CITIGROUP INC
Form 424B2
December 03, 2018

The information in this preliminary pricing supplement is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. This preliminary pricing supplement and the accompanying product supplement, underlying supplement, prospectus supplement and prospectus are not an offer to sell these securities, nor are they soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 3, 2018

	December----, 2018
	Medium-Term Senior Notes, Series N
Citigroup Global Markets Holdings Inc.	Pricing Supplement No. 2018—USNCH1748
	Filed Pursuant to Rule 424(b)(2)
	Registration Statement Nos. 333-216372 and 333-216372-01

Callable Fixed to Float Range Accrual Securities Contingent on the CMS Spread and the Worst Performing of the Dow Jones Industrial Average™, the Russell 2000® Index and the Nasdaq-100 Index® Due December 11, 2023

§ **Variable coupon.** The securities will pay interest at a fixed rate of 7.00% per annum for the first year following issuance. After the first year, contingent interest will accrue on the securities during each accrual period at the contingent rate specified below **only** for each elapsed day during that accrual period on which the accrual condition is satisfied. The accrual condition will be satisfied on an elapsed day **only** if (i) the CMS spread is greater than the CMS spread barrier (meaning that CMS30 is greater than CMS2) on that day **and** (ii) the closing level of **each** underlying index on that day is greater than or equal to its accrual barrier level. Accordingly, the accrual of interest during each accrual period will be contingent on the CMS spread and the level of each underlying index. The amount of interest payable on the securities may be adversely affected by adverse movements in **any one** of these variables, regardless of the performance of the others. The securities may pay low or no interest for extended periods of time or even throughout the entire term after the first year.

§ **Call right.** We have the right to call the securities for mandatory redemption on any potential redemption date specified below.

§ **Contingent repayment of principal at maturity.** If we do not redeem the securities prior to maturity, your payment at maturity will depend on the closing level of the **worst performing** underlying index on the final valuation date. If the closing level of the worst performing underlying index on the final valuation date is greater than or equal to its final barrier level, you will be repaid the stated principal amount of your securities at maturity. However, if the closing level of the worst performing underlying index on the final valuation date is less than its final barrier level, you will lose 1% of the stated principal amount of your securities for every 1% by which the worst performing underlying index has depreciated from its initial index level. There is no minimum payment at maturity.

§ The securities offered by this pricing supplement are unsecured debt securities issued by Citigroup Global Markets Holdings Inc. and guaranteed by Citigroup Inc. Investors must be willing to accept (i) an investment that may have limited or no liquidity and (ii) the risk of not receiving any amount due under the securities if we and Citigroup Inc. default on our obligations. **All payments on the securities are subject to the credit risk of Citigroup Global Markets Holdings Inc. and Citigroup Inc.**

KEY TERMS

Issuer:	Citigroup Global Markets Holdings Inc., a wholly owned subsidiary of Citigroup Inc.
Guarantee:	All payments due on the securities are fully and unconditionally guaranteed by Citigroup Inc.
Stated principal amount:	$1,000 per security

Underlying indices:

Underlying indices	**Initial index level***	**Accrual barrier level****	**Final barrier level*****
Dow Jones Industrial Average™			
Russell 2000® Index			
Nasdaq-100 Index®			

* For each underlying index, its closing level on the pricing date

** For each underlying index, 65% of its initial index level

*** For each underlying index, 60% of its initial index level

CMS spread:	On any day, the 30-year constant maturity swap rate (“CMS30”) *minus* the 2-year constant maturity swap rate (“CMS2”) on that day. See “Information About the CMS Spread” in this pricing supplement.
Pricing date:	December 7, 2018
Issue date:	December 11, 2018
Final valuation date:	December 7, 2023, subject to postponement if such date is not a scheduled trading day or certain market disruption events occur
Maturity date:	Unless earlier redeemed, December 11, 2023

Payment at maturity:

Unless earlier redeemed, at maturity you will receive, for each security you then hold (in addition to the final coupon payment, if any):

· If the final index level of the worst performing underlying index is **greater than or equal to** its final barrier level: $1,000

· If the final index level of the worst performing underlying index is **less than** its final barrier level:

$1,000 + ($1,000 × the index return of the worst performing underlying index)

If the final index level of the worst performing underlying index is less than its final barrier level, you will have full downside exposure to the negative index return of the worst performing underlying index and will receive significantly less than the stated principal amount of your securities at maturity. You may lose a significant portion, and up to all, of your investment.

Coupon payments:

On each coupon payment date occurring during the first year following issuance of the securities, the securities will pay a fixed coupon of 7.00% per annum, regardless of the CMS spread or the level of the underlying indices.

On each coupon payment date after the first year (beginning in March 2020), you will receive a coupon payment at an annual rate equal to the variable coupon rate for that coupon payment date. The variable coupon rate for any coupon payment date after the first year will be determined as follows:

$$\text{contingent rate per annum} \times \frac{\text{number of accrual days during the related accrual period}}{\text{number of elapsed days during the related accrual period}}$$

	Each coupon payment per security will be equal to (i) $1,000 *multiplied by* the applicable variable coupon rate per annum *divided by* (ii) 4. **If the number of accrual days in a given accrual period is less than the number of elapsed days in that accrual period, the variable coupon rate for the related coupon payment date will be less than the full contingent rate, and if there are no accrual days in a given accrual period, the variable coupon rate for the related coupon payment date will be 0%.**
Contingent rate:	7.00% per annum
CMS spread barrier:	0.00%
Listing:	The securities will not be listed on any securities exchange
Underwriter:	Citigroup Global Markets Inc. ("CGMI"), an affiliate of the issuer, acting as principal

Underwriting fee and issue price:	Issue price(1)	Underwriting fee(2)	Proceeds to issuer(3)
Per security:	$1,000	$17.50	$982.50
Total:	$	$	$

(Key Terms continued on next page)

(1) Citigroup Global Markets Holdings Inc. currently expects that the estimated value of the securities on the pricing date will be at least $845 per security, which will be less than the issue price. The estimated value of the securities is based on CGMI's proprietary pricing models and our internal funding rate. It is not an indication of actual profit to CGMI or other of our affiliates, nor is it an indication of the price, if any, at which CGMI or any other person may be willing to buy the securities from you at any time after issuance. See "Valuation of the Securities" in this pricing supplement.

(2) CGMI will receive an underwriting fee of up to $17.50 for each security sold in this offering. The total underwriting fee and proceeds to issuer in the table above give effect to the actual total underwriting fee. For more information on the distribution of the securities, see "Supplemental Plan of Distribution" in this pricing supplement. In addition to the underwriting fee, CGMI and its affiliates may profit from expected hedging activity related to this offering, even if the value of the securities declines. See "Use of Proceeds and Hedging" in the accompanying prospectus.

(3) The per security proceeds to issuer indicated above represent the minimum per security proceeds to issuer for any security, assuming the maximum per security underwriting fee. As noted above, the underwriting fee is variable.

Investing in the securities involves risks not associated with an investment in conventional debt securities. See "Summary Risk Factors" beginning on page PS-6.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the securities or determined that this pricing supplement and the accompanying product supplement, underlying supplement, prospectus supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense. You should read this pricing supplement together with the accompanying product supplement, underlying supplement, prospectus supplement and prospectus, each of which can be accessed via the following hyperlinks:

Product Supplement No. IE-05-05 dated April 7, 2017   Underlying Supplement No. 7 dated July 16, 2018

Prospectus Supplement and Prospectus each dated April 7, 2017

The securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

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KEY TERMS (CONTINUED)	
Coupon payment dates:	The 11th day of each March, June, September and December beginning in March 2019, except that the final coupon payment date will be the maturity date (or the earlier date on which we redeem the securities, if applicable)
Accrual period:	For each coupon payment date after the first year following issuance of the securities, the period from and including the immediately preceding coupon payment date to but excluding such coupon payment date
Accrual day:	An elapsed day on which the accrual condition is satisfied
Elapsed day:	Calendar day
Accrual condition:	The accrual condition will be satisfied on an elapsed day if, and only if, (i) the CMS spread is greater than the CMS spread barrier on that elapsed day **and** (ii) the closing level of **each** underlying index is greater than or equal to its accrual barrier level on that elapsed day. For purposes of determining whether the accrual condition is satisfied on any elapsed day, if CMS30 or CMS2 (each, a "CMS rate") or the closing level of any underlying index is not available for any reason on that day (including weekends and holidays), the applicable CMS rate or the closing level of such underlying index, as applicable, will be assumed to be the same as on the immediately preceding elapsed day (subject to the discussion in the section "Information About the CMS Spread—Discontinuance of a CMS Rate" in this pricing supplement and in the section "Description of the Securities—Terms Related to the Underlying Index—Discontinuance or Material Modification of the Underlying Index" in the accompanying product supplement). In addition, for all elapsed days from and including the fourth-to-last day that is a scheduled trading day for each underlying index in an accrual period to and including the last elapsed day of that accrual period, the CMS rates and the closing levels of the underlying indices will not be observed and will be assumed to be the same as on the elapsed day immediately preceding such unobserved days.
Worst performing underlying index:	The underlying index with the lowest index return
Final index level:	For each underlying index, its closing level on the final valuation date
Index return:	For each underlying index, (i) its final index level *minus* its initial index level, *divided by* (ii) its initial index level.
Early redemption:	We have the right to redeem the securities, in whole and not in part, on any potential redemption date upon not less than five business days' notice for an amount in cash equal to 100% of the stated principal amount of your securities plus the coupon payment due on the date of redemption, if any.
Potential redemption dates:	The coupon payment dates occurring in March, June, September and December of each year, beginning in December 2019 and ending in September 2023
CUSIP / ISIN:	17326YQW9 / US17326YQW92

Additional Information

General. The terms of the securities are set forth in the accompanying product supplement, prospectus supplement and prospectus, as supplemented by this pricing supplement. The accompanying product supplement, prospectus supplement and prospectus contain important disclosures that are not repeated in this pricing supplement. For example, certain events may occur that could affect the amount of any variable coupon payment you receive and your payment at maturity. These events and their consequences are described in the accompanying product supplement in the sections "Description of the Securities—Terms Related to the Underlying Index—Discontinuance or Material Modification of the Underlying Index" and "Description of the Securities—Terms Related to the Underlying Index—Consequences of a Market Disruption Event; Postponement of the Final Valuation Date," and not in this pricing supplement. In addition, the accompanying underlying supplement contains important disclosures regarding the underlying indices that are not repeated in this pricing supplement. It is important that you read the accompanying product supplement, underlying supplement, prospectus supplement and prospectus together with this pricing supplement before deciding whether to invest in the securities. Certain terms used but not defined in this pricing supplement are defined in the accompanying product supplement.

Although the accompanying product supplement contemplates only a single underlying index, the securities are linked to two underlying indices. Each of the provisions in the accompanying product supplement referring to the underlying index shall apply separately to each of the underlying indices to which the securities are linked.

Postponement of the final valuation date. If the scheduled final valuation date is not a scheduled trading day for any underlying index or if a market disruption event occurs with respect to any underlying index on the scheduled final valuation date, the final valuation date will be subject to postponement as described in the accompanying product supplement in the section "Description of the Securities—Terms Related to the Underlying Index—Consequences of a Market Disruption Event; Postponement of the Final Valuation Date." If the scheduled final valuation date is postponed, the closing level of each underlying index in respect of the final valuation date will be determined based on (i) for any underlying index for which the originally scheduled final valuation date is a scheduled trading day and as to which a market disruption event does not occur on the originally scheduled final valuation date, the closing level of such underlying index on the originally scheduled final valuation date and (ii) for any other underlying index, the closing level of such underlying index on the final valuation date as postponed (or, if earlier, the first scheduled trading day for such underlying index following the originally scheduled final valuation date on which a market disruption event did not occur with respect to such underlying index).

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Hypothetical Examples

Variable Coupon Payments

The following table presents examples of hypothetical variable coupon payments after the first year following issuance of the securities based on the number of accrual days in a particular accrual period. For illustrative purposes only, the table assumes an accrual period that contains 90 elapsed days. Your actual coupon payments for any coupon payment date after the first year will depend on the actual number of elapsed days during the relevant accrual period and the actual CMS spread and closing levels of the underlying indices on each elapsed day. The applicable variable coupon rate for each accrual period will be determined on a per annum basis but will apply only to that accrual period.

Hypothetical Number of Accrual Days in Accrual Period*	Hypothetical Variable Coupon Rate (per Annum)**	Hypothetical Variable Coupon Payment per Security***
0	0.000%	$0.000
1	0.078%	$0.194
10	0.778%	$1.944
15	1.167%	$2.917
20	1.556%	$3.889
25	1.944%	$4.861
30	2.333%	$5.833
35	2.722%	$6.806
40	3.111%	$7.778
45	3.500%	$8.750
50	3.889%	$9.722
55	4.278%	$10.694
60	4.667%	$11.667
65	5.056%	$12.639
70	5.444%	$13.611
75	5.833%	$14.583
80	6.222%	$15.556
85	6.611%	$16.528
90	7.000%	$17.500

* An accrual day is an elapsed day on which the accrual condition is satisfied (i.e., on which the CMS spread is greater than the CMS spread barrier and the closing level of each underlying index is greater than or equal to its accrual barrier level)

** The hypothetical variable coupon rate per annum is equal to (i) the contingent rate of 7.00% per annum *multiplied by* (ii) (a) the hypothetical number of accrual days in the related accrual period *divided by* (b) 90

*** The hypothetical variable coupon payment per security is equal to (i) $1,000 *multiplied by* the hypothetical variable coupon rate per annum *divided by* (ii) 4

The following four examples illustrate the calculation of the variable coupon rate for a given accrual period based on different hypothetical CMS spread values and underlying index levels. For illustrative purposes only, the examples assume an accrual period that contains 90 elapsed days. Your actual variable coupon payments will depend on the actual number of elapsed days during the relevant accrual period and the actual CMS spread and closing levels of the underlying indices on each elapsed day. The applicable variable coupon rate for each accrual period will be determined on a per annum basis but will apply only to that accrual period.

Example 1

The CMS spread is greater than the CMS spread barrier **and** the closing level of **each** underlying index is greater than its accrual barrier level for each elapsed day during the entire accrual period. Because the accrual condition is therefore satisfied for each elapsed day during the entire accrual period, the hypothetical variable coupon rate would be 7.00% per annum for that accrual period.

Example 2

The closing level of one of the underlying indices is less than its accrual barrier level for each elapsed day during the entire accrual period and the CMS spread is greater than the CMS spread barrier for each elapsed day during the entire accrual period. Because the accrual condition is not satisfied on any elapsed day during the accrual period, the hypothetical variable coupon rate would be 0.00% per annum for that accrual period.

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Example 3

The closing level of each underlying index is greater than its accrual barrier level for each elapsed day during the entire accrual period **but** the CMS spread is less than the CMS spread barrier for each elapsed day during the entire accrual period. Because the accrual condition is not satisfied on any elapsed day during the accrual period, the hypothetical variable coupon rate would be 0.00% per annum for that accrual period.

Example 4

The closing level of each underlying index is greater than its accrual barrier level for 45 elapsed days during the hypothetical 90-day accrual period **and** the CMS spread is greater than the CMS spread barrier for each elapsed day during the entire accrual period. Because the accrual condition is only satisfied for half of the accrual period, the hypothetical variable coupon rate for that accrual period would be 3.50% per annum.

Payment at Maturity

The diagram below illustrates your payment at maturity for a range of hypothetical index returns of the worst performing underlying index (excluding the final coupon payment, if any, and assuming we do not redeem the securities prior to maturity).

Callable Range Accrual Securities

Payment at Maturity Diagram

Your actual payment at maturity per security, excluding the final coupon payment, if any, will depend on the actual initial index level, the actual final barrier level and the actual final index level of the worst performing underlying index. The examples below are intended to illustrate how your payment at maturity will depend on whether the final index level of the worst performing underlying index is greater than or less than its final barrier level and, if less, how much less. The examples are solely for illustrative purposes, do not show all possible outcomes and are not a prediction of what the actual payment at maturity on the securities will be.

The examples below are based on hypothetical initial index levels of 100 and hypothetical final barrier levels of 60 and do not reflect the actual initial index levels or final barrier levels. For the actual initial index levels and final barrier levels, see the cover page of this pricing supplement. We have used these hypothetical levels, rather than the actual levels, to simplify the calculations and aid understanding of how the securities work. However, you should understand that the actual payment at maturity on the securities will be calculated based on the actual initial index levels and final barrier levels, and not these hypothetical levels.

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Example 1—Par Scenario A.

Underlying Index	**Hypothetical Initial Index Level**	**Hypothetical Final Barrier Level**	**Hypothetical Final Index Level**	**Hypothetical Index Return**
Dow Jones Industrial Average™	100	60	150	50%
Russell 2000® Index	100	60	110	10%
Nasdaq-100 Index®	100	60	120	20%

In this example, the Russell 2000® Index is the worst performing underlying index. Its hypothetical final index level is 110 (a 10% increase from its hypothetical initial index level), which is greater than its hypothetical final barrier level.

Payment at maturity per security = $1,000 (excluding the final coupon payment, if any)

Because the final index level of the worst performing underlying index is greater than its final barrier level, you would be repaid the stated principal amount of your securities in this example. Even though both underlying indices have appreciated from their respective initial index levels in this example, you would not participate in the appreciation of either underlying index.

Example 2—Par Scenario B.

Underlying Index	**Hypothetical Initial Index Level**	**Hypothetical Final Barrier Level**	**Hypothetical Final Index Level**	**Hypothetical Index Return**
Dow Jones Industrial Average™	100	60	90	-10%
Russell 2000® Index	100	60	120	20%
Nasdaq-100 Index®	100	60	95	-5%

In this example, the Dow Jones Industrial Average™ is the worst performing underlying index. Its hypothetical final index level is 90 (a 10% decrease from its hypothetical initial index level), which is greater than its hypothetical final barrier level.

Payment at maturity per security = $1,000 (excluding the final coupon payment, if any)

Because the worst performing underlying index did not depreciate from its hypothetical initial index level to its hypothetical final index level by more than 40% (that is, it did not depreciate below its hypothetical final barrier level), your payment at maturity in this scenario would be equal to the $1,000 stated principal amount per security (excluding the final coupon payment, if any).

Example 3—Downside Scenario.

Underlying Index	**Hypothetical Initial Index Level**	**Hypothetical Final Barrier Level**	**Hypothetical Final Index Level**	**Hypothetical Index Return**
Dow Jones Industrial Average™	100	60	70	-30%
Russell 2000® Index	100	60	50	-50%
Nasdaq-100 Index®	100	60	30	-70%

In this example, the Nasdaq-100 Index® is the worst performing underlying index. Its hypothetical final index level is 30 (an approximately 70% decrease from its hypothetical initial index level), which is less than its hypothetical final barrier level. As a result, your payment at maturity (excluding the final coupon payment, if any) would be calculated as follows:

Payment at maturity per security = $1,000 + ($1,000 × the index return of the worst performing underlying index)

= $1,000 + ($1,000 × -70%)

= $1,000 + -$700

= $300

Because the worst performing underlying index depreciated from its hypothetical initial index level to its hypothetical final index level by more than 40% (that is, it depreciated below its hypothetical final barrier level), your payment at maturity in this scenario would reflect 1-to-1 exposure to the negative performance of the worst performing underlying index from its initial index level to its final index level.

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Summary Risk Factors

An investment in the securities is significantly riskier than an investment in conventional debt securities. The securities are subject to all of the risks associated with an investment in our conventional debt securities (guaranteed by Citigroup Inc.), including the risk that we and Citigroup Inc. may default on our obligations under the securities, and are also subject to risks associated with CMS30, CMS2 and each of the underlying indices. Accordingly, the securities are suitable only for investors who are capable of understanding the complexities and risks of the securities. You should consult your own financial, tax and legal advisors as to the risks of an investment in the securities and the suitability of the securities in light of your particular circumstances.

The following is a summary of certain key risk factors for investors in the securities. You should read this summary together with the more detailed description of risks relating to an investment in the securities contained in the section "Risk Factors Relating to the Securities" beginning on page IE-6 in the accompanying product supplement. You should also carefully read the risk factors included in the accompanying prospectus supplement and in the documents incorporated by reference in the accompanying prospectus, including Citigroup Inc.'s most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q, which describe risks relating to the business of Citigroup Inc. more generally.

§ **You may lose some or all of your investment.** Unlike conventional debt securities, the securities do not repay a fixed amount of principal at maturity. Instead, your payment at maturity will depend on the performance of the worst performing underlying index. If we do not redeem the securities prior to maturity, you may receive significantly less than the stated principal amount of the securities at maturity, but in no circumstance will you receive more than the stated principal amount of the securities (excluding the final coupon payment, if any). If the final index level of the worst performing underlying index is less than its final barrier level, you will lose 1% of the stated principal amount of the securities for every 1% by which the final index level of the worst performing underlying index is less than its initial index level. There is no minimum payment at maturity on the securities, and you may lose up to all of your investment.

§ **The barrier feature of the securities exposes you to particular risks.** If the final index level of the worst performing underlying index is less than its final barrier level, you will not be repaid the stated principal amount of your securities at maturity and instead will lose 1% of the stated principal amount of the securities for every 1% by which the final index level of the worst performing underlying index is less than its initial index level. Therefore, the securities offer no protection at all if the worst performing underlying index depreciates by more than 40% from its initial index level to its final index level. As a result, you may lose your entire investment in the securities.

§ **The securities offer a variable coupon rate after the first year following issuance, and you may not receive any coupon payment on one or more coupon payment dates.** Any variable coupon payment you receive will be paid at a per annum rate equal to the contingent rate for the applicable coupon payment date only if the accrual condition is satisfied on each elapsed day during the related accrual period. The accrual condition will be satisfied on any elapsed day only if (i) the CMS spread is greater than the CMS spread barrier on that elapsed day **and** (ii) the closing level of each underlying index on that elapsed day is greater than or equal to its accrual barrier level. If, on any elapsed day during an accrual period, the accrual condition is not satisfied, the applicable variable coupon payment will be paid at a rate that is less, and possibly significantly less, than the contingent rate. If, on each elapsed day during an accrual period, the accrual condition is not satisfied, no variable coupon payment will be made on the related coupon payment date. Accordingly, there can be no assurance that you will receive a variable coupon payment on any coupon payment date or that any variable coupon payment you do receive will be calculated at the full contingent rate. Thus, the securities are not a suitable investment for investors who require regular fixed income payments.

§ **The higher potential yield offered by the securities is associated with greater risk than conventional debt securities.** The securities offer coupon payments with the potential to result in a higher yield than the yield on our conventional debt securities of the same maturity. You should understand that, in exchange for this potentially higher yield, you will be exposed to significantly greater risks than investors in our conventional debt securities (guaranteed by Citigroup Inc.). These risks include the risk that the variable coupon payments you receive, if any, will result in a yield on the securities that is lower, and perhaps significantly lower, than the yield on our conventional debt securities of the same maturity that are guaranteed by Citigroup Inc., and the risk that you will incur a significant loss on the securities at maturity. **The volatility of the CMS spread and each of the underlying indices, and the correlation between the underlying indices and between the CMS spread and each underlying index, are important factors affecting this risk. Greater expected volatility and/or lower expected correlation as of the pricing date may contribute to the higher yield potential, but would also represent a greater expected likelihood as of the pricing date that, after the first year, you will receive low or no coupon payments on the securities and that you would incur a significant loss on the securities at maturity.**

§ **The securities are subject to risks associated with the CMS spread and each of the underlying indices and may be negatively affected by adverse movements in *any one* of these variables, regardless of the performance of the others.** The amount of any variable coupon payments you receive will depend on the performance of the CMS spread and each of the underlying indices. If the CMS spread is less than or equal to the CMS spread barrier, the securities will pay no coupon even if the closing levels of the underlying indices are consistently greater than their respective accrual barrier levels. Conversely, even if the CMS spread is consistently greater than the CMS spread barrier, the securities will pay no coupon if the closing level of any of the underlying indices is less than its accrual barrier level. Moreover, if the closing level of any one of the underlying indices is less than its accrual barrier level, the accrual condition will not be satisfied, and no interest will accrue on the securities, even if the closing level of the other underlying index is significantly greater than its accrual barrier level. Accordingly, you will be subject to risks associated with the CMS spread and each of the underlying indices, and your return on the securities will depend significantly on the relationship between such risks over the term of the securities. If any one performs sufficiently poorly, you may receive low or no variable coupon payments for an extended period of time, or even throughout the entire period following the first year of the term of the securities, even if the others perform favorably. Furthermore, if the final index level of one underlying index is less than its final barrier level, you will incur a significant loss at maturity, even if the final index level of the other underlying index is greater than its final barrier level.

§ **The accrual condition and the payment at maturity depend on multiple variables, and you are therefore exposed to greater risks of receiving no variable coupon payments after the first year, and to a greater risk of loss at maturity, than if the securities were linked to just one variable.** The risk that you will receive no variable coupon payment on one or more coupon payment dates after the first year, and the risk that you will incur a significant loss at maturity, is greater if you invest in the securities as opposed to substantially similar securities that are linked to the performance of just one variable. With multiple variables, it is more likely that the accrual condition will not be satisfied on any day during an accrual period, or that you will not be repaid the stated principal amount of your securities at maturity, than if payments on the securities were contingent on only one variable.

§ **The securities will be subject to risks associated with the CMS spread.** If the CMS spread is less than or equal to the CMS spread barrier on any elapsed day, no interest will accrue on the notes on that elapsed day. If the CMS spread is less than or equal to the CMS spread barrier on each elapsed day during an accrual period, the accrual condition will not be satisfied on any elapsed day during that accrual period, and you will receive no coupon payment on the related coupon payment date.

The accrual condition will not depend in part on the absolute level of either CMS30 or CMS2, but rather on the relationship between CMS30 and CMS2—specifically, whether CMS30 is greater than CMS2. Many factors affect CMS30 and CMS2, such that future values of CMS30 and CMS2 and their relationship are impossible to predict. If CMS30 is consistently less than or equal to CMS2, the CMS spread will be less than or equal to the CMS spread barrier and no interest will accrue on the securities.

Although there is no single factor that determines the CMS spread, the CMS spread has historically tended to fall when short-term interest rates rise. As with CMS rates, short-term interest rates are influenced by many complex factors, and it is impossible to predict their future performance. However, historically short-term interest rates have been highly sensitive to the monetary policy of the Federal Reserve Board. Accordingly, one significant risk assumed by investors in the securities is that the Federal Reserve Board may pursue a policy of raising short-term interest rates, which, if historical patterns hold, would lead to a decrease in the CMS spread, possibly to a level that is below the CMS spread barrier. It is important to understand that, although the policies of the Federal Reserve Board have historically had a significant influence on short-term interest rates, short-term interest rates are affected by many factors and may increase even in the absence of a Federal Reserve Board policy to increase short-term interest rates. For example, short-term interest rates tend to rise when there is a worsening of the perceived creditworthiness of the banks that participate in the interest rate swap and London interbank markets and when there is a worsening of general economic and credit conditions. Furthermore, it is important to understand that the CMS spread may decrease even in the absence of an increase in short-term interest rates because it, too, is influenced by many complex factors. Another circumstance when the CMS spread has historically tended to fall and become negative is when the market expects an economic recession. Accordingly, another significant risk assumed by investors in the securities is that the market may anticipate a recession or that there may be a recession.

§ **The securities may be called for mandatory redemption at our option after the first year of their term, which limits your ability to receive coupon payments.** In determining whether to redeem the securities, we will consider various factors, including then current market interest rates and our expectations about payments we will be required to make on the securities in the future. If we call the securities for mandatory redemption, we will do so at a time that is advantageous to us and without regard to your interests. We are more likely to redeem the securities at a time when the CMS spread and underlying indices are performing favorably from your perspective and when we expect them to continue to do so. Therefore, although the securities offer coupon payments with the potential to result in a higher yield than the yield on our conventional debt securities of the same maturity, if the securities are paying that higher yield and we expect them to continue to do so, it is more likely that we would redeem the securities. Accordingly, the redemption feature of the securities is likely to limit the benefits you receive from the coupon payments. If we exercise our redemption right prior to maturity, you may not be able to reinvest your funds in another investment that provides a similar yield with a similar level of risk. Alternatively, if the CMS spread and/or either underlying index is performing unfavorably from your perspective or when we expect it to do so in the future, we are less likely to call the securities, so that you may continue to hold securities paying below-market or no interest for an extended period of time.

§ **The CMS rates and the closing levels of the underlying indices will not be observed on certain days and will be assumed to be the same as on earlier days, which will cause certain days to have a greater weight in determining the variable coupon rate.** With respect to an elapsed day on which a CMS rate or the closing level of either underlying index is not available, the applicable CMS rate or closing level of the underlying indices for that day, as applicable, will be deemed to be the same as on the immediately preceding elapsed day on which the rate or level, as applicable, is available. In addition, for all elapsed days from and including the fourth-to-last day that is a scheduled trading day for each underlying index in an accrual period to and including the last elapsed day of that accrual period, the CMS rates and the closing levels of the underlying indices will not be observed and will be assumed to be the same as on the elapsed day immediately preceding such unobserved days. The relative weighting of the applicable preceding elapsed day will be magnified for purposes of determining whether such elapsed day qualifies as an accrual day. Under these circumstances, if the applicable preceding elapsed day is not an accrual day, each successive day on which the CMS rates or the closing level of that underlying index, as applicable, is not observed will also not qualify as an accrual day. As a result, to the extent that such preceding elapsed day is not an accrual day, such preceding elapsed day will have a greater weight in determining the number of accrual days during an accrual period. This could adversely affect the amount of any variable coupon payment.

§ **The return on the securities will be limited.** The return on the securities will be limited to the sum of your coupon payments, even if the closing level of either underlying index greatly exceeds its initial index level at one or more times during the term of the securities. The maximum possible return on the securities after the first year is equal to the contingent rate per annum, which would be achieved only if (i) the CMS spread is greater than the CMS spread barrier on each elapsed day during the term of the securities, (ii) the closing level of each underlying index is greater than or equal to its accrual barrier level on each elapsed day during the term of the securities after the first year and (iii) the final index level of the worst performing underlying index is greater than or equal to its final barrier level. Although you will bear the downside risk relating to the worst performing underlying index if the worst performing underlying index depreciates below its final barrier level on the final valuation date, you will not receive the dividend yield on, or share in any appreciation of, either underlying index over the term of the securities.

§ **You may not be adequately compensated for assuming the downside risks of the underlying indices.** The fixed coupon payments during the first year following issuance of the securities and the variable coupon payments you receive on the securities, if any, after the first year are the compensation you receive for assuming the downside risks of the underlying indices, as well as all the other risks of the securities. That compensation is effectively "at risk" and may, therefore, be less than you currently anticipate. First, the actual yield you realize on the securities could be lower than you anticipate because the coupon payments after the first year are variable and you may not receive any variable coupon payment after the first year. Second, the fixed coupon payments during the first year following issuance of the securities and the variable coupon payments, if any, after the first year are the compensation you receive not only for assuming the downside risk of the underlying indices, but also for all of the other risks of the securities, including interest rate risk, the risk that we may call the securities and our and Citigroup Inc.'s credit risk. If those other risks increase or are otherwise greater than you currently anticipate, the coupon payments may turn out to be inadequate to compensate you for all the risks of the securities, including the downside risk of the underlying indices.

§ **Your payment at maturity depends on the closing level of the worst performing underlying index on a single day.** Because your payment at maturity (assuming we do not redeem the securities prior to maturity) depends on the closing level of the worst performing underlying index solely on the final valuation date, you are subject to the risk that the closing level of the worst performing underlying index on that day may be lower, and possibly significantly lower, than on one or more other dates during the term of the securities. If you had invested in another instrument linked to the worst performing underlying index that you could sell for full value at a time selected by you, or if the payment at maturity were based on an average of closing levels of the worst performing underlying index, you might have achieved better returns.

§ **The securities are subject to the credit risk of Citigroup Global Markets Holdings Inc. and Citigroup Inc.** If we default on our obligations under the securities and Citigroup Inc. defaults on its guarantee obligations, you may not receive anything owed to you under the securities.

§ **The securities will not be listed on any securities exchange and you may not be able to sell them prior to maturity.** The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. CGMI currently intends to make a secondary market in relation to the securities and to provide an indicative bid price for the securities on a daily basis. Any indicative bid price for the securities provided by CGMI will be determined in CGMI's sole discretion, taking into account prevailing market conditions and other relevant factors, and will not be a representation by CGMI that the securities can be sold at that price, or at all. CGMI may suspend or terminate making a market and providing indicative bid prices without notice, at any time and for any reason. If CGMI suspends or terminates making a market, there may be no secondary market at all for the securities because it is likely that CGMI will be the only broker-dealer that is willing to buy your securities prior to maturity. Accordingly, an investor must be prepared to hold the securities until maturity.

§ **The estimated value of the securities on the pricing date, based on CGMI's proprietary pricing models and our internal funding rate, will be less than the issue price.** The difference is attributable to certain costs associated with selling, structuring and hedging the securities that are included in the issue price. These costs include (i) the selling concessions paid in connection with the offering of the securities, (ii) hedging and other costs incurred by us and our affiliates in connection with the offering of the securities and (iii) the expected profit (which may be more or less than actual profit) to CGMI or other of our affiliates in connection with hedging our obligations under the securities. These costs adversely affect the economic terms of the securities because, if they were lower, the economic terms of the securities would be more favorable to you. The economic terms of the securities are also likely to be adversely affected by the use of our internal funding rate, rather than our secondary market rate, to price the securities. See "The estimated value of the securities would be lower if it were calculated based on our secondary market rate" below.

§ **The estimated value of the securities was determined for us by our affiliate using proprietary pricing models.** CGMI derived the estimated value disclosed on the cover page of this pricing supplement from its proprietary pricing models. In doing so, it may have made discretionary judgments about the inputs to its models, such as the volatility of the underlying indices and the CMS spread, the correlation among the underlying indices and the CMS spread, dividend yields on the stocks that constitute the underlying indices and interest rates. CGMI's views on these inputs may differ from your or others' views, and as an underwriter in this offering, CGMI's interests may conflict with yours. Both the models and the inputs to the models may prove to be wrong and therefore not an accurate reflection of the value of the securities. Moreover, the estimated value of the securities set forth on the cover page of this pricing supplement may differ from the value that we or our affiliates may determine for the securities for other purposes, including for accounting purposes. You should not invest in the securities because of the estimated value of the securities. Instead, you should be willing to hold the securities to maturity irrespective of the initial estimated value.

§ **The estimated value of the securities would be lower if it were calculated based on our secondary market rate.** The estimated value of the securities included in this pricing supplement is calculated based on our internal funding rate, which is the rate at which we are willing to borrow funds through the issuance of the securities. Our internal funding rate is generally lower than our secondary market rate, which is the rate that CGMI will use in determining the value of the securities for purposes of any purchases of the securities from you in the secondary market. If the estimated value included in this pricing supplement were based on our secondary market rate, rather than our internal funding rate, it would likely be lower. We determine our internal funding rate based on factors such

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as the costs associated with the securities, which are generally higher than the costs associated with conventional debt securities, and our liquidity needs and preferences. Our internal funding rate is not the same as the coupon that is payable on the securities.

Because there is not an active market for traded instruments referencing our outstanding debt obligations, CGMI determines our secondary market rate based on the market price of traded instruments referencing the debt obligations of Citigroup Inc., our parent company and the guarantor of all payments due on the securities, but subject to adjustments that CGMI makes in its sole discretion. As a result, our secondary market rate is not a market-determined measure of our creditworthiness, but rather reflects the market's perception of our parent company's creditworthiness as adjusted for discretionary factors such as CGMI's preferences with respect to purchasing the securities prior to maturity.

§ **The estimated value of the securities is not an indication of the price, if any, at which CGMI or any other person may be willing to buy the securities from you in the secondary market.** Any such secondary market price will fluctuate over the term of the securities based on the market and other factors described in the next risk factor. Moreover, unlike the estimated value included in this pricing supplement, any value of the securities determined for purposes of a secondary market transaction will be based on our secondary market rate, which will likely result in a lower value for the securities than if our internal funding rate were used. In addition, any secondary market price for the securities will be reduced by a bid-ask spread, which may vary depending on the aggregate stated principal amount of the securities to be purchased in the secondary market transaction, and the expected cost of unwinding related hedging transactions. As a result, it is likely that any secondary market price for the securities will be less than the issue price.

§ **The value of the securities prior to maturity will fluctuate based on many unpredictable factors.** The value of your securities prior to maturity will fluctuate based on the level and volatility of the underlying indices and the CMS spread and a number of other factors, including the dividend yields on the stocks that constitute the underlying indices, expectations of future values of the CMS spread, interest rates generally, the positive or negative correlation among the CMS spread and the underlying indices, the time remaining to maturity of the securities and our and Citigroup Inc.'s creditworthiness, as reflected in our secondary market rate. Changes in the levels of the CMS spread and/or the underlying indices may not result in a comparable change in the value of your securities. You should understand that the value of your securities at any time prior to maturity may be significantly less than the issue price.

§ **Immediately following issuance, any secondary market bid price provided by CGMI, and the value that will be indicated on any brokerage account statements prepared by CGMI or its affiliates, will reflect a temporary upward adjustment.** The amount of this temporary upward adjustment will steadily decline to zero over the temporary adjustment period. See "Valuation of the Securities" in this pricing supplement.

§ **The securities are linked to the Russell 2000® Index and will be subject to risks associated with small capitalization stocks.** The stocks that constitute the Russell 2000® Index are issued by companies with relatively small market capitalization. The stock prices of smaller companies may be more volatile than stock prices of large capitalization companies. These companies tend to be less well-established than large market capitalization companies. Small capitalization companies may be less able to withstand adverse economic, market, trade and competitive conditions relative to larger companies. Small capitalization companies are less likely to pay dividends on their stocks, and the presence of a dividend payment could be a factor that limits downward stock price pressure under adverse market conditions.

§ **The relationship between CMS30 and CMS2 may be different than the relationship between CMS rates of different maturities.** The accrual condition may be less likely to be satisfied than it would be if it were based on a CMS rate with a longer maturity than 30 years or a shorter maturity than 2 years.

§ **CMS30 and CMS2 will be affected by a number of factors and may be highly volatile.** CMS30 and CMS2 are influenced by many factors, including:

· the monetary policies of the Federal Reserve Board;

· current market expectations about future interest rates;

· current market expectations about inflation;

· the volatility of the foreign exchange markets;

· the av