

## BASE PROSPECTUS SUPPLEMENT (No.2) dated 25 May 2011

### CITIGROUP GLOBAL MARKETS HOLDINGS INC.

(a corporation duly incorporated and existing under the laws of the State of New York)

#### Warrant Programme

This base prospectus supplement (the **Supplement**) constitutes a Supplement for the purposes of Article 13 of the Luxembourg Law on Prospectuses for Securities (the **Prospectus Act**) implementing Directive 2003/71/EC. The Supplement is supplemental to and forms part of and must be read in conjunction with the Base Prospectus dated 14 January 2011 (the **Base Prospectus**) as supplemented by a Base Prospectus Supplement dated 11 March 2011 (**Supplement No.1**) and, together with the Base Prospectus, the **Prospectus**) prepared by Citigroup Global Markets Holdings Inc. (the **Issuer**) in connection with the Warrant Programme (the **Programme**). Terms defined in the Base Prospectus as so supplemented shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority for the purposes of the Prospectus Act, to approve this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### Publication of the Annual Report of Citigroup Global Markets Holdings Inc.

On 29 April 2011, Citigroup Global Markets Holdings Inc. published its annual financial report in respect of the year ended 31 December 2010 (the **CGMHI Annual Report**). A copy of the CGMHI Annual Report has been filed with the CSSF and has been published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). By virtue of this Supplement, the CGMHI Annual Report is incorporated by reference in, and forms part of, the Base Prospectus.

The following information appears on the pages of the CGMHI Annual Report as set out below:

1.	The audited Consolidated Financial Statements of the Issuer as of 31 December 2009 and 2010 and for the years ended 31 December 2010, 2009 and 2008:	
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A.	Consolidated Statements of Operations	3
B.	Consolidated Statements of Financial Condition	4 to 5
C.	Consolidated Statements of Changes in Stockholder's Equity	6
D.	Consolidated Statements of Cash Flows	7
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2.	the Management Report of the Issuer:	

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Any information not listed in the cross-reference table above but included in the CGMHI Annual Report is given for information purposes only.

### Publication of the Quarterly Report of Citigroup Inc.

On 5 May 2011, Citigroup Inc. (the parent company of the Issuer) filed its Quarterly Report on Form 10-Q (the **Q1 Form 10-Q**) for the quarter ended 31 March 2011 with the Securities and Exchange Commission of the United States which contains the unaudited interim financial information of the Issuer for the quarter ended 31 March 2011. A copy of the Q1 Form 10-Q has been filed with the CSSF and has been published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). By virtue of this Supplement, the Q1 Form 10-Q is incorporated by reference in, and forms part of, the Base Prospectus.

The following information appears on the pages of the Q1 Form 10-Q as set out below:

1. The unaudited interim Condensed Consolidated Financial Statements of the Issuer in respect of the quarter ended 31 March 2011, as set out in the Q1 Form 10-Q, namely:	
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A. Condensed Consolidating Statements of Income	174 to 175
B. Condensed Consolidating Balance Sheet	176 to 177
C. Condensed Consolidating Statements of Cash Flow	178 to 179

Any information not listed in the cross-reference table above but included in the Q1 Form 10-Q is given for information purposes only.

### Legal Proceedings

The section entitled "**Litigation**" on pages 193 to 202 (inclusive) of the Base Prospectus, as amended by the replacement of such section with the text set out at Annex 1 of Supplement No.1, shall be deemed to be further amended as set out in the Annex attached hereto.

### Significant or Material Change

The first sub-paragraph of paragraph (5) **Significant or Material Change and Litigation** on page 236 in the section entitled GENERAL INFORMATION of the Base Prospectus, as supplemented, shall be deemed to be deleted and the following paragraph substituted therefor:

"Other than as disclosed herein (including in any documents incorporated by reference herein), there has been no significant change in the consolidated financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 March 2011 (the date of Citigroup Inc.'s most recently published unaudited interim financial statements which include the unaudited interim financial information of the Issuer) and there has been no material adverse change in the financial position or prospects of the Issuer and its subsidiaries taken as a whole since 31 December 2010 (the date of the audited annual financial information of the Issuer)."

### General

Save as disclosed in this Supplement (including any documents incorporated by reference herein), there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of Supplement No.1.

Copies of the Base Prospectus, Supplement No.1, this Supplement and all documents incorporated by reference in the Base Prospectus can be obtained from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) from the specified offices of the Manager and from the Warrant Agents and the Luxembourg Listing Agent as described on pages 50 and 235 of the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in the Prospectus or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Any investor who may wish to exercise any withdrawal right arising pursuant to Article 13, paragraph 2 of the Prospectus Act as a result of the publication of this Supplement must exercise that right before the end of the period of two working days beginning with the working day after the date on which this Supplement was published.

25 May 2011

## ANNEX

### Litigation

The section entitled "**Litigation**" on pages 193 to 202 (inclusive) of the Base Prospectus, as amended by the replacement of such section with the text set out at Annex 1 of Supplement No.1, shall be deemed to be further amended by the insertion of the following text at the end of such section:

*"The following disclosure supplements and amends, as applicable, the disclosure set out in Note 18 to the audited financial statements of the Issuer for the year ended 31 December 2010, as set out in the Issuer's annual financial report published on 29 April 2011, and it supplements and amends the discussion of legal proceedings above:*

For purposes of the following, Citigroup Inc. and its affiliates and subsidiaries, including CGMHI, as well as their current and former officers, directors and employees, are sometimes collectively referred to as **Citigroup and Related Parties**.

CGMHI or its subsidiaries are named as defendants or otherwise directly involved in certain, but not all, of the matters disclosed below. In addition, certain of the matters below relate principally to broker-dealer activity, while other matters relate principally to lending or other Citigroup activities in which CGMHI or its subsidiaries had no direct involvement.

#### *Subprime Mortgage Related Litigation and Other Matters*

**Regulatory Actions:** On 13 April 2011, Citibank, N.A. (**Citibank**) entered into a Consent Order with the Office of Comptroller of the Currency (**OCC**) regarding issues relating to the transfer, servicing and foreclosure of residential mortgages. Simultaneously, Citigroup and CitiFinancial Credit Company (**CCC**) entered into a Consent Order with the Federal Reserve Board (**FRB**) that is substantially similar to the Consent Order between the OCC and Citibank. Pursuant to the Consent Orders, Citigroup, CCC and Citibank, and certain of their affiliates and subsidiaries, agreed to undertake a number of affirmative and corrective actions to improve mortgage servicing, loss mitigation and foreclosure-related processes. The Consent Orders do not provide for monetary penalties, but the OCC and the FRB reserve the right to impose monetary penalties at a later date. The Consent Orders do not resolve any other federal or state investigations concerning mortgage foreclosure and related activity. Those investigations may result in additional actions or monetary penalties against Citigroup and Related Parties. A copy of each of the Consent Orders is available at: <http://www.occ.gov/news-issuances/news-releases/2011/nr-occ-2011-47c.pdf> and <http://www.federalreserve.gov/newsevents/press/enforcement/enf20110413a2.pdf>, respectively.

**Derivative Actions and Related Proceedings:** In April 2011, two derivative actions were filed in the United States District Court for the Southern District of New York against various current and former officers and directors of Citigroup, asserting breach of fiduciary duty arising out of Citigroup's mortgage servicing and foreclosure practices. No demand was made on the Citigroup Board of Directors prior to commencement of the actions. Additional information relating to these actions is publicly available under docket numbers 11 Civ. 2693 and 11 Civ. 2822 (S.D.N.Y.).

**Subprime Counterparty and Investor Actions:** In April 2011, the Federal Home Loan Bank of Boston, the Union Central Life Insurance Co., Ameritas Life Insurance Corp. and Acacia Life Insurance Co. filed lawsuits against Citigroup and certain of its affiliates (along with several other financial institutions) alleging actionable misstatements or omissions in connection with the issuance and underwriting of residential mortgage-backed securities. Plaintiffs seek rescission of their investments or other damages. Additional information relating to these actions is publicly available in court filings under docket numbers 11-01533 (Mass. Super. Ct.) and 11 Civ. 2890 (S.D.N.Y.).

#### *ASTA/MAT and Falcon-Related Litigation and Other Matters*

On 11 April 2011, a FINRA arbitration panel in Denver awarded \$54 million in damages and attorneys' fees, including punitive damages, to claimants Jerry Murdock Jr. and Gerald Hosier arising out of their alleged losses in the ASTA/MAT and other funds.

#### *Auction Rate Securities Related Litigation and Other Matters*

On 1 March 2011, the United States District Court for the Southern District of New York dismissed plaintiffs' fourth consolidated amended complaint in IN RE CITIGROUP AUCTION RATE SECURITIES LITIGATION. Plaintiffs filed a notice of appeal from that decision in the United States Court of Appeals for the Second Circuit. Additional information relating to this action is publicly available in court filings under district court docket number 08 Civ. 3095 (S.D.N.Y.) (Swain, J.), and circuit court docket number 11 Civ. 1270 (2d Cir.).

#### *Tribune Company Bankruptcy*

The confirmation hearing before the Bankruptcy Court commenced on 8 March 2011. The parties completed their evidentiary presentations on 12 April 2011. Additional information relating to these matters is publicly available in court filings under docket number 08-13141 (Bankr. D.Del.) (Carey, J.).

#### **Settlement Payments**

Payments required in settlement agreements described above have been made or are covered by existing litigation reserves.

Additional matters asserting claims similar to those described above may be filed in the future."