

CITIGROUP CAPITAL HOLD CO UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2012



CITIGROUP CAPITAL HOLD CO UK LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2012

The Directors present their report and the financial statements of Citigroup Capital Hold Co UK Limited ('the Company') for the year ended 31 March 2012, which have been prepared in accordance with the provisions of the Companies Act 2006

Principal activities

The principal activity of Citigroup Capital Hold Co UK Limited is to act as a financial holding company

Business review

The Company continues to hold 10% of shares of Citigroup Capital Investments UK Limited ('CCIL')

On 1 April 2011, as part of a wider Citigroup strategy to consolidate the remaining alternative investment activities of Citigroup Inc, Citigroup Capital UK Limited ('CCUK'), a subsidiary of CCIL, acquired 100% of the shares in Citigroup Capital Partners Japan, a sister private equity company operating in Japan. The shares with a value of £173.5 million were purchased and were funded by an issue of ordinary shares to the new parent undertaking who as of 1 April 2011 is Citigroup Capital Partners Mexico S de R L de C V and consequently CCUK is no longer a subsidiary of CCIL.

Results and dividends

The loss for the year, after taxation, amounted to £12 thousand (2011: loss £5 thousand)

There were no dividends declared or paid during the year. The Directors do not recommend the payment of a final dividend in respect of the year (2011: £nil).

Key financial performance indicators

Given the nature of the business, the Company's Directors are of the opinion that an analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Going concern

For reasons fully explained in note 1.2 the Directors consider that the going concern basis is appropriate.

Principal risks and uncertainties

Credit risk

The Company has implemented policies that require appropriate understanding of the expected returns on capital invested. The amount of exposure to any individual counterparty is subject to a limit which is reassessed should additional funding be requested. The Company is funded solely by its parent company, and does not utilise external debt funding.

Liquidity risk

The Company is exposed to liquidity risk as it generates no cash but incurs costs. This risk is minimised as it does not utilise third party finance, but borrows solely from its parent company.

Directors

The Directors who served during the year were

May Livingstone

Vincent Fandozzi (resigned 30 September 2011)

Simon Cumming (appointed 3 October 2011)

CITIGROUP CAPITAL HOLD CO UK LIMITED

DIRECTORS' REPORT **for the year ended 31 March 2012**

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' indemnity

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political and charitable contributions

There were no charitable donations or any contributions for political purposes made by the Company during the year (2011: £nil).

Employees

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year end (2011: nil).

Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

CITIGROUP CAPITAL HOLD CO UK LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2012

Auditor

Under section 487(2) of the Companies Act 2006, KPMG Audit Plc will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the board and signed on its behalf



Simon Cunningham
Director

Date 9 January 2013

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CITIGROUP CAPITAL HOLD CO UK LIMITED

We have audited the financial statements of Citigroup Capital Hold Co UK Limited ("the Company") for the year ended 31 March 2012, set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, as set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



K Nicoll (Senior statutory auditor)

for and on behalf of KPMG Audit Plc

Chartered Accountants
Statutory auditor

15 Canada Square
Canary Wharf
London
E14 5GL

9 January 2013

CITIGROUP CAPITAL HOLD CO UK LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2012

	Note	2012 £000	2011 £000
Administrative expenses		(12)	(5)
Loss on ordinary activities before taxation		(12)	(5)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		(12)	(5)

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 7 to 9 form part of these financial statements

CITIGROUP CAPITAL HOLD CO UK LIMITED

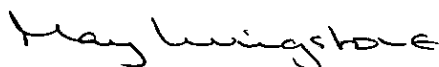
Registered number: 04659491

BALANCE SHEET

as at 31 March 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	5	10,146	10,146
Creditors: amounts falling due within one year	6	(872)	(860)
Net assets		<u>9,274</u>	<u>9,286</u>
Capital and reserves			
Called up share capital	7	100,010	100,010
Share premium account	8	98,312	98,312
Other reserves	8	10,146	10,146
Profit and loss account	8	(199,194)	(199,182)
Shareholders' funds	9	<u>9,274</u>	<u>9,286</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



May Livingstone
Director

Date 9 January 2013

The notes on pages 7 to 9 form part of these financial statements

CITIGROUP CAPITAL HOLD CO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, and with applicable Accounting Standards issued by the Accounting Standards Board

1.2 Going concern

The Directors have carefully considered the adoption of the going concern basis of preparation of the financial statements of the Company

The Company is fully funded with the expectation that it will continue to enjoy the support of its parent company in the form of funding provided to it. Additionally, in consequence of the investee group realising in cash a significant proportion of its portfolio during the prior year, the Directors consider that the Company has access to sufficient funding to allow it to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.4 Investments

All investments that are acquired with the intention of holding them for the long term or to maturity are treated as fixed asset investments, and are valued at cost less provision for permanent diminution in value

1.5 Diminution

Diminution provisions are recognised where, in the Directors' opinion, the recoverable value of the investment is lower than cost and is expected to remain so for the long term. The recoverable value of the investment is calculated using a discounted cash flow of future recoverable amounts including, often, the sale of the investment. Significant judgment on the part of the Directors is required

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

2. Auditors' remuneration

	2012 £000	2011 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12	5
Fees payable to the Company's auditor and its associates in respect of		
The auditing of accounts of the Company pursuant to legislation	12	9
Prior year audit	-	(4)
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CITIGROUP CAPITAL HOLD CO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

3. Staff costs

The Company has no employees other than the Directors, who did not receive any remuneration (2011 £nil)

The Directors are employed by another group company and their services to this Company are considered to be incidental to those services and any allocation of emoluments is not considered to be meaningful

4. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2011 the same as) the standard rate of corporation tax in the UK of 26% (2011 28%) as set out below

	2012 £000	2011 £000
Loss on ordinary activities before tax	(12)	(5)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	(3)	(1)
Effects of:		
Unrelieved tax losses carried forward	3	1
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

A deferred tax asset of £122,000 relating to losses (2011 £129,000 relating to losses) has not been recognised as its recoverability from future taxable profit cannot be assessed with sufficient certainty

The main rate of UK corporation tax for the year beginning 1 April 2011 was reduced from 28% to 26% in the Finance Bill 2011 and the 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the company's future current tax charge accordingly and further reduce the unrecognised deferred tax asset at 31 March 2012 (which has been calculated based on the rate of 24% substantively enacted at the balance sheet date) by £10,200

5. Fixed asset investments

	Unlisted investments £000
Cost or valuation	
At 1 April 2011 and 31 March 2012	10,146
Net book value	
At 31 March 2012	10,146
At 31 March 2011	10,146

The investments comprise a 10% holding in Citigroup Capital Investments UK Limited at (2010 10% holding) a company which is incorporated in the UK

CITIGROUP CAPITAL HOLD CO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

6. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	860	851
Accruals and deferred income	12	9
	<u>872</u>	<u>860</u>

7. Share capital

	2012 £000	2011 £000
Authorised, allotted, called up and fully paid 10,001,000,000 ordinary shares of £0.01 each	100,010	100,010
	<u>100,010</u>	<u>100,010</u>

8. Reserves

	Share premium account £000	Capital contribution reserve £000	Profit and loss account £000
At 1 April 2011	98,312	10,146	(199,182)
Loss for the year			(12)
At 31 March 2012	<u>98,312</u>	<u>10,146</u>	<u>(199,194)</u>

9. Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	9,286	9,291
Loss for the year	(12)	(5)
Closing shareholders' funds	<u>9,274</u>	<u>9,286</u>

10. Related party transactions

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

11. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of COHM Overseas Mexico Holding, S de RL de CV, which is incorporated in Mexico. The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc, which is incorporated in the United States.

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