

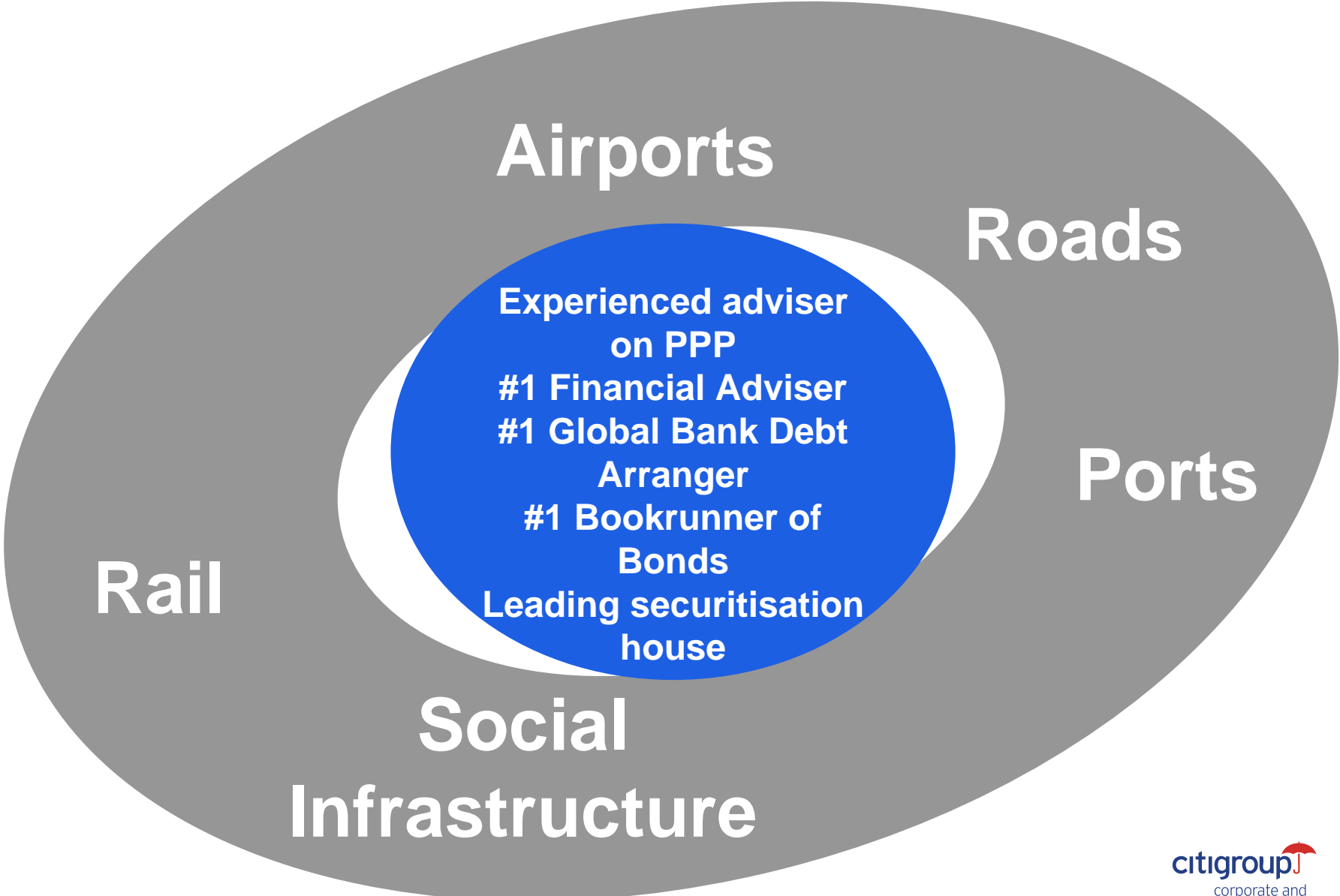


Public Sector and Infrastructure: Citigroup's Global Footprint and Experience in Investment Projects in Russia

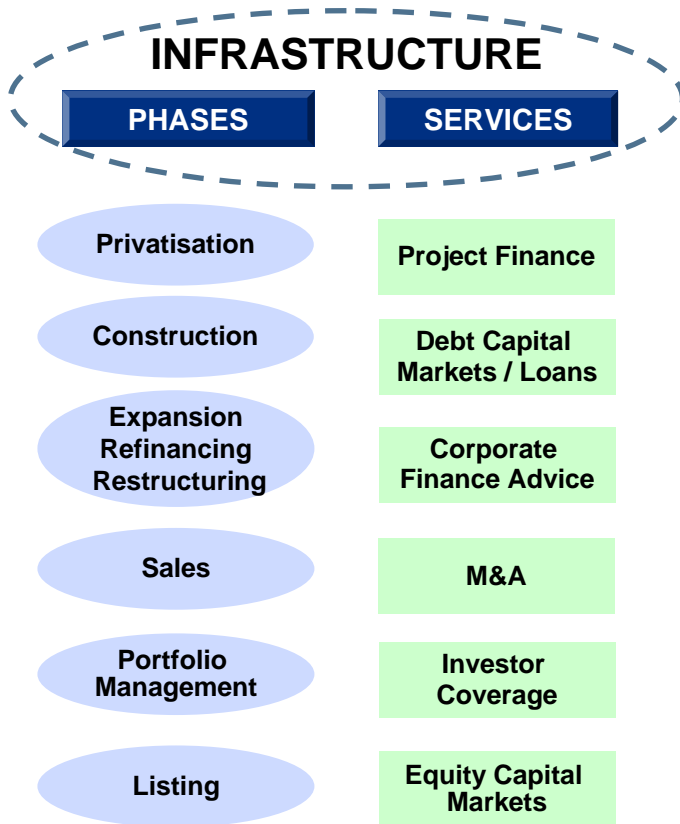
Andrey Mineev, Public Sector Banking Head

6 September 2006

Citigroup's Leadership in Infrastructure Advisory and Financing



Market leader in financial services to the infrastructure sector



#1 PROJECT FINANCIER¹

Rank	Financial Adviser	Volumes (US\$bn)
1.	Citigroup	43.1
2.	Macquarie Bank	35.7
3.	CSFB	31.4
4.	Royal Bank of Scotland	29.4
5.	PwC	22.0

#1 GLOBAL INFRASTRUCTURE FIXED INCOME¹

Rank	Manager	Volumes (US\$bn)
1.	Citigroup	82.4
2.	Lehman Brothers	41.5
3.	JP Morgan	41.2
4.	Barclays Capital	34.3
5.	CSFB	30.8

THE STRUCTURED DEBT LEADER

US MUNICIPAL BONDS 2001-2005²

Rank	Bookrunner	Volumes (US\$bn)
1.	Citigroup	229.7
2.	UBS	199.2
3.	Merrill Lynch	120.7

INTL SECURITISATION 2001-05³

Rank	Financial Adviser	Volumes (US\$bn)
1.	Citigroup	122.4
2.	Barclays Capital	102.1
3.	Deutsche Bank	98.6

1. Source: Dealogic (Global Infrastructure Closed Deals 2001-2005)

2. Source: Thomson Financial

3. Source: Thomson Financial (exc. CDOs)

A Leader in PPPs

- Citigroup has played a pioneering role in the development of the private infrastructure market since its inception and helped introduce new forms of private sector involvement in projects, combining public and private elements of funding.
- We are leaders in the provision of advice and financing for large projects involving complex operations across infrastructure sub-sectors:
 - Roads: We have participated in the most important road projects to date, particularly in Europe: UK (A13 & A1 D2D); Portugal (Second Tagus Crossing, West Concession, Brisa - Eurobonds, IPO); Spain (ENA - bonds, privatisation; Aumar - capital increase); Italy (privatisation of Autostrade / acquisition financing); Austria (toll roads around Vienna); Eastern Europe (A1 and A4 motorways in Poland; financing of Hungarian State Motorway Company)
 - Airports: Currently advisors to Athens International Airport and Abu Dhabi authorities. Previously advised Australian government on Sydney Airport (\$3.2bn), Dutch Government on IPO Schiphol Airport, Aeroporti di Roma project company on financing (€1.8bn) and Adviser to the Airline Group on its successful bid for an air traffic control PPP concession and on restructuring options following 9/11
 - Rail: We have particular expertise in the railway sector. We are currently advising the UK Department of Transport in relation to the CTRL and Eurotunnel and previously advised on CrossRail and the formation and financing of Network Rail. Also co-led the financing of the innovative Italian high speed rail project TAV
 - Accommodation: We have extensive expertise in building infrastructure projects. We recently advised Aspire as the preferred bidder on the Allenby / Connaught MoD PPP accommodation project. We have also advised on various hospital projects, including University College London Hospital, where we advised the Health Management Group

Unparalleled experience advising on combined public and private sector financing

Citigroup's recent infrastructure projects in Russia

Moscow - St. Petersburg High Speed Railway

- Project would provide a vital high speed link between Moscow and St. Petersburg
- The sponsors of the Project are JSC Russian Railways, ZAO TMH and RAO VSM
- Construction is expected to commence in 2007 with completion due in 2013
- Length of 659km
- Citigroup acted as Investment Consultant for the project

Odintsovo Bypass Toll Road

- New Exit to the Moscow Encircling Highway from M-1 Highway
- Developed by Ministry of Transport and the Federal Road Agency (Rosavtodor) of the Russian Federation
- Construction is assumed to commence in 2008 with completion anticipated in late 2009/early 2010
- The length of the Project would be around 19.5km
- Citigroup acted as Investment Consultant for the project



Citigroup's recent infrastructure projects in Russia

Mixed Cargo Handling Complex at Ust-Luga Marine Port

- Project being developed under the auspices of the Federal Targeted Programme for Updating the Russian Transport System
- Strategically located in the Gulf of Finland with close proximity to St. Petersburg; envisaged to form part of the transport network of the Northwest Region
- Sponsor of the project is established SPV JSC Ust-Luga
- Expected completion of project in 2008
- Citigroup acted as Investment Consultant for the project

Taman Commercial Seaport

- Project involves the construction of a greenfield (new) commercial seaport at Kuban in the Krasnodar region
- Sponsored by the Government of the Krasnodar Region and JSV Agro-Industrial Corporation Asto
- Would have 9 specialised cargo-handling complexes with an estimated cargo handling capacity of over 30m tonnes per annum
- Construction is expected to take 4 years
- Citigroup acted as Investment Consultant for the project



Moscow — St. Petersburg Toll Road Project



Project Overview

Highlights

- Construction of the Moscow – St.Petersburg toll road
 - Initiated by the Russian Ministry of Transport and the Federal Road Agency
 - National project of significant magnitude
 - Integrated into system of international transport routes including:
 - Pan European transport corridor N. 9
 - Pan European transport corridor N. 2
 - International transport corridor ‘North-South’
 - Expected size of investment: US\$6.3bn

Technical details

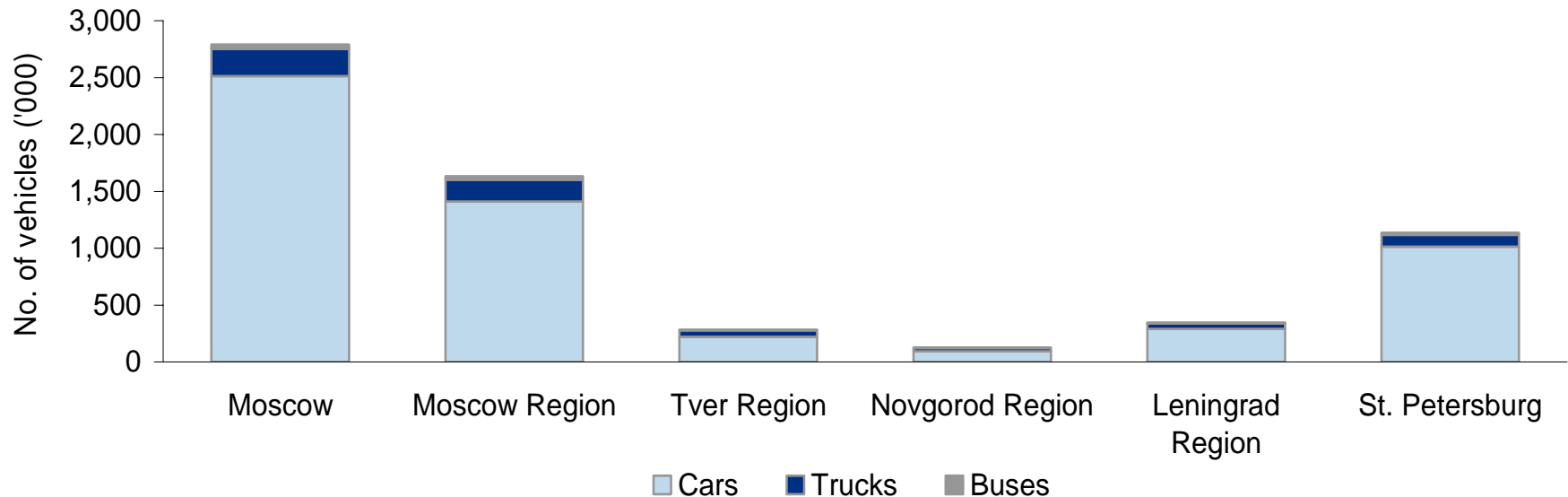
Technical category	1A / 1B
Length	669 km
Bridges	107
Road junctions	34
Viaducts/overpasses	178
Expected speed	150 km/hr
Estimated riding time	5—7 hrs

National project of significant magnitude aimed at creating a modern transport communication link between Moscow and St. Petersburg.

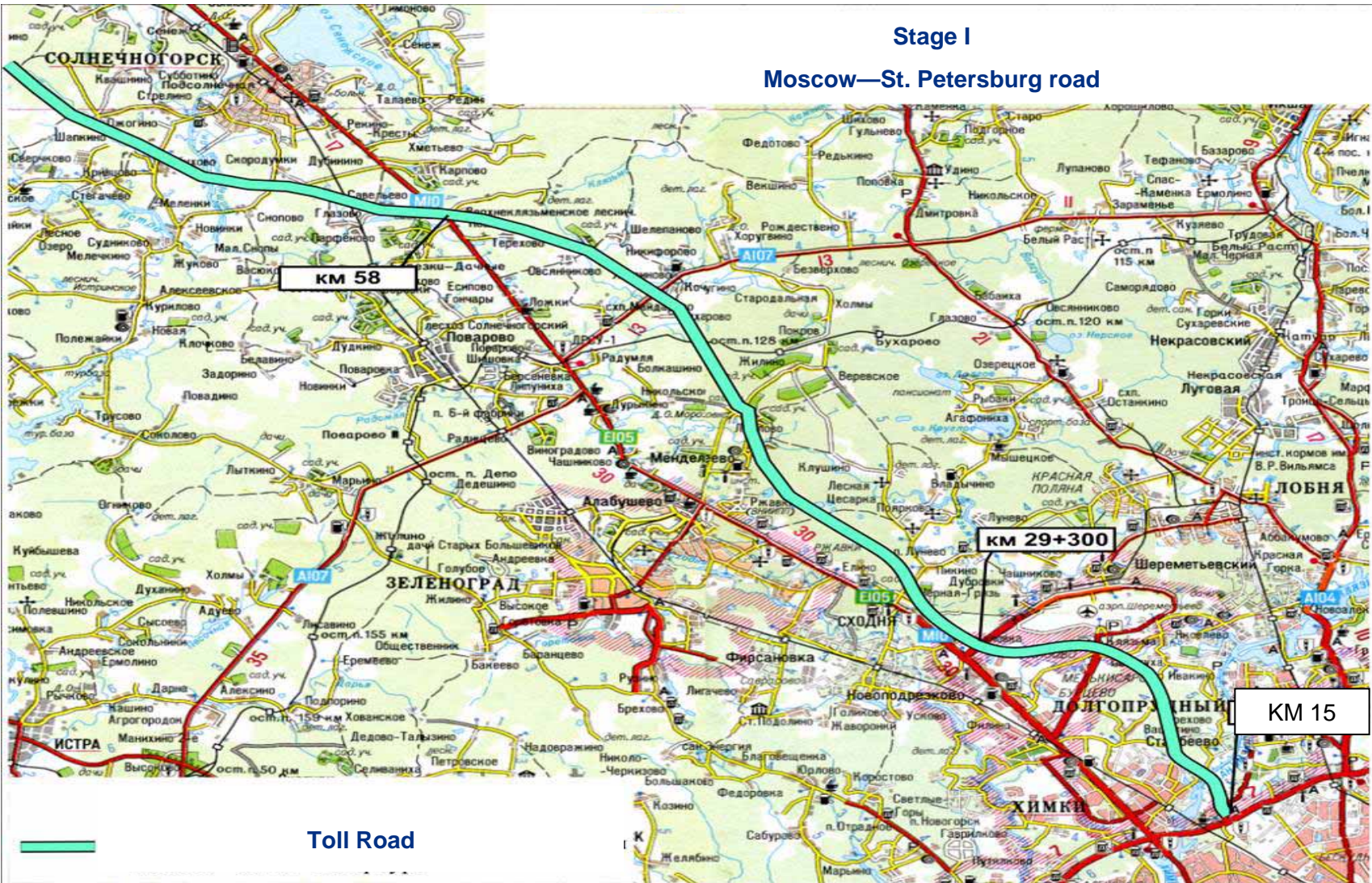
Current Traffic Dynamics

- The existing M10 has reached or exceeded capacity at key bottlenecks
- Car traffic represents about 74-90% of total traffic on the Moscow – St. Petersburg route, with bus and truck traffic accounting for the remainder

Breakdown of Vehicle Type by Region



Stage I (15—58 km)



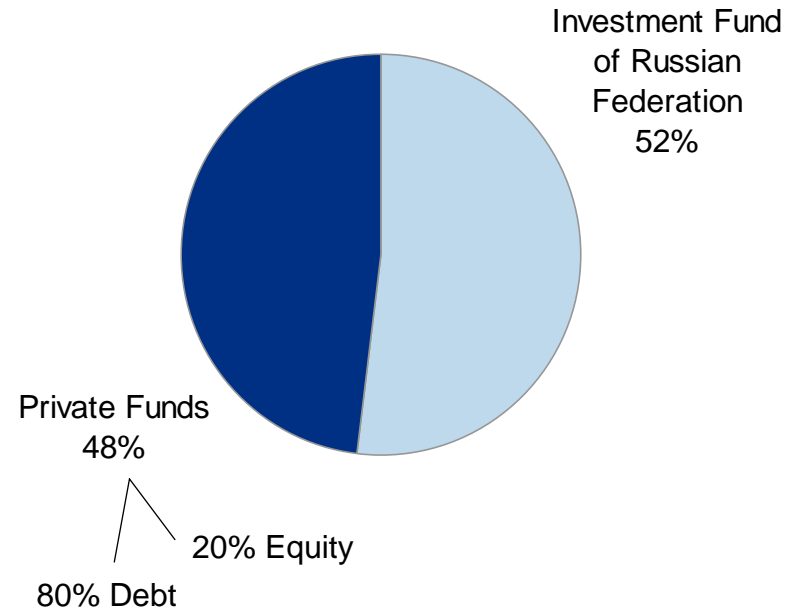
Stage I
Moscow—St. Petersburg road

Stage I — Highlights

Project Nature

- Stage I, 15—58 km
- Governmental Concession Agreement (30 years)
- Transfer of asset back to Government at the end of year 30
- To be undertaken in three phases
— Expected completion date by 2011
- Estimated funding requirement: US\$1.425bn

Sources of Funds



Technical details

- Number of traffic lanes: 10 (15—29 km), 8 (29—35 km), 6 (35—58 km)
- Bridges: 6
- Overhead roads: 11
- Crossovers at traffic intersections: 7
- Crossovers to connect detached territories: 9

Stage I — Key Financials

Key Financial Effectiveness Indicators

Project NPV	RUR 26,030 mn/ USD 883 mn
Project IRR	14.80%
Discounted payback period	30 years
WACC range (2007—2016)	5.52%—5.53%

Investment Fund of the Russian Federation

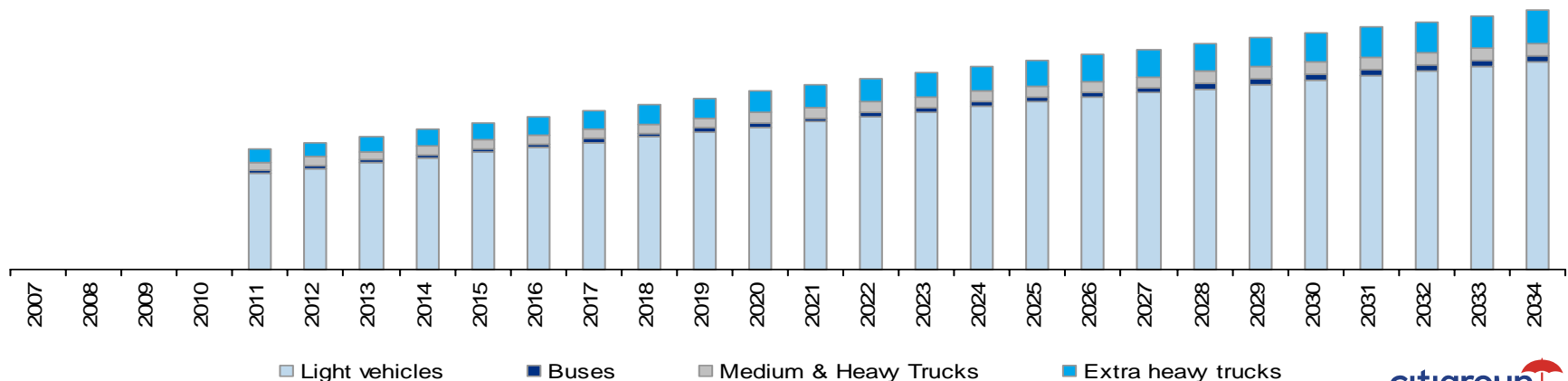
- Investment mechanism aimed at creating conditions for diversification of the Russian economy structure and maintenance of steady economic growth
 - Its basic purpose is to attract private capital through development of public-private partnership to implement major of infrastructural and innovative projects at national level

Stage I — Expected Revenues

Pricing strategy

- Based on providing quality services at socially justifiable prices to users
- Toll rates would take into account the services offered and expenses relating to road construction and operation
- The assumed toll depends on the type/capacity of vehicle/demand elasticity
- Once toll rates are set, project revenues are estimated based on traffic flow for the duration of the concession
- The Concessionaire shall collect road-use tolls. If revenues are below a guaranteed minimum, the State shall pay appropriate compensation

Expected traffic volumes



Stage I — Overall Benefits and Status

Benefits

- Promotion of traffic growth by congestion reduction
- Reduction in travel time
- Decrease in transportation costs
- Reduction in traffic accidents
- Enhancement of population mobility
- Economic development through better transportation links
- Creation of jobs
- Development of PPPs

Status

- Feasibility Study of the project started in 2004
- Submission to the Investment Fund in May/June 2006
- Selection by the Investment Fund in June 2006

Citigroup – Your Partner in Russia

Corporate and Investment Bank

Consumer Bank

Transaction Services

Treasury

Corporate Finance and Lending

Invest. Bank

Banking

Cards

- Account Services
- Cash Management
- Collections
- Trade
- Working Capital
- Securities Services

- FX
- Derivatives
- Hedging
- Time Deposits
- Investments in the local Securities

- FCY Lending
- LCY Lending
- Structured Finance
- Securitization
- Project Finance

- Advisory
- Equity Capital Markets
- Debt Capital Markets
- M&A

- Current Accounts
- Deposits
- Savings Plans
- Fixed Income
- Mutual Funds
- Insurance
- Personal Installment Loans

- Credit Cards
- Equal Payments Plan