



Information Circular: Citigroup Funding Inc. PACERS

To: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

From: William Slattery, Director, NASDAQ Listing Qualifications Department

DATE: May 24, 2007

PACERS	Symbol	CUSIP Number
Citigroup Funding Inc. Premium Mandatory Callable Equity-Linked Securities linked to the Common Stock of eBay Inc.	PAB	17311G797

Information on the Notes

Citigroup Funding Inc. (the "Issuer") has issued Premium Mandatory Callable Equity-Linked Securities ("PACERS") linked to the common stock of eBay Inc. The PACERS were issued at \$10 each with a maturity date of November 26, 2008. The PACERS are not principal-protected.

As more fully set forth in the Prospectus Supplement, the PACERS will bear no interest. The PACERS will rank equally with all other unsecured and unsubordinated debt of Citigroup Funding Inc. The PACERS are mandatorily callable by the Issuer in whole on each Mandatory Call Date if the closing level of the underlying stock on such date is equal to or greater than the Initial Stock Level.

If the PACERS are called, investors will receive the sum of (i) \$10 and (ii) the applicable Mandatory Call Premium for each PACERS. The Mandatory Call Dates semi-annually commence on any of the three trading days beginning November 23, 2007, May 27, 2008, and November 19, 2008.

The Mandatory Call Premium is expected to be approximately (i) 7.00%-7.50% (to be determined), if called in November 2007, (ii) 14.00%-15.00% (to be determined), if called in May 2008, and (iii) 21.00%-22.50% (to be determined), if called in November 2008.

At maturity, if not called by the Valuation Date, each \$10 PACERS will equal either:

(1) If the price of the Underlying Stock did not trade at a level equal to or below \$23.02 (70% of the Initial Stock Level) at any time from the Pricing Date up to and including the Valuation Date, \$10.00 for each PACERS; or

(2) If the price of the Underlying Stock did close at a level equal to or below \$23.02 (70% of the Initial Stock Level) on any trading day from the Pricing Date up to and including the Valuation Date, then investors will receive a number of shares of the Underlying Stock equal to the Exchange Ratio for each \$10 unit.

The Exchange Ratio for each \$10.00 unit is 0.30414 shares of eBay Inc.

The Initial Stock level equals \$32.88

Since all potential payments, (whether of coupon or principal) to the investors of the PACERS are the sole responsibility of the Issuer, it is the creditworthiness of Citigroup Funding Inc., not eBay Inc. that stands behind the PACERS.

Investors in PACERS should be aware that eBay Inc. is not involved in the subject offering and have no obligation with respect to these securities whatsoever, including any obligations with respect to the principal amount to be paid at maturity, or to take the needs of the Issuer or holders into consideration. The PACERS are a series of unsecured debt issued by Citigroup Funding Inc. and will be issued in book-entry form.

The Trustee for the securities is The Bank of New York.

The market value of PACERS will depend substantially on the value of the common stock of eBay Inc. Other factors that will likely affect the trading value of PACERS are changes in interest rates, volatility of the underlying stock, time remaining to maturity, the credit rating of the Issuer and dividend yields on the underlying stock.

Trading in the PACERS on NASDAQ is on a UTP basis and is subject to [NASDAQ equity trading rules](#). The PACERS will trade from 7:00 a.m. until 8:00 p.m., Eastern Time (ET). The SEC short sale rule (SEC Rule 10a-1) applies to trading in the PACERS.

Trading of the PACERS on NASDAQ is subject to the provisions of [NASDAQ Rule 2310](#). Members recommending transactions in the PACERS to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in the NASDAQ Conduct Rules.

Members also should review [NASD Notice to Members 03-71](#) for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

This Information Circular is not a statutory prospectus. NASDAQ members should consult the registration statement or prospectus for the Notes for additional information.

Inquiries regarding this Information Circular should be directed to:

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- [NASDAQ Market Sales](#) at 800.846.0477