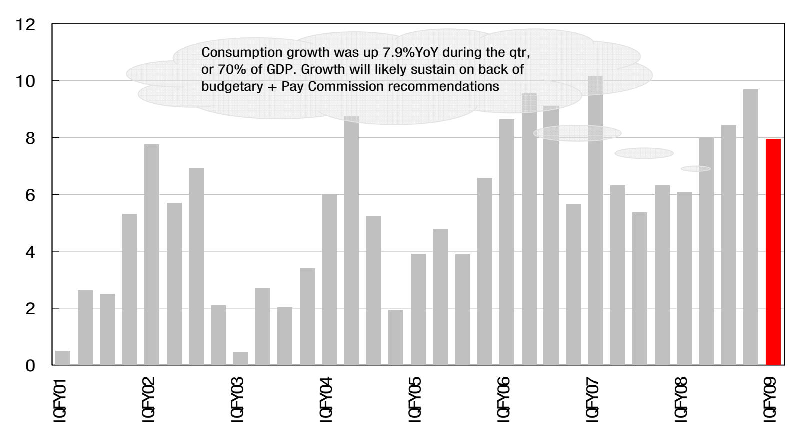
Quarterly Trends in Investment Growth (%YoY)



Consumption Growth could be arrested due to fiscal stimuli

- Consumption now comprises 66% of GDP from 75% a few years ago. Growth which has averaged 6-7% YoY is likely to sustain as the fiscal stimulus will likely offset higher rates and oil prices.
- On the **private** consumption side, budgetary proposals- which included increasing exemption limits for personal income tax and raising of tax slabs have resulted in an increase in disposable incomes. The farm waiver is another offset.
- As regards **public** consumption, the 6th Pay Commission recommendations would further help arrest a slump

Quarterly Trends in Consumption Growth (%YoY)



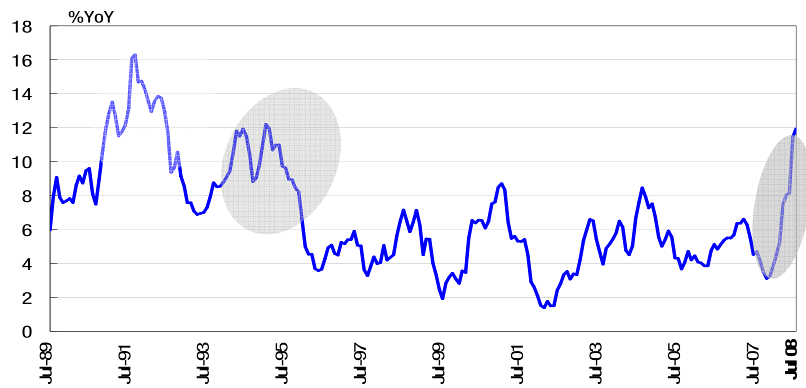
Source: CSO, CEIC Data Company, Office of the Economic Advisor

Inflation to remain high; Stringent Borrowing Costs will Hurt with a Lag

Inflation – Double Digit Levels to Continue for Awhile…

- Inflation, as measured by the WPI remains firmly in the double-digit range; at 12%+ levels currently
- We expect inflation to remain at double-digit levels in the coming months as (1) the base effect and potential food price easing will have an impact only next year and (2) though oil prices have eased, they are still higher than levels a year ago

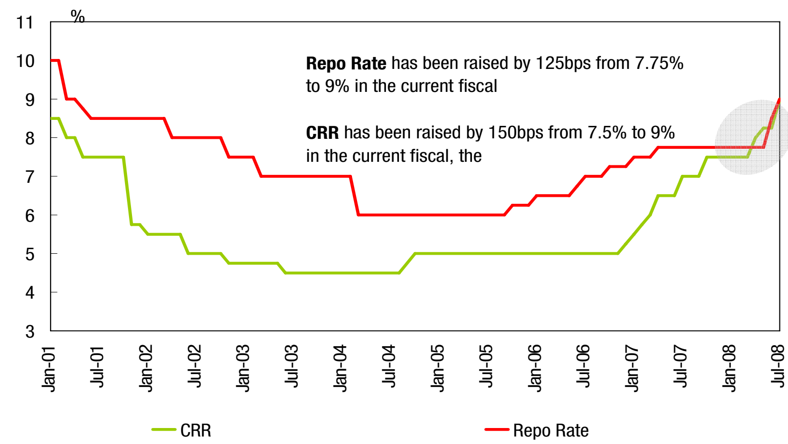
Trends in Inflation (WPI; %YoY)



…Resulting in Policy Officials Prioritizing Inflation over Growth

- Given the broad-based nature of inflation, we expect the RBI to raise policy rates using a combination of repo/CRR at least once more this year.
- Ministry officials have also stated that *"the government's first priority is inflation and price stability; we may have to sacrifice a bit of growth to tackle inflation"*
- Higher policy rates coupled with more stringent credit checks are likely to take their toll on growth

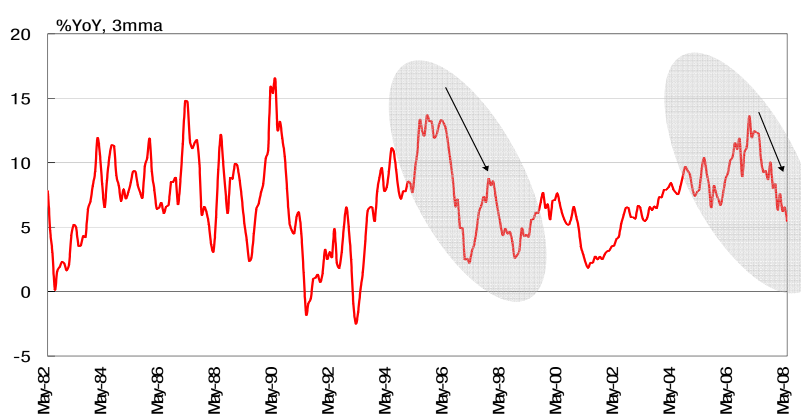
Rates – CRR and Repo Rate are now both at 9%



Slowing Growth: Is history repeating itself[3]?

- Monetary tightening coupled with the current uptrend in prices has placed the RBI in a dilemma – of rising prices and slowing growth
- Added to this is the global macro-environment of de-leveraging and higher spreads – both of which are negative for countries dependent on capital
- While admittedly there are productivity improvements, strong trends in savings coupled with more efficient capital allocation and cost rationalisation…higher rates are impacting growth and expansion plans..

Trends in Industrial Production (%YoY, 3mma)



Source: CSO, CEIC Data Company, Budget Documents

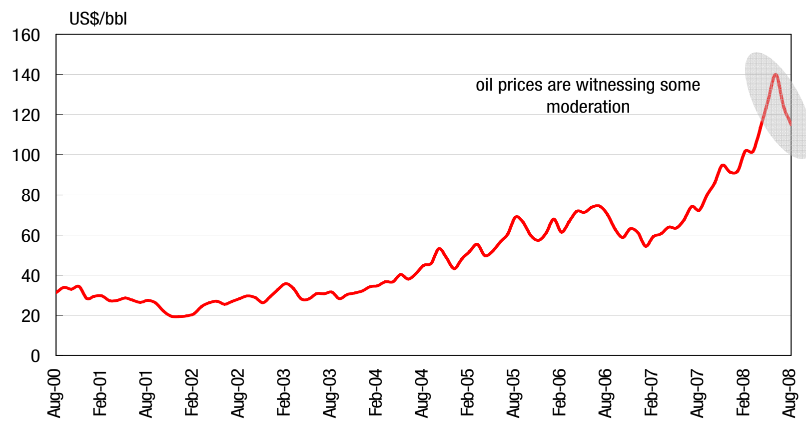
[3] See https://www.citigroupgeo.com/pdf/SAP17882.pdf for the *July Macroscope "Ghost of the '90's returns…How much further will India get spooked?*

Dynamics to monitor: What Could Change our Outlook for FY10?

Oil Prices—Joker in the Pack

- The spike in crude oil prices was one of the key reasons for the direction change seen across all the macro variables in India. If oil prices re-trace to US$100/bbl levels; the impact on the economy would vary
- While the impact on the external and fiscal account is immediate[4]; given the second-round impact of inflation, prices would take a while to ease, which would keep rates at current levels. But, the impact on inflationary expectations would negate the need for much further rise in rates

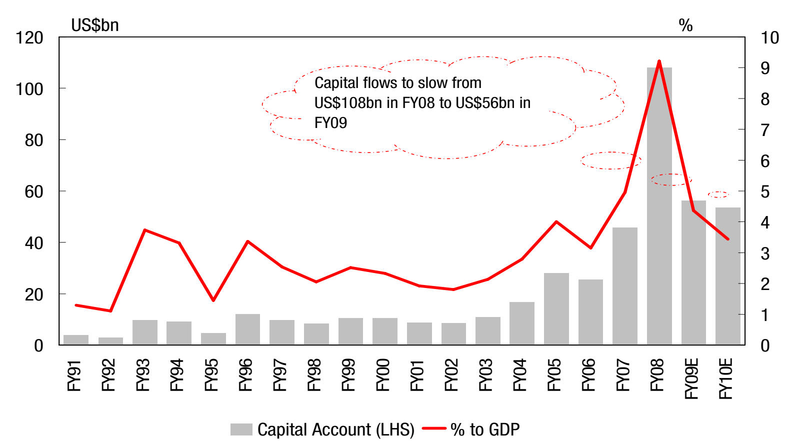
Trends in Oil Prices (WTI; US$/bbl)



Capital Flows – ECB liberalisation; Global Issues

- While FY09 is likely to be a crunch time given the rise in current account deficit and lower capital flows, the pressure could ease a bit from FY10 as the new hydrocarbon discoveries by Reliance, ONGC, GSPCL and Cairn come on-stream
- Other factors to watch out for are:
  1) a possibility of ECB norms being liberalized[5] – this would be **positive**
- Global credit crunch getting worse – which would **negatively** impact flows to EMs

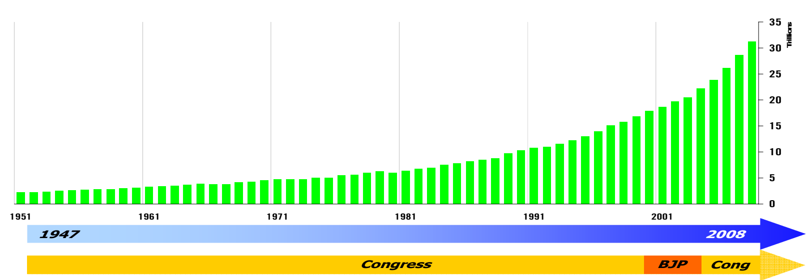
Trends in Capital Flows (US$bn, % GDP)



Domestic Politics – Change in Govt

- Politics also remains a dynamic variable in our forecasts.
- While a strong Congress or BJP led government would be positive, the bets could be off if one has a messy combination

Trends in Indian GDP (Rs trillion)



Source: CMIE, CSO, SIAM, CEIC Data Company, Office of the Economic Advisor

---

[4] **What if Oil comes back to US$100/bbl?** A US$1/bbl change increases/decreases the trade account by US$700m and under-recoveries by US$750mn. See https://www.citigroupgeo.com/pdf/SAP19196.pdf for further details

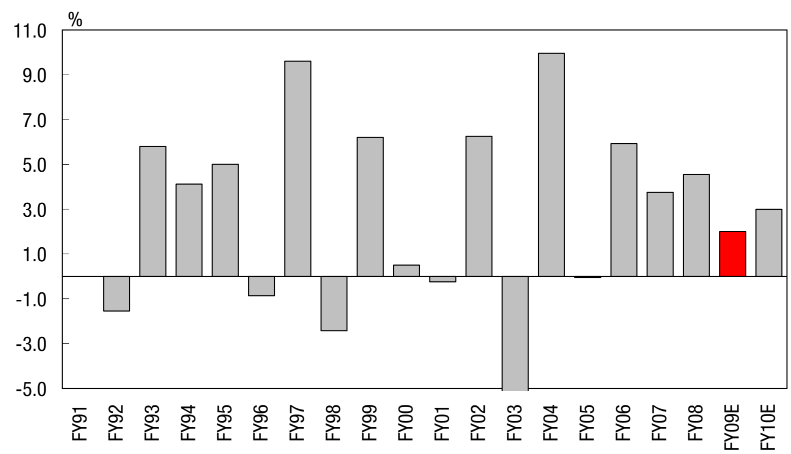
[5] **ECB Rules:** While the overall US$500mn company ceiling remains; current ECB guidelines **limit offshore borrowing** to $50m offshore for use onshore. (For infrastructure companies this is higher at US$100mn). In addition, the all ***All-in-cost*** ceilings for overseas borrowings is capped at 200 bps for ECBs with maturities over 3 years and 350bps for ECBs over 5 years

FY09 Estimates lowered mainly due to agriculture…but what could surprise

Agriculture Growth—Will depend on Monsoons

- In recent years the monsoon impact has been muted as growth drivers were firing on all cylinders.
- While the monsoons are just 1% below normal, the rainfall trends have been a bit erratic this year
- As regards crop sowing, while rice is up 7%, all other crops are down resulting in overall crop sowing being down 5% YoY. More-over the water level in the reservoirs too has been lower. As a result we have lowered our agri estimate from 3% to 2%.

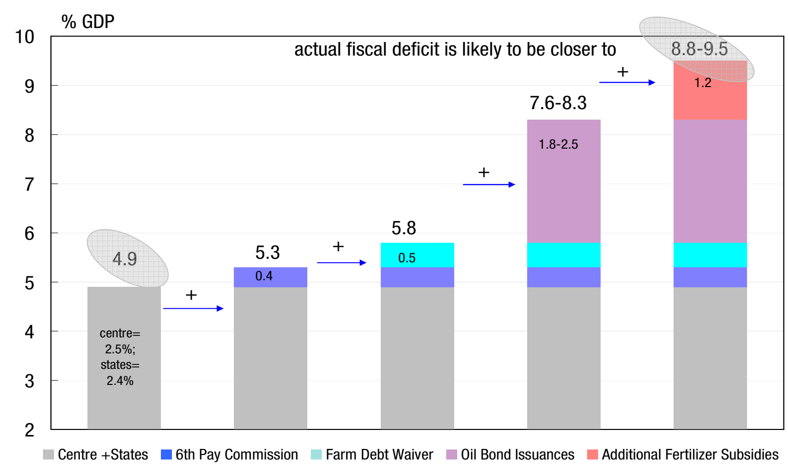
Agricultural Growth has been fluctuating despite "normal" monsoons



Fiscal Deficit—Off Balance Sheet Items …Now pretty well known

- While on paper, the fiscal deficit target of 2.5% for the centre will likely be met; rising off-balance sheet items are a concern
- A key point to note is that 80% of the off-balance sheet items are due to the oil shock. Thus, oil coming off significantly from current levels could result in this scenario changing

Fiscal Deficit for FY09: Including Off-Balance Sheet items



Implementation of Reforms…could be a big positive

- Given that the Left is now out of the equation, the government has been pushing ahead with reforms that were earlier on the backburner.
- With elections around the corner, the UPA seems determined to expedite the reform process and rack up its scorecard.
- Key announcement so far include those on pensions, fertilizers, defense procurement
- Pending legislation in areas of divestments, insurance would help improve public finances and liquidity and are positive for growth

Bills Pending with Lok Sabha

The Pension Fund Regulatory and Development Authority Bill, 2005
The Banking Regulation (Amendment) Bill, 2005
The Forward Contracts (Regulation) Amendment Bill, 2006
The Information Technology (Amendment) Bill, 2006
The State Bank of India (Amendment) Bill, 2006
The Micro Financial Sector (Development and Regulation) Bill, 2007
Airports Economic Regulatory Authority of India Bill, 2007.

Source: CMIE, CSO, SIAM, CEIC Data Company, Office of the Economic Advisor; Parliamentary Research Service

Disclosure Appendix A1

ANALYST CERTIFICATION

We, Rohini Malkani, Anushka Shah, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or views in this report.

Other Disclosures

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

ISSUER-SPECIFIC DISCLOSURES

Citigroup, its officers, directors and/or employees, may from time to time have long or short positions in, act as principal in connection with, and buy or sell securities or derivatives (including options and warrants) discussed in this report. For purposes of your review of this report, you should assume that this is the case with respect to the securities covered herein.

Citigroup does and/or seeks to do business with many issuers, including through the provision of investment banking or other services. For purposes of your review of this report, you should assume that Citigroup has acted as a manager or co-manager of an offering of securities discussed in this report within the prior 12 months or has provided other services to the issuer within the prior 12 months for which it has received or expects to receive compensation.

Citigroup is an active market maker or liquidity provider for many fixed-income securities and from time to time takes principal positions in such securities or related derivatives. For purposes of your review of this report, you should assume that this is the case with respect to the securities covered herein.

LIQUIDITY PROVIDER DISCLOSURE

Citi is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. Citi regularly trades in the securities of the subject company(ies) discussed in this report. Citi may engage in securities transactions in a manner inconsistent with this report and, with respect to securities covered by this report, will buy or sell from customers on a principal basis. For securities recommended in this report, in which Citi is not a market maker, Citi is a liquidity provider in the issuer's financial instruments and may act as principal in connection with such transactions.

VALUATION METHODOLOGY AND OTHER DISCLOSURES

"Relative Value"-based recommendations is the principal approach used by Citi's Fixed Income Strategy and Analysis ("FISA") and Economic & Market Analysis ("EMA") divisions' strategists/analysts when they make "Buy" and "Sell" recommendations to clients. These recommendations use a valuation methodology that is principally driven by opportunistic spread differences between the appropriate benchmark security and the security being discussed: (1) that have different maturities within a unique capital structure, (2) that have different collateral classes within a unique capital structure, or (3) that reflect a unique opportunity associated with a debt security. In addition, it is also not uncommon for a strategist/analyst to make an "Asset Swap" recommendation, such as a "Buy" and "Sell" recommendation between two securities from the same issuer/tranche/sector.

OTHER GENERAL DISCLOSURES

This research report was prepared by Citigroup Global Markets Inc. ("CGMI") and/or one or more of its affiliates (collectively, "Citi"), as further detailed in the report, and is provided for information and discussion purposes only. It does not constitute an offer or solicitation to purchase or sell any securities or other financial products.

This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. Investing in securities and other financial products entails certain risks, including the possible loss of the entire principal amount invested. Certain investments in particular, including those involving structured products, futures, options, and other derivatives, are complex, may entail substantial risk, and are not suitable for all investors. The price and value of, and income produced by, securities and other financial products may fluctuate and may be adversely impacted by exchange rates, interest rates, or other factors. Prior to effecting any transaction in options or options-related products, investors should read and understand the current Options Clearing Corporation Disclosure Document, a copy of which may be obtained on request from your Citi representative. Certain securities may not be registered with, or subject to the reporting requirements of, the US Securities and Exchange Commission or any comparable regulatory authority. Information available on such securities may be limited. Investors should obtain advice from their own tax, financial, legal, and other advisors and only make investment decisions on the basis of the investor's own objectives, experience, and resources.

The information contained in this report is based on generally available information and, although obtained from sources believed to be reliable, its accuracy and completeness is not guaranteed. The analysis contained in this report is based on a number of assumptions. Changes in such assumptions could produce materially different results. This communication is not intended to forecast or predict future events. Past performance is not a guarantee or indication of future results.

Citi research analysts may communicate with sales and trading personnel and other Citi personnel for the purposes of gathering and analyzing market information and may discuss with such personnel information regarding, among other things, market trends, economic trends, the market for bonds of a specific issuer, and other market information (such as current prices, spreads, and liquidity), as long as such communications do not impair the analyst's independent ability to express accurately his or her personal views about any and all of the subject securities or issuers. Other Citi personnel who do not function as research analysts, including sales and trading personnel, may provide oral or written market commentary or trade ideas to Citi's customers or proprietary trading desks that differ from the views expressed in this report. Citi's proprietary trading and asset management businesses may make investment decisions that are different from the recommendations contained in this report.

Citi has no duty to update this report, and the opinions, estimates, and other views expressed in this report may change without notice. No liability whatsoever is accepted for any loss (whether direct, indirect, or consequential) that may arise from any use of the information contained in or derived from this report.

Securities recommended, offered, or sold by Citi (unless expressly stated otherwise): (1) are not insured by the Federal Deposit Insurance Corporation or any other body; and (2) are not deposits or other obligations of Citibank, N.A. or any other insured depository institution.

Citi does not provide tax advice and nothing contained herein is intended to be, or should be construed as, tax advice. Any discussion of US tax matters contained in this report was written to support the promotion or marketing of the transactions or other matters addressed herein and is not intended to be used, and must not be used by any recipient, for the purpose of avoiding US federal tax penalties. Recipients of this report should seek tax advice based on the recipient's own particular circumstances from an independent tax adviser.

This report is intended for distribution solely to customers of Citi in those jurisdictions where such distribution is permitted. No part of this report may be copied or redistributed by any recipient for any purpose without Citi's prior written consent.

Local law requirements may prohibit certain investors from effecting a transaction in the security or securities covered in this report. US persons wishing further information or to effect a transaction should contact a registered representative of CGMI in the United States. Non-US persons wishing further information or to effect a transaction should contact a Citi entity located in their own jurisdiction unless applicable governing law permits otherwise.

AUSTRALIA: The Product is made available in Australia to wholesale clients through Citigroup Global Markets Australia Pty Ltd. (ABN 64 003 114 832 and AFSL No. 240992) and to retail clients through Citi Smith Barney Pty Ltd. (ABN 19 009 145 555 and AFSL No. 240813), participants of the ASX Group, and regulated by the Australian Securities & Investments Commission. Citigroup Centre, 2 Park Street, Sydney, NSW 2000. BRAZIL: The Product is made available in Brazil by Citigroup Global Markets Brasil - CCTVM SA, which is regulated by CVM - Comissão de Valores Mobiliários, BACEN - Brazilian Central Bank, APIMEC - Associação Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais and ANBID - Associação Nacional dos Bancos de Investimento. Av. Paulista, 1111 - 11º andar - CEP. 01311920 - São Paulo - SP. CANADA: If this report is being made available in certain provinces of Canada by Citigroup Global Markets (Canada) Inc. ("CGM Canada"), CGM Canada has approved the Product. Citigroup Place, 123 Front Street West, Suite 1100, Toronto, Ontario M5J 2M3. CHINA: This report is made available in China through Citibank (China) Co., Ltd. Beijing Branch, 16F Tower 1 Bright China Chang-an Bldg., 7 Jianguomen Nei Avenue, Beijing, 100005 P.R. China. Citibank (China) Co., Ltd.Beijing Branch is regulated by the China Banking Regulatory Commission. CZECH REPUBLIC: This report is being distributed within the territory of the Czech Republic by Citibank a.s. Citibank a.s. is a bank and securities broker/dealer regulated by the Czech National Bank, Na Príkope 28, Prague 1, Czech Republic. Unless expressly stated otherwise, Citibank a.s. is only distributing this report and, upon its distribution, it has not changed or amended the actual content of this report in any way (as such was prepared by respective entities and/or individuals as further detailed in the report). HONG KONG: If this report is made available in Hong Kong by, or on behalf of, Citigroup Global Markets Asia Ltd., it is attributable to Citigroup Global Markets Asia Ltd., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. Citigroup Global Markets Asia Ltd. is regulated by the Hong Kong Securities and Futures Commission. If this report is made available in Hong Kong by Citibank, N.A., it is attributable to Citibank, N.A., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. Citibank, N.A. is regulated by the Hong Kong Monetary Authority. INDIA: The Product is made available in India by Citigroup Global Markets India Private Limited, which is regulated by Securities and Exchange Board of India. Bakhtawar, Nariman Point, Mumbai 400 021. INDONESIA: The Product is made available in Indonesia through PT Citigroup Securities Indonesia. 5/F, Citibank Tower, Bapindo Plaza, Jl. Jend. Sudirman Kav. 54-55, Jakarta 12190. Neither this Product nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable capital market laws and regulations. This Product is not an offer of securities in Indonesia. The securities referred to in this Product have not been registered with the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market laws and regulations. JAPAN: This report is being distributed in Japan by Nikko Citigroup Limited. If this report was prepared by a Citi affiliate of Nikko Citigroup Limited ("NCL"), it is being so distributed under license. If this report was prepared by NCL, it may be based in part on a report produced by one of its affiliates under license. If this report was prepared by NCL and is being distributed in other jurisdictions by other Citi affiliates, or by Nikko Cordial Securities Inc., it is being distributed by them under license. NCL is regulated by Financial Services Agency, Securities and Exchange Surveillance Commission, Japan Securities Dealers Association, Tokyo Stock Exchange and Osaka Securities Exchange. Shin-Marunouchi Building, 1-5-1 Marunouchi, Chiyoda-ku, Tokyo 100-6520 Japan. KOREA: The Product is made available in Korea by Citibank Korea Inc., which is regulated by the Financial Supervisory Commission and the Financial Supervisory Service. Address is Dadong 39, Jung Gu, Seoul, Korea, 100-180. MEXICO: This report is made available in Mexico by Acciones y Valores Banamex, S.A. De C. V., Casa de Bolsa, and Banco Nacional de México S.A. Acciones y Valores Banamex is regulated by Comision Nacional Bancaria y de Valores. Its address is Reforma 398, Col. Juarez, 06600 Mexico, D.F. Banco Nacional de México S.A. is regulated by the Comisión Nacional Bancaria y de Valores. Its address is Actuario Roberto Medellín 800, Col. Santa Fé, (01210) Mexico City, Mexico. NEW ZEALAND: In New Zealand the Product is made available through Citigroup Global Markets New Zealand Ltd. (Company Number 604457), a Participant of the New Zealand Exchange Limited and regulated by the New Zealand Securities Commission. Level 19, Mobile on the Park, 157 Lambton Quay, Wellington. PHILIPPINES: This report is made available in the Philippines through Citibank, N.A. Philippine Branch, 8741 Paseo de Roxas, Makati City, Philippines. Citibank, N.A. Philippine Branch is regulated by the Bangko Sentral ng Pilpinas. POLAND: The Product is made available in Poland by Dom Maklerski Banku Handlowego SA, an indirect subsidiary of Citigroup Inc., which is regulated by Komisja Papierów Wartosciowych i Gield. Bank Handlowy w Warszawie S.A. ul. Senatorska 16, 00 923 Warszawa. RUSSIA: The Product is made available in the Russian Federation through ZAO Citibank, which is licensed to carry out banking activities in the Russian Federation in accordance with the general banking license issued by the Central Bank of the Russian Federation and brokerage activities in accordance with the license issued by the Federal Service for Financial Markets. Neither the Product nor any information contained in the Product shall be considered as advertising the securities mentioned in this report within the territory of the Russian Federation or outside the Russian Federation. The Product does not constitute an appraisal within the meaning of the Federal Law of the Russian Federation of 29 July 1998 No. 135 FZ (as amended) On Appraisal Activities in the Russian Federation. 8 10 Gasheka Street, 125047 Moscow. SINGAPORE: The Product is made available in Singapore through Citigroup Global Markets Singapore Pte. Ltd. and Citicorp Investment Bank Singapore Ltd. Citigroup Global Markets Singapore Pte. Ltd. is a Capital Markets Services License holder and regulated by the Monetary Authority of Singapore. 1 Temasek Avenue, #39-02 Millenia Tower, Singapore 039192. Citicorp Investment Bank Singapore Ltd. is a Merchant Banking License holder and regulated by the Monetary Authority of Singapore. 3 Temasek Avenue, #17-00 Centennial Tower, Singapore 039190. SOUTH AFRICA: Citigroup Global Markets (Pty) Ltd. is incorporated in the Republic of South Africa (company registration number 2000/025866/07) and its registered office is at 145 West Street, Sandton, 2196, Saxonwold. Citigroup Global Markets (Pty) Ltd. is regulated by the JSE Securities Exchange South Africa, the South African Reserve Bank and the Financial Services Board. The investments and services contained herein are not available to private customers in South Africa. TAIWAN: The Product is made available in Taiwan through Citibank, N.A., Taipei Branch, which is regulated by the Financial Supervisory Commission. No portion of the report may be reproduced or quoted in Taiwan by the press or any other person. F.8 No. 169, Section 4, Jen Ai Road, Taipei, Taiwan. UNITED KINGDOM: This report is being distributed in the United Kingdom by Citibank, N.A., London Branch, or Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, UK. This material is directed exclusively at market professional and institutional investor customers in the United Kingdom and is not for distribution to private customers in the United Kingdom as defined by the Financial Services Authority. Any investment or service to which this material may relate will not be made available to such private customers. This material may relate to investments or services of a person outside the United Kingdom or to other matters that are not regulated by the Financial Services Authority and further details as to where this may be the case are available on request in respect of this material. UNITED STATES: This report is being distributed in the United States by CGMI. If this report was prepared in whole or in part by a non-US affiliate of CGMI, CGMI accepts responsibility for its contents (subject to the notices above). If this report covers non-US securities, US investors should be aware that non-US companies may not be subject to uniform audit and reporting standards, practices and requirements comparable to those in the United States. Securities of some non-US companies may be less liquid and their prices may be more volatile than securities of comparable US companies. Exchange rate movements may have an adverse effect on the value of an investment in non-US securities and its corresponding dividend payment for US investors. CGMI is a member of the Securities Investor Protection Corporation. EUROPEAN UNION: Unless specified to the contrary, within EU Member States, the Product is made available by Citigroup Global Markets Limited, which is regulated by the Financial Services Authority. Many European regulators require that the firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publishing or distribution of investment research. The policy applicable to research analysts within Citi's FISA and EMAA divisions, as well as the investment research they produce, can be obtained by contacting Citigroup Global Markets Inc., 388 Greenwich Street 11th floor, NY, NY 10013, Attention: Fixed Income Publishing.