

## BASE PROSPECTUS SUPPLEMENT (No.3) dated 19 August 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 a Base Prospectus Supplement dated 25 May 2011 (**Supplement No.2**, and, together with the Base Prospectus and Supplement No.1, 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.

#### Change of marketing name from Citi to Citigroup

Further to a rebranding effective as of 1 August 2011, reference to the marketing name "Citi" on the cover page of the Base Prospectus shall be deemed to be deleted and "Citigroup" substituted therefor. The legal names of Citigroup Global Markets Limited and Citigroup Global Markets Holdings Inc. remain unchanged.

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

On 5 August 2011, Citigroup Inc. (the parent company of the Issuer) filed its Quarterly Report on Form 10-Q (the **Q2 Form 10-Q**) for the three and six months ended 30 June 2011 with the Securities and Exchange Commission of the United States which contains the unaudited interim financial information of the Issuer for the three and six months ended 30 June 2011. A copy of the Q2 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 Q2 Form 10-Q is incorporated by reference in, and forms part of, the Base Prospectus.

The following information appears on the pages of the Q2 Form 10-Q as set out below:

1. The unaudited interim Condensed Consolidated Financial Statements of the Issuer in respect of the three and six months ended 30 June 2011, as set out in the Q2 Form 10-Q, namely:

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A. Condensed Consolidating Statements of Income	199 to 202
B. Condensed Consolidating Balance Sheet	203 to 204
C. Condensed Consolidating Statements of Cash Flow	205 to 206

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2. Other information relating to Citigroup Inc., as set out in the Q2 Form 10-Q:	
A. description of the principal activities of Citigroup Inc.	3 to 10, 33 to 90
B. description of the principal markets in which Citigroup Inc. competes	11 to 32
C. description of the principal investments of Citigroup Inc.	115 to 124
D. description of litigation involving Citigroup Inc.	195 to 197

Any information not listed in the cross-reference table above but included in the Q2 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 previously amended by Supplement No.1 and Supplement No.2 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 30 June 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 Prospectus since the publication of Supplement No.2.

Copies of the Base Prospectus, Supplement No.1, Supplement No.2, 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.

19 August 2011

## ANNEX

### Litigation

The section entitled "**Litigation**" on pages 193 to 202 (inclusive) of the Base Prospectus, as previously amended by Supplement No.1 and Supplement No.2, shall be deemed to be further amended, as applicable, by the following text:

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:* The Civil Division of the U.S. Attorney's Office for the Southern District of New York is investigating issues related to the conduct of certain mortgage origination and servicing companies, including Citigroup affiliates, in connection with the origination, servicing, sale, and/or securitization of mortgage loans. Citigroup is cooperating fully with this inquiry.

The U.S. Department of Justice, certain federal agencies, and a number of state Attorneys General are engaged in discussions with several major mortgage servicers, including Citigroup affiliates, concerning the resolution of certain potential claims relating to mortgage servicing and other mortgage-related issues. The proposals under discussion would entail both monetary and non-monetary consideration.

*Securities Actions:* On 11 March 2011, lead plaintiffs in IN RE CITIGROUP INC. BOND LITIGATION filed a motion seeking class certification. Additional information relating to this action is publicly available in court filings under consolidated lead docket number 08 Civ. 9522 (S.D.N.Y.) (Stein, J).

On 12 July 2011, additional individual investors who purchased equity securities issued by Citigroup filed an action on their own behalf in the Southern District of New York, asserting claims similar to those asserted in the IN RE CITIGROUP INC. SECURITIES LITIGATION. Additional information relating to this action is publicly available in court filings under the docket number 11 Civ. 4788 (S.D.N.Y.) (Stein, J).

On 15 July 2011, lead plaintiffs in IN RE CITIGROUP INC. SECURITIES LITIGATION filed a motion seeking class certification. Additional information relating to this action is publicly available in court filings under consolidated lead docket number 07 Civ. 9901 (S.D.N.Y.) (Stein, J).

*Underwriting Matters:* On 6 May 2011, plaintiffs and the underwriter defendants, including Citigroup, in IN RE AMBAC FINANCIAL GROUP, INC. SECURITIES LITIGATION signed formal stipulations of settlement, which were submitted to the court for preliminary approval. On 14 June 2011, the court entered an order preliminarily approving the proposed settlement. The settlement remains subject to final court approval. Additional information relating to this action is publicly available in court filings under docket number 08 Civ. 0411 (S.D.N.Y.) (Buchwald, J).

*Subprime Counterparty and Investor Actions:* The hearing in the arbitration brought by the Abu Dhabi Investment Authority took place in May 2011, and post-hearing proceedings are ongoing.

*Residential Mortgage-Backed Securities Investor Actions and Repurchase Claims:* During the period 2005 through 2008, Citigroup affiliates (including both S&B and Consumer mortgage entities) sponsored

approximately \$91 billion in private-label mortgage-backed securitization transactions, of which approximately \$37 billion remained outstanding at 30 June 2011. Losses to date on these issuances are estimated to be approximately \$8.7 billion. From time to time, investors or other parties to such securitizations have contended, or may in the future contend, that Citigroup affiliates involved in the securitizations are responsible for such losses because of misstatements or omissions in connection with the issuance and underwriting of the securities, breaches of representations and warranties with respect to the underlying mortgage loans, or for other reasons.

As discussed in Note 18 to the audited financial statements of CGMHI for the year ended 31 December 2010, several investors, including Cambridge Place Investment Management Inc., The Charles Schwab Corporation, the Federal Home Loan Bank of Chicago, the Federal Home Loan Bank of Indianapolis, the Federal Home Loan Bank of Boston, Allstate Insurance Company and affiliated entities, and the Union Central Life Insurance Co. and affiliated entities, have filed lawsuits against Citigroup and certain of its affiliates alleging actionable misstatements or omissions in connection with the issuance and underwriting of residential mortgage-backed securities. Each of the plaintiffs in these actions has asserted similar claims against other financial institutions. As a general matter, plaintiffs in these actions seek rescission of their investments or other damages. These actions, which are in their early procedural stages, allege claims against Citigroup and certain of its affiliates in connection with approximately \$1.5 billion of residential mortgage-backed securities. Additional information relating to these actions is publicly available in court filings under the docket numbers 10 Civ. 11376 (D. Mass.), CGC-10-501610 (Cal. Super. Ct.), 10-CH-45033 (Ill. Cir. Ct.), LC-091499 (Cal. Super. Ct.), 49D05-1010-PL-045071 (Ind. Super. Ct.), 11 Civ. 10992 (D. Mass.), 11 Civ. 1927 (S.D.N.Y.), 11 Civ. 10952 (D. Mass.), and 11 Civ. 2890 (S.D.N.Y.). Additional similar actions may be filed against Citigroup and its affiliates in the future.

On 14 July 2011, plaintiff filed an amended complaint in FEDERAL HOME LOAN BANK OF INDIANAPOLIS v. BANC OF AMERICA MORTGAGE SECURITIES, INC., ET AL., which no longer names Citigroup or any of its affiliates as defendants.

Separately, at various times, parties to residential mortgage-backed securitizations, among others, have asserted that certain Citigroup affiliates breached representations and warranties made in connection with mortgage loans placed into securitization trusts and have sought repurchase of the affected mortgage loans or indemnification from resulting losses, among other remedies. The frequency of such demands may increase in the future, and some such demands may result in litigation.

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

On 12 April 2011, Claimants Jerry Murdock Jr., Gerald Hosier, and related entities moved in the United States District Court for the District of Colorado to confirm the arbitration award they obtained against Citigroup. Citigroup has opposed that motion and cross-moved to vacate the arbitration award. Additional information relating to this action is publicly available in court filings under docket number 11 Civ. 0971 (D. Colo.) (Arguello, J.).

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

*Securities Actions:* Plaintiffs-appellants have appealed to the United States Court of Appeals for the Second Circuit from the order entered on 1 March 2011 by the United States District Court for the Southern District of New York in IN RE CITIGROUP AUCTION RATE SECURITIES LITIGATION dismissing their fourth consolidated amended complaint. Additional information relating to this action is publicly available in court filings under district court docket number 11 Civ. 3095 (S.D.N.Y.) (Swain, J.), and circuit court docket number 11 Civ. 1270 (2d Cir.).

On 17 May 2011, the District Court of Dallas County, Texas, dismissed plaintiff's complaint in TEXAS INSTRUMENTS INC. v. CITIGROUP GLOBAL MARKETS INC., ET AL, following the settlement of the matter. Additional information relating to this action is publicly available in court filings under docket number 09-03774-1 (Tex. Dist. Ct.).

***Tribune Company Bankruptcy***

The Bankruptcy Court confirmation hearing concluded on 27 June 2011. Additional information relating to this matter is publicly available in court filings under docket number 08-13141 (Bankr. D. Del.) (Carey, J.). Certain Citigroup entities have been named as defendants in two actions brought by creditors of Tribune alleging state law constructive fraudulent conveyance claims relating to the Tribune LBO. Additional information relating to these actions is publicly available in court filings under docket numbers 11 Civ. 4522 (S.D.N.Y.) (Buchwald, J.) and 11 Civ. 4538 (S.D.N.Y.) (Daniels, J.).

**Settlement Payments**

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

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