



Citi to Divest Private Equity Fund of Funds and Co-Investments Businesses

StepStone Group and Lexington Partners to Manage Businesses

Lexington Partners to Acquire Citi's Interest in Fund of Funds and Co-Investment Businesses

NEW YORK – July 13, 2010 – Citi today announced it has entered into a definitive agreement to transfer the management and certain proprietary interests in its fund of funds, mezzanine funds, feeder funds and co-investment businesses (the CPE businesses) to StepStone Group LLC and Lexington Partners.

As part of the agreement, StepStone, a provider of customized private equity investment management and advisory services, will provide ongoing management and advisory services for the CPE businesses' \$4 billion fund of funds, feeder and co-investment funds. Lexington, a leading global private equity sponsor, will acquire a portion of Citi's proprietary capital investments in the various funds and provide oversight for the co-investment portion of the CPE businesses. Terms of the transaction, which is expected to close early in the fourth quarter of 2010, were not disclosed. Completion of the transaction is subject to customary closing conditions.

The CPE businesses, which include investments in private equity funds, co-investments in buy-outs and mezzanine investments in middle market companies, are managed by professionals who have invested approximately \$2 billion on behalf of Citi's proprietary accounts and approximately \$8 billion for third-party clients. A significant number of CPE professionals are expected to join StepStone and Lexington and some will remain at Citi.

This transaction is part of Citi's strategy to reduce the assets and businesses within Citi Holdings, its portfolio of non-core operating businesses and assets, in an economically rational manner while working to generate long-term profitability and growth from the core businesses within Citicorp. Citi will continue to pursue opportunities to divest non-core assets in a manner that optimizes the value of those assets for shareholders. Upon completion, this transaction will reduce GAAP assets in Citi Holdings by approximately \$1.1 billion.

Citi will retain its management of, and certain proprietary interests in, its employee funds. This transaction does not impact Citi Capital Advisors, which is part of Citicorp, Citi's core business segment.

"Citi has an established and successful relationship with StepStone, and Lexington is a highly regarded co-investment manager in the industry. We believe the combination of StepStone, Lexington and the CPE team are well qualified to manage these assets," said Mark Mason, Chief Operating Officer of the Citi Holdings segment at Citi.

"The agreement to manage the CPE businesses is a significant expansion of StepStone's private equity investment management activities and capabilities," said Monte Brem, Chief

Executive Officer of StepStone. “The CPE businesses are an ideal fit with our fiduciary management and back-office services, adding highly experienced and effective monitoring, reporting and investment teams to our StepStone professionals. In addition, it has been our stated intention to expand and balance our U.S. presence on the East and West coasts, and this transaction moves that effort forward.”

Brent Nicklas, Managing Partner of Lexington, added, “Lexington is pleased to have reached agreement with Citi to acquire a significant portfolio of high quality, private equity assets. We are also pleased to work with CPE and StepStone as well as a variety of leading global private equity sponsors to maximize the values of these assets for all stakeholders.”

About Citi

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 140 countries. Through Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at www.citigroup.com or www.citi.com.

About StepStone Group

StepStone Group LLC is an independent firm focused exclusively on providing private equity asset management and advisory services. The firm oversees more than \$15 billion of private equity allocations and has offices in San Diego, New York and Beijing. StepStone provides investment services to institutional investors focused on achieving superior risk-adjusted private equity returns. StepStone has a proprietary research based approach to optimizing exposure to top performing investment strategies, geographies and managers. Additional information may be found at www.stepstonellc.com.

About Lexington Partners

Lexington Partners is a global private equity sponsor primarily involved in providing liquidity to owners of private equity investments and in providing equity co-investments alongside leading private equity sponsors. Lexington Partners is the largest independent manager of secondary private equity and co-investment funds with more than \$18 billion in committed capital. Since 1990, Lexington has acquired secondary and co-investment interests in private equity through nearly 400 transactions with a total value in excess of \$12 billion. Lexington also invests in newly-formed private equity partnerships and has committed more than \$1 billion to funds in the U.S., Europe and the Asia-Pacific region. Additional information may be found at www.lexingtonpartners.com.

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Statements regarding the overall future success of the transaction, the asset impact of the transaction to Citi, the anticipated timing of the closing of the transaction, as well as Citi's continued pursuit of opportunities within Citi Holdings, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors, including without limitation completion of the analysis of the impact of the transaction to Citi and the continued successful execution of Citi's strategy with respect to Citi Holdings. For a discussion of additional risks and uncertainties that may affect Citi's future results, see Citi's periodic reports filed with the U.S. Securities and Exchange Commission and available on www.sec.gov or www.citigroup.com.