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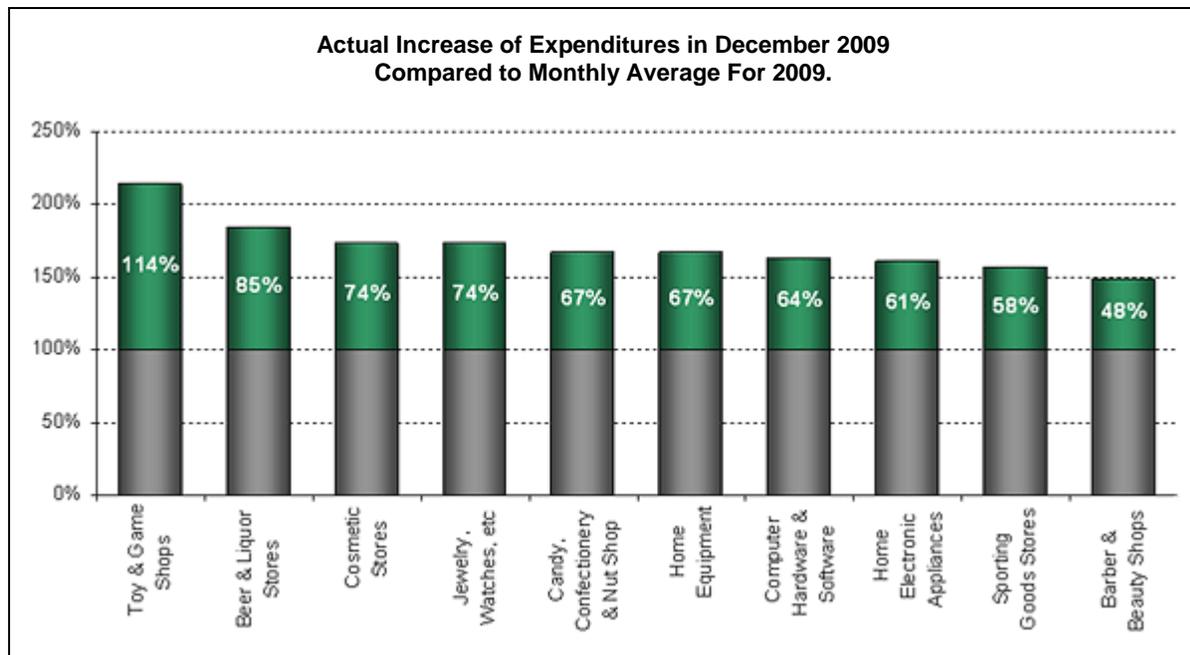
### New Year Expenditures of Russians Were Appreciably Higher Than Analysts' Forecasts

**Despite the slowdown of demand at the beginning of 2009, pre-New Year spending instills optimism. For the first time, kids' toys top the ranking of most popular presents.**

In January 2010, ZAO Citibank conducted an additional study of actual expenditures of Russian consumers and compared data to the forecast made at the beginning of December 2009. December expenditures were appreciably higher than the estimates: they were 22% higher than monthly average for the year, compared to the 14% estimate. Certain categories have demonstrated record growth compared to both monthly average for 2009, and December 2008 figures.

Statistical data on credit card expenditures of Citibank's clients was the basis for the study. The study analyzed data for the period from the beginning of 2006 until the end of 2009 with a random sample of at least 50,000 clients.

Mikhail Berner, Head of Consumer Lending at ZAO Citibank, commented on the results of the study: "Back in the course of the third quarter of last year, we were observing the signs of consumer demand recovery. This allowed us to make what we considered to be an optimistic forecast. That is why we are twice as happy that the actual demand has confirmed our optimism and even exceeded the estimates in most of the purchase categories. We are particularly pleased to note the increased popularity of kids' toys since New Year is a family holiday above all."



Toy Stores category demonstrated the most impressive growth in December – expenditures in this category were up 114% compared to monthly average for the year. When compared to December 2008 sales, Toy Stores also demonstrated an impressive gain of almost three times. Hence, while Russians were trying to save on the New Year gifts for kids after the start of the crisis in 2008, at the end of 2009 they were not much saving and instead wanted to please the kids on the New Year.

The second most popular purchase was alcohol. This category is a traditional leader during the pre-New Year season. The December purchases increase estimate of 73% made by Citibank at the beginning of December\* turned out to be quite accurate: Russians spent 85% more on alcohol products in December than they were spending on average per month in 2009.

Perfumes and make-up that was leading the New Year purchases ranking last year, was pushed back to the third

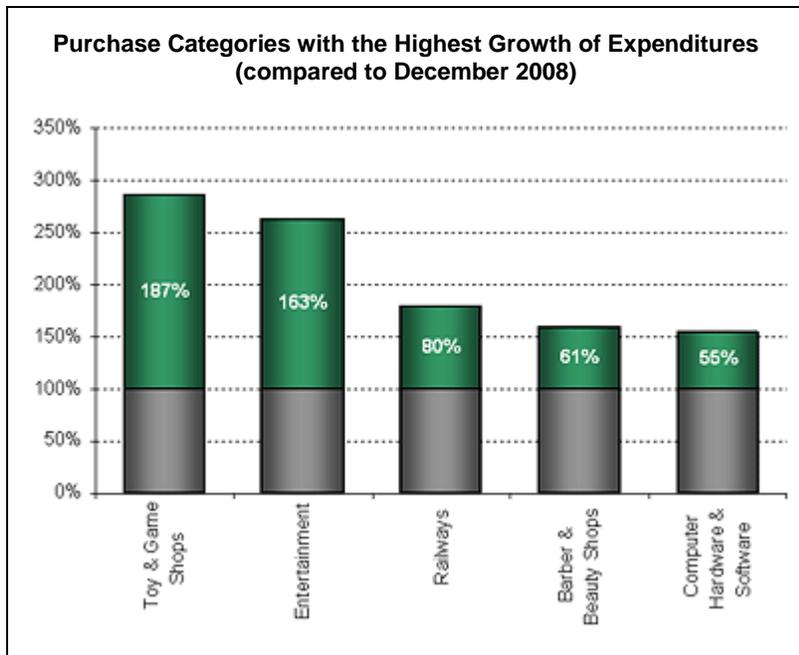
place this year, although the December increase of spending in this category is comparable to last year's results: 74% this year compared to 77% last year. Citibank was forecasting a 52% increase in this category, meaning that consumers actually spent more.

Jewelry and watches that are traditionally among the most popular presents for New Year stepped up from the sixth place in 2008 to the fourth place this year with December increase in purchases by 74% compared to monthly average for the year (last year the increase was 35%).

As expected, purchases at Confectionaries grew up by 67% in December compared to monthly average for the year, against the forecast of 57%. In December study, Citibank expected this category to top the ranking of pre-New Year purchases. However, sweets finished only on the fifth place – far behind other categories that demonstrated much higher growth rates.

Spending on Household goods has also significantly exceeded expectations taking the sixth place in the pre-New Year purchases. Spending in this category was up by 67% in December compared to monthly average for the year. In early December, Citibank was forecasting that this category would be ranked 10th with the spending increase of 27%\*.

As expected, Computers and software returned to TOP-10 of pre-New Year purchases in 2009 and got the seventh place having exceeded Citibank's expectations for relative increase in the category spending (64% against the forecasted 38%). In addition, Computers and software were among the five purchase categories with the highest growth of expenditures compared to December 2008 – 55%. Last year's study noted that computers did not get into TOP-10 of the pre-New Year expenditures in 2008, but in 2009 this category has fully recovered its ranking.



Spending on Electronics in December increased by 61% (6% below the estimate) compared to monthly average for the year.

Sports goods were ranked ninth in the pre-New Year purchases study with the increase of 58% compared to monthly average for 2009. Whereas pre-New Year period in 2006 saw no significant increase in this category, 2007-2009 demonstrated that Sports goods become an increasingly popular pre-New Year purchase.

Spending at Hair Stylists and Beauty Salons has appreciably exceeded expectations. While this category is ranked tenth with a 48% increase in spending compared to monthly average for the year, the growth of 61% compared to December of last year is even more impressive. This result is mainly attributed to the fact that people were saving on this category last year.

Telecommunication equipment did not get in TOP-10 of purchases that demonstrated the highest growth rates in December. However, the increase of spending in this category was quite close to Citibank's estimate: the result of 48% compared to the forecast of 54%. The December 2009 increase in spending in Postcard and Gift Stores category was fully consistent with Citibank's estimate of 36% compared to monthly average for the year. However, since consumer spending in other categories was higher than expected, Postcard and Gift Stores did not make it to TOP-10 landing the 14th place.

As estimated in December 2009, expenditures on Entertainment have demonstrated significant growth of 2.6 times compared to December 2008. Just as Citibank noted in the December\* study, hard economic conditions and negative expectations that were dominant in December 2008 forced Russians to significantly cut down expenditures on entertainment on the eve of the New Year. This year, Russian consumers were no much saving on entertainment.

\*Annual Citibank Study: "Russians' New Year Shopping With Credit Cards – 2009":

<http://www.citibank.ru/russia/news/eng/226.htm>

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