



FOR IMMEDIATE RELEASE
Nikko Citi Holdings Inc.
December 12, 2008

**Citi Announces Delay in Plan to Merge Japanese Securities Subsidiaries
Plans Further Integration in Institutional Securities Businesses**

Tokyo - Nikko Citi Holdings Inc. ("Nikko Citi Holdings") announced today that it will delay the previously announced merger of Nikko Cordial Securities Inc. ("Nikko Cordial Securities") and Nikko Citigroup Limited ("Nikko Citigroup"). Nikko Citi Holdings added that despite this delay, it will implement organizational changes to continue to integrate parts of its institutional securities businesses in Japan.

Citi previously announced on March 11, 2008 that it planned to integrate Citi's and Nikko's business platforms in retail and institutional securities by combining Nikko Cordial Securities and Nikko Citigroup to form a single securities company subsidiary within the following twelve months. In May 2008, Nikko Cordial Securities successfully absorbed all of the operations of Citi's securities business conducted through Citibank Securities (Japan) Limited. Since then, Nikko Citi Holdings has been reviewing the integration to "deliver better products and services to clients". As a result of examining the optimum timing of the merger, along with the review of resources and costs in light of current market conditions, Nikko Citi Holdings has decided to delay the proposed merger beyond March 2009. The timing of the merger will be announced when determined.

Nikko Citi Holdings continues to pursue other measures to further integrate and align the businesses and strategies of its two remaining securities companies and to focus on the optimal allocation of resources for all of its businesses in Japan.

As part of the business integration initiatives, Nikko Citi Holdings also announced today its plans to integrate the Initial Public Offering (IPO) related businesses of Nikko Cordial Securities and Nikko Citigroup by transferring Nikko Cordial Securities' IPO support and review businesses to Nikko Citigroup, effective as of January 13, 2009. Certain IPO support businesses (clients covered by Osaka and Nagoya branches of Nikko Citigroup) will continue to be provided by Nikko Cordial Securities through a service contract with Nikko Citigroup.

In addition, Nikko Citigroup will streamline and align its institutional coverage teams to better serve the needs of its clients. Effective January 1, 2009, Nikko Citigroup's existing Institutional Client Coverage, Global Investor Sales and Investment Banking Divisions will be reorganized into two new teams: The Global Banking Division and the Global Investor Sales Division.

Citi reconfirms its strong commitment to the Japanese market through its franchise in Japan and remains focused on delivering a universal bank model to its clients.

###

Media:

Citi Japan
Media Relations
81-3-5644-4543

Nikko Citi Holdings, a direct 100%-owned subsidiary of Citigroup Inc., is Citi's principal holding company in Japan, with responsibility for establishing group-wide strategies, for overseeing and coordinating the activities of Nikko Citi Holdings' direct and indirect operating subsidiaries, and for ensuring a solid foundation of governance, compliance, controls and risk management for the group. Its operating subsidiaries include Nikko Cordial Securities Inc., Nikko Citigroup Limited, Nikko Asset Management Co., Ltd. and Nikko Principal Investments Japan Ltd.