

Dated 28 October 2011

LIBRETTO CAPITAL P.L.C.
(incorporated as a limited company in Ireland)

SERIES PROSPECTUS

Series No: 2011-02

EUR 5,700,000 Fixed Rate Portfolio Credit Linked Notes due 2018

issued pursuant to its

Secured Note Issuance Programme

arranged by

CITIGROUP GLOBAL MARKETS LIMITED

The attention of investors is drawn to the section headed "Investment Considerations and Risk Factors" on page 4 of this Series Prospectus

CITIGROUP

TABLE OF CONTENTS

	Page
TABLE OF CONTENTS	i
INCORPORATION BY REFERENCE	3
INVESTMENT CONSIDERATIONS AND RISK FACTORS	4
TERMS AND CONDITIONS OF THE NOTES	16
ANNEX 1 DEFINED TERMS	28
ANNEX 2 SECURITY	30
ANNEX 3 THE SWAP AGREEMENTS	33
ANNEX 4 FORM OF INTEREST RATE SWAP CONFIRMATION	36
ANNEX 5 FORM OF CREDIT DEFAULT SWAP CONFIRMATION	41
GENERAL INFORMATION	57

This Series Prospectus, under which the Series No 2011-02 EUR 5,700,000 Fixed Rate Portfolio Credit Linked Notes due 2018 (the “**Notes**”) are issued, incorporates by reference, and should be read in conjunction with, pages 1 to 99 and 110 of the base prospectus (all other information contained therein being of no relevance to investors) dated 18 July 2011 relating to the Secured Note Issuance Programme (the “**Programme**”) and the Issuer Disclosure Annex to the base prospectus relating to the Issuer dated 18 July 2011 (together, the “**Base Prospectus**”) relating to the issuance by Libretto Capital P.L.C. (the “**Issuer**”) of secured notes under the Programme. This Series Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank only approves this Series Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list (the “**Official List**”) and trading on its regulated market. Terms defined in the Base Prospectus have the same meaning in this Series Prospectus. This Series Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The Notes are portfolio credit linked notes. In connection with the issue of the Notes, the Issuer and Citibank, N.A., New York Branch (in such capacity, the “**Swap Counterparty**”) have entered into:

- (i) an interest rate swap agreement (the “**Interest Rate Swap**”); and
- (ii) a credit default swap agreement, pursuant to which the Issuer sells protection to the Swap Counterparty in respect of a portfolio of Reference Entities (the “**Credit Default Swap**” and, together with the Interest Rate Swap, the “**Swap Agreements**”),

the form of confirmations in relation to which are as set out in Annexes 4 and 5 hereto. Capitalised terms used but not otherwise defined herein or in the Base Prospectus have the meaning given to them in Annex 1 and, if not defined in Annex 1, such terms shall have the meaning given to them in the Swap Agreements.

Investors are advised to refer to the forms of the Interest Rate Swap Confirmation and Credit Default Swap Confirmation attached as Annexes 4 and 5, respectively.

The Annexes to this Series Prospectus form part of, and should be read together with, this Series Prospectus.

The delivery of this Series Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

The Issuer accepts responsibility for the information contained in this Series Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The delivery of this Series Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

No person has been authorised to give any information or to make any representation other than those contained in this Series Prospectus in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Citigroup Global Markets Limited (in such capacity, the “**Dealer**” or “**CGML**”).

The net proceeds of this issue will be EUR 3,606,600 and will be applied by the Issuer, together with the initial payment due to it under the Credit Default Swap, to purchase the Collateral on the Issue Date (as defined herein).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act). The Issuer has not registered and will not register under the U.S. Investment Company Act of 1940, as amended. For a description of certain further restrictions on offers and sales of Notes and distribution of the Base Prospectus and the Series Prospectus, see “Subscription and Sale and Transfer Restrictions” in the Base Prospectus.

The credit ratings included or referred to in this Series Prospectus will be treated for the purposes of the EU Regulation on credit rating agencies ((EC) No. 1060/2009) (the “**CRA Regulation**”) as having been issued by Fitch Ratings (“**Fitch**”), Moody’s Investors Service Limited (“**Moody’s**”) and/or Standard & Poor’s Ratings Service, a division of The McGraw Hill Companies, Inc. (“**Standard & Poor’s**”) upon registration pursuant to the CRA Regulation. Fitch, Moody’s and Standard & Poor’s are established in the European Union and have applied to be registered under the CRA Regulation, although the result of such application(s) has not yet been determined.

This Series Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Prospectus in any jurisdiction where such action is required.

In this Series Prospectus, references to “**EUR**” are to euro.

INCORPORATION BY REFERENCE

The provisions of the Base Prospectus, which constitutes a base prospectus for the purposes of the Prospectus Directive, shall be deemed to be incorporated into and form part of this Series Prospectus in its entirety, save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Series Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Series Prospectus. This Series Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The Base Prospectus is available for viewing at, and copies may be obtained free of charge from, the office of the Paying Agents and the office of the Issuer in Ireland specified below.

The audited annual financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2010 together with the audit reports thereon have been filed with the Irish Stock Exchange and are deemed to be incorporated by reference into this Series Prospectus.

INVESTMENT CONSIDERATIONS AND RISK FACTORS

THE CONSIDERATIONS SET OUT BELOW ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. The Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Series Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

The Notes

The Notes are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Notes in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in the Base Prospectus and, in particular, the considerations set forth below and in this Series Prospectus. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

Investors

Each prospective investor in the Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal and interest may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices or indices, or where the currency for principal or interest payments is different from the prospective investor's currency.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent (i) the Notes are legal investments for it, and/or (ii) other restrictions apply to its purchase or, if relevant, pledge of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

No fiduciary role

None of the Issuer, the Arranger, the Dealer, the Trustee, the Agents or the Swap Counterparty (excluding the Issuer, the **"Transaction Parties"**) or any of their respective affiliates is acting as an

investment adviser, and none of them (other than the Trustee) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

None of the Issuer, the Transaction Parties, or any of their respective affiliates assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer of any Collateral or the terms thereof or (except in the case of the Swap Counterparty) of the Swap Counterparty.

Investors may not rely on the views or advice of the Issuer or the Transaction Parties for any information in relation to any person other than such Issuer or such Transaction Party.

No reliance

A prospective purchaser may not rely on the Issuer or the Transaction Parties or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

No representations

None of the Issuer, the Transaction Parties or any of their respective affiliates in respect of the Notes makes any representation or warranty, express or implied, in respect of any Collateral or any issuer of any Collateral or (except in the case of the Swap Counterparty) of the Swap Counterparty or in respect of the Swap Agreements or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or in respect of such Collateral or (except in the case of the Swap Counterparty) of the Swap Counterparty or in respect of the Swap Agreements with any exchange, governmental, supervisory or self regulatory authority or any other person.

Risk Factors relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing notes or other obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not to, as long as any of the Notes (if any) remain outstanding, without the consent of the Trustee, to have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person, declare any dividends or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of the Notes.

Preferred creditors under Irish law

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security that may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (that may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) that have been approved by the Irish courts (see "Examinership" below).

The holder of a fixed security over the book debts of an Irish tax resident company (that would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those that the holder received in payment of debts due to it by the company.

Where notice has been given to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation by the holder of the security, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax, whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company that are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the chargor does not have liberty to deal with the assets that are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer, any charge constituted by the Trust Deed may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables, it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the moneys standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security purported to be created by the Trust Deed would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;

- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer, are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by the implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals include a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed in respect the Issuer are as follows:

- (i) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Noteholders as secured by the Trust Deed;
- (ii) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (iii) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the secured creditors under the Notes or under any other secured obligations.

Anti-money laundering

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. If the Issuer were determined by the relevant authorities to be in violation of any such legislation, it could become subject to substantial criminal penalties. Any such violation could materially and adversely affect the timing and amount of payments made by the Issuer to Noteholders in respect of the Issuer's Notes.

Risk Factors relating to the Notes

Limited recourse obligations

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the Security received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such deficiency.

Further, none of the Noteholders nor any other secured party will be entitled at any time to proceed against the Issuer unless the Trustee having become bound to proceed fails or neglects to do so.

No person other than the Issuer will be obliged to make payments on the Notes.

Trustee indemnity

In certain circumstances, the Noteholders may be dependent on the Trustee to take certain actions in respect of the Notes, in particular if the security in respect of the Notes becomes enforceable under the Conditions. Prior to taking such action, the Trustee may require to be indemnified to its satisfaction. If the Trustee is not satisfied with its indemnity it may decide not to take such action, without being in breach of its obligations under the Trust Deed. Consequently, the Noteholders may have to either arrange for such indemnity or accept the consequences of such inaction by the Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or the consequences of any such inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders to proceed themselves directly against the Issuer.

Priority of claims

During the term of the Notes and on an enforcement of the security granted by the Issuer in favour of the Trustee, the rights of the Noteholders to be paid amounts due under the Notes will (subject to the provisions set out in the Supplemental Trust Deed) be subordinated to (i) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the security and the Trustee's remuneration and (ii) the other claims (if any) specified in the Supplemental Trust Deed relating to the Series that rank in priority to the Notes.

No gross-up on payments under Notes or Swap Agreements

In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes or payments of interest by the Swap Counterparty to the Issuer under the Swap Agreements (except in the latter case where the tax is an "Indemnifiable Tax" pursuant to the Swap Agreements), the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall and no Event of Default shall occur

as a result of any such withholding or deduction (but see “Early redemption for tax or legal reasons” below).

Early redemption for tax or legal reasons

Upon giving notice to the Trustee, the Issuer may redeem Notes earlier than the Maturity Date for specified tax or legal reasons, as detailed in Condition 7.3 and paragraph 40 of the Terms and Conditions of the Notes herein (but see “Risk Factors relating to the Swap Counterparty and the Swap Agreements” below for a description of how such redemption is effected where it results from termination of the Swap Agreements). If the Issuer redeems the Notes early, the Issuer will, if and to the extent permitted by applicable law, redeem the Notes at their Redemption Amount as specified in the Conditions. Such Redemption Amount is not principal protected and will be equal to the sale proceeds from the disposal of the Collateral plus (if due from the Swap Counterparty to the Issuer) or minus (if due from the Issuer to the Swap Counterparty) the Swap Termination Value, as detailed in the Conditions.

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders of the Notes including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, any of the Conditions or any of the provisions of the Trust Deed or the Swap Agreements that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Trust Deed or the Swap Agreements that are in the opinion of the Trustee not materially prejudicial to the interest of the Noteholders or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

Change of law

The Conditions of the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by English law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Issue Date.

Provision of information

None of the Issuer, the Transaction Parties or any affiliate of such persons makes any representation as to the credit quality of the Collateral. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Collateral. None of such persons is under any obligation to make such information directly available to Noteholders. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders’ behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Collateral or conduct any investigation or due diligence into the Collateral.

Non-registration under the Securities Act and restrictions on transfer

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Notes will be subject to satisfaction of legal requirements applicable to transfers that do

not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Notes are subject to certain transfer restrictions as described under “Subscription and Sale and Transfer Restrictions” in the Base Prospectus, which may further limit the liquidity of the Notes.

Obligations under the United States Hiring Incentives to Restore Employment Act

The Hiring Incentives to Restore Employment Act, which was enacted in early 2010 and contains provisions from the former Foreign Account Tax Compliance Act of 2009 (“**FATCA**”), imposes a 30 per cent. withholding tax on certain payments made on or after 1 January 2013 to certain non-US financial institutions (including entities such as the Issuer) who do not enter into and comply with an agreement with the IRS to provide certain information on the holders of its debt or equity (other than debt or equity interests that are regularly traded on an established securities market).

The relevant rules have not yet been fully developed and the future application of FATCA to the Issuer and the Noteholders is uncertain and the Issuer has not decided whether it will enter into an agreement with the IRS. If the Issuer determines that it must comply with FATCA in order to receive certain payments free of U.S. withholding tax, Noteholders may be required to provide certain information or be subject to withholding on certain payments made to them. If a Noteholder does not provide the necessary information and is subject to withholding there will be no “gross up” (or any other additional amount) payable by way of compensation to the Noteholder for the deducted amount.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH NOTEHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Risk Factors relating to the Reference Entities

Limited information about Reference Entities

Investors in the Notes will be exposed to the credit risk of the Reference Entities and the Reference Obligations (each as defined herein) for the time being comprised in the Reference Portfolio (as defined herein). None of the Issuer, CGML, the Trustee or any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entities or Reference Obligations. CGML may have acquired, or during the term of the Notes may acquire, confidential information with respect to such Reference Entities or the Reference Obligations and is not required to disclose this information to the Issuer or any other party.

The Reference Portfolio is the iTraxx[®] Europe Series 9 Version 1 index. The Reference Entities and their respective Reference Obligations comprised in the Reference Portfolio (each as defined herein) and may be found from the Markit website at www.markit.com.

Information about the past and future performance of iTraxx[®] Europe Series 9 Version 1 index and its volatility may be found from the Markit website at www.markit.com.

iTraxx[®] is a registered trade mark of International Index Company Limited.

iTraxx[®] is a trade mark of International Index Company Limited and has been licensed for the use by the Swap Counterparty and its affiliates. International Index Company Limited does not approve, endorse or recommend the Issuer, the Swap Counterparty, the Notes or other iTraxx[®] derivatives products.

iTraxx[®] derivatives products are derived from a source considered reliable, but neither International Index Company Limited nor any of its employees, suppliers, subcontractors and agents (together the

“iTraxx Associates”) guarantees the veracity, completeness or accuracy of iTraxx[®] derivatives products or other information furnished in connection with iTraxx[®] derivatives products. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or assumed by International Index Company Limited or any of the iTraxx Associates in respect of iTraxx[®] derivatives products or any data included in such iTraxx[®] derivatives products or the use by any person or entity of iTraxx[®] derivatives products or that data and all those representations, warranties and conditions are excluded save to the extent that such exclusion is prohibited by law.

None of International Index Company Limited nor any of the iTraxx Associates shall have any liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of International Index Company Limited or any of the iTraxx Associates or otherwise, arising in connection with the use of iTraxx[®] derivatives products or the iTraxx[®] indices.

No legal or beneficial interest in Obligations of Reference Entities

Under the Credit Default Swap, the Issuer will have a contractual relationship only with the Swap Counterparty and not with any obligor in respect of any Reference Obligation or with any Reference Entity. Consequently, the Credit Default Swap will not constitute a purchase or other acquisition or assignment of any interest in any Reference Obligation or against any Reference Entity. The Issuer and the Trustee will have rights solely against the Swap Counterparty and will have no recourse against the obligor in respect of any Reference Obligation or against any Reference Entity. None of the Issuer, the Trustee, the Noteholders or any other entity will have any rights to acquire from the Swap Counterparty (or to require the Swap Counterparty to transfer, assign or otherwise dispose of) any interest in any obligation of any Reference Entity. Moreover, the Swap Counterparty will not grant the Issuer or the Trustee any security interest in any such obligation.

None of the Issuer, CGML, the Trustee or any other person on their behalf has undertaken any legal due diligence in respect of the Reference Entities.

Limited Liquidity of the Reference Obligations

Some of the Reference Obligations may have no, or only a limited, trading market. The liquidity of Reference Obligations will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Reference Entities. The financial markets have experienced periods of volatility and reduced liquidity which may reoccur and reduce the market value of the Reference Obligations.

Some or all of the Reference Obligations may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of a Reference Entity, any resulting diminution in market value of the related Reference Obligation(s) could be further magnified by reason of such limited liquidity for Reference Obligations generally or that Reference Obligation in particular.

Determination of Credit Events

Credit Derivatives Determinations Committees were established in March 2009 to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency.

In making any determination in its capacity as Calculation Agent under the Swap Agreements, CGML and its affiliates may, but are not obliged to, have regard to decisions made by announcements, determinations and resolutions made by ISDA and/or the Credit Derivatives Determinations Committees. Such announcements, determinations and resolutions could affect the redemption and

settlement of Notes (including the quantum and timing of payments and/or deliveries on redemption). For the avoidance of doubt, neither the Issuer nor the Calculation Agent accept any liability to any person for any determinations, redemption, calculations and/or delay or suspension of payments and/or redemption of the Notes resulting from or relating to announcements, publications, determinations and resolutions made by ISDA and/or any Credit Derivatives Determinations Committee.

Noteholders should be aware that redemption and settlement of the Notes may be postponed following public announcement by ISDA that a DC Resolution (as defined in the Credit Default Swap) will be passed by the relevant Credit Derivatives Determinations Committee. The relevant Credit Derivatives Determinations Committee may resolve (i) that an event that constitutes a Credit Event in respect of the Reference Entity (as defined in the Credit Default Swap) for the purposes of the Credit Default Swap has occurred, (ii) that no event which could constitute a Credit Event in respect of the Reference Entity for the purposes of the Credit Default Swap has occurred, or (iii) not to determine whether an event constitutes a Credit Event. Such announcements, determinations and resolutions could affect the redemption and settlement of Notes (including the quantum and timing of payments and/or deliveries on redemption) and may postpone the maturity date of the Notes.

By subscribing for or purchasing the Notes, each Noteholder shall be deemed to agree that (i) no DC Party (as defined in the Credit Default Swap) and no legal counsel or other third-party professional hired by a DC Party (as defined in the Credit Default Swap) in connection with such DC Party's performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms, as applicable, shall be liable to Noteholders, and (ii) no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules (as defined in the Credit Default Swap) and/or any relevant Credit Derivatives Auction Settlement Terms is acting as fiduciary for, or as an advisor to, Noteholders.

Prospective investors should note that the occurrence of a Credit Event on the Notes is determined by the Swap Counterparty under the Credit Default Swap. The determination of whether a Credit Event (or a Potential Credit Event, if applicable) has occurred shall be made by the Swap Counterparty without regard to the interest of the Noteholders. The likelihood of a Credit Event occurring will generally fluctuate with, among other things, the financial condition and other characteristics of each Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

Only those Credit Events specified in the iTraxx[®] Europe Tranche Transactions Standard Terms Supplement published on 23 November 2009 as applicable to the Reference Entity will apply to the Reference Entity, which Supplement may be found from the Markit website at www.markit.com.

If a Credit Event occurs with respect to a Reference Entity and the Conditions to Settlement are satisfied, a Loss Percentage will be calculated with respect to such Credit Event. The aggregate of the Loss Percentages is the Cumulative Loss Percentage. If the Cumulative Loss Percentage exceeds the Threshold Percentage, amounts will be payable by the Issuer to the Swap Counterparty and the Outstanding Principal Amount of the Notes will be reduced.

Payments of interest may also be postponed if the Reference Entity is either (a) an Affected Reference Entity or (b) the subject of a Potential Credit Event (as defined in the Credit Default Swap), as more particularly described in the Terms and Conditions of the Notes.

Risk Factors relating to the Swap Counterparty and the Swap Agreements

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under the Swap Agreements. Consequently, the Issuer is exposed not only to the

occurrence of Credit Events in relation to any of the Reference Entities, but also to the ability of the Swap Counterparty to perform its obligations under the Swap Agreements. Default by the Swap Counterparty may result in the termination of the Swap Agreements and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

The receipt by the Issuer of payments under the Swap Agreements is also dependent on the timely payment by the Issuer of its obligations under the Swap Agreements. The ability of the Issuer to make timely payment of its obligations under the Interest Rate Swap depends on receipt by it of the scheduled payments under the Collateral. Consequently, the Issuer is also exposed to the ability of the Collateral Issuer to perform its obligations under the Collateral.

Potential investors should note that in certain circumstances the Issuer may not hold any Collateral. In such circumstances, the security for the Notes will consist solely of the Issuer's contractual rights under the Swap Agreements and other agreements relating to the Notes.

Risk Factors relating to the Collateral

No investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Transaction Parties in respect of the Collateral. No representations or warranties, express or implied, have been given by the Issuer, the Transaction Parties or any other person on their behalf in respect of the Collateral.

Collateral

Noteholders may be exposed to the market value of the Collateral. The Issuer may have to fund its payments by the sale of some or all of the Collateral at its market value. The market value of the Collateral will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant issuer of the Collateral.

For example, the occurrence of Credit Events with respect to Reference Entities comprised in the Reference Portfolio may result in the Issuer being required to make payments to the Swap Counterparty under the Credit Default Swap. If such payments are required to be made, the Issuer may be required to procure the sale of Collateral with a market value (plus or minus any Partial Termination Amount payable to or by the Issuer in connection with the partial termination of the Interest Rate Swap) at least equal to the cash amounts which are required to make such payments. In such event, the nominal amount of the Collateral will be reduced by the principal amount of such Collateral so sold.

In addition, the occurrence of certain events, including, *inter alia*, the Collateral becoming repayable prior to its stated maturity as a result of a payment default, imposition of withholding tax on the Issuer, imposition of withholding tax on payments due in respect of the Collateral, may result in the Notes redeeming early. In such circumstances, the Issuer will sell any Collateral and Noteholders will then receive (i) a pro rata share of the net realised sale proceeds of such Collateral, plus or minus (as applicable) (ii) the Swap Termination Value.

Depending on the market price of the Collateral, any of these events may cause significant losses to the Noteholders and may result in the Notes redeeming at zero.

The Arranger and the Dealer may have acquired, or during the terms of the Notes may acquire, confidential information or enter into transactions with respect to any Collateral and they shall not be under any duty to disclose such confidential information or the nature of any transaction to any Noteholder or the Issuer.

Risk Factors relating to business relationships and capacity of Citigroup Global Markets Limited

The Issuer, CGML and any of its affiliates may have existing or future business relationships with the issuers of the Collateral (including, but not limited to, lending, depository, risk management, advisory, sponsorship and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder. In addition, the Issuer, CGML and any of its affiliates may make a market or hold positions in respect of the Collateral relating to any particular transaction. From time to time, CGML and its affiliates may own significant amounts of Notes.

CGML and its affiliates may act in a number of capacities in respect of the Notes including, without limitation, Dealer and Calculation Agent. CGML and its affiliates acting in such capacities in connection with the Notes shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. CGML and its affiliates in their various capacities in connection with the Notes may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

Leveraged investments

The Notes represent a leveraged investment because the notional amount of the Reference Portfolio is substantially greater than the principal amount of the Notes. As a result, the Notes will be exposed to credit risk on assets with a notional amount substantially greater than the principal amount of the Notes. Prospective investors of the Notes should consider and determine for themselves the likely levels of credit events during the term of the Notes and the impact of such credit events on their investment.

Market Risks

Set out below is a brief description of certain market risks:

Current market conditions

The current liquidity shortage and volatility in the credit markets has introduced a variety of increased risks relating to several aspects of the Issuer's operations. Such additional risks include the inability of the Issuer to sell its assets which, among other things, may render it unable to dispose of the Collateral and satisfy its obligations in respect of the redemption of the Notes. Such market conditions may also lead to the inability of the Issuer to determine a reliable valuation of its assets. All of such factors could materially adversely affect the interests of Noteholders.

Limited liquidity of the Notes

Although application may be made to admit the Notes to the Official List of the Irish Stock Exchange and admit them to trading on the regulated market of the Irish Stock Exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If the Arranger or any Dealer begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the currency of the Notes. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected and may receive no interest or principal.

Interest rate risks

Investment in Notes may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus (the “**Base Conditions**”) as amended or supplemented below. References in the Base Prospectus to Final Terms shall be deemed to refer to the terms set out below.

Provisions appearing on the face of the Notes

1	Issuer:	Libretto Capital P.L.C.
2	Relevant Dealer/Lead Manager (including, if Syndicated Issue, Managers):	Citigroup Global Markets Limited (“ CGML ”)
3	Series No:	2011-02
4	Tranche No:	Not applicable
5	ISIN:	XS0690364657
6	Common Code:	069036465
7	CUSIP:	Not applicable
8	PORTAL Code:	Not applicable
9	Currency (or Currencies in the case of Dual Currency Notes):	EUR
10	Principal Amount:	<p>EUR 5,700,000 (the “Initial Nominal Amount”) provided that the outstanding aggregate Principal Amount shall be recalculated from time to time as set out below (the “Nominal Amount Outstanding”).</p> <p>(i) If a Credit Event occurs, the Conditions to Settlement (as defined in the Credit Default Swap) are satisfied and a Cash Settlement Amount becomes payable under the Credit Default Swap, the Determination Agent shall, upon notification to it by the calculation agent pursuant to the Swap Agreements (the “Swap Calculation Agent”) of the relevant Aggregate Settlement Amount (if any) with respect to the Event Determination Date (as defined in the Credit Default Swap) in respect of such Credit Event, determine the Nominal Amount Outstanding of the Notes to take effect as from and including such Event Determination Date on the basis of such amounts notified to it by the Swap Calculation Agent.</p> <p>In such circumstances, the Nominal Amount Outstanding to take effect from and including such Event Determination Date shall be determined by the Determination Agent on the related Cash Settlement Date as being equal to the Collateral Nominal Amount plus the Outstanding Surplus</p>

Amount (if any), in each case immediately following payment of the relevant Aggregate Settlement Amount to the Swap Counterparty under the Swap Agreements (if any).

- (ii) In addition, following any purchase and cancellation of Notes by the Issuer pursuant to Condition 7.4, the Nominal Amount Outstanding shall be reduced so as to equal the Collateral Nominal Amount plus the Outstanding Surplus Amount (if any), in each case immediately following such purchase and cancellation as aforesaid.

Immediately upon receipt by the Issuer of a Credit Event Notice and (if applicable) a Notice of Publicly Available Information from the Swap Counterparty under the Credit Default Swap, notice of the same shall be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 16.

Noteholders should note that if the Conditions to Settlement are satisfied and a Cash Settlement Amount becomes payable under the Credit Default Swap as provided above, the Nominal Amount Outstanding to take effect from and including the relevant Event Determination Date will only be determined on the Cash Settlement Date relating to the Reference Entity for which such Event Determination Date has occurred, as provided above. Upon such determination, notice thereof will be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 16 as soon as practicable following any adjustment to the Nominal Amount Outstanding in accordance with the foregoing provisions.

11	Issue Date:	24 October 2011
12	Issue Price:	63.27368 per cent.

Provisions appearing on the back of the Notes

13	Form:	Bearer
14	Denomination:	EUR 100,000
15	Status:	Secured and limited recourse obligations of the Issuer, secured as provided below
16	Interest Commencement Date (if different from Issue Date):	Issue Date
17	Interest Basis:	Fixed Rate
18	Interest Rate (including after Maturity	8.00 per cent. per annum, except for the final Interest

Date, when payment of principal is improperly withheld or refused):

Accrual Period for which the Interest Rate shall be 3.00 per cent. per annum.

Notwithstanding Conditions 6.1 and 6.6 and subject as set out in paragraph 19 below, the amount of interest payable in respect of each Note for any Interest Accrual Period (the "**Interest Amount**") shall be an amount in the Notes Currency calculated by the Calculation Agent as being equal to the product of:

- (a) the sum for each day in the Interest Accrual Period of the Nominal Amount Outstanding divided by the number of days in such Interest Accrual Period (the "**Average Nominal Amount Outstanding**");
- (b) the Interest Rate; and
- (c) the Day Count Fraction,

such amount being divided by the Number of Notes.

19 Interest Payment Date(s):

Two Business Days following each Interest Period Date (as specified in paragraph 39 below) (subject as provided below), commencing on the second Business Day following the Interest Period Date falling in August 2012 (a short first coupon), except for the Final Interest Period Date in which case the Interest Payment Date shall be eight Business Days following such Final Interest Period Date (each a "**Scheduled Interest Payment Date**").

In addition, on the first Interest Payment Date, the Issuer shall pay the Noteholder an amount per Note equal to EUR 156.16.

Notwithstanding the foregoing, if:

- (a) one or more Affected Reference Entities exist on any Interest Period Date (including, for the avoidance of doubt, the Final Interest Period Date (as defined in paragraph 39 below)); and
- (b) the Total Loss Percentage is either greater than zero or would be greater than zero were the Zero Valuation Assumption to be made in respect of each such Affected Reference Entity,

then payment of the relevant Interest Amount shall be postponed until the second Business Day following the last Cash Settlement Date to occur with respect to each such Affected Reference Entity under the Credit Default Swap (the "**Deferred Interest Payment Date**").

For the avoidance of doubt, a Deferred Interest Payment Date may relate to one or more Scheduled Interest Payment Dates.

In such circumstances, on the Deferred Interest

Payment Date, the Issuer shall pay to Noteholders the relevant Interest Amount that would otherwise have been payable on the Scheduled Interest Payment Date but for the operation of the foregoing provisions of this paragraph 19, had the relevant Cash Settlement Date occurred with respect to each Affected Reference Entity on or prior to such Interest Period Date.

If the Maturity Date is delayed in accordance with paragraph 40 below, the Deferred Interest Payment Date in respect of the Scheduled Interest Payment Date otherwise falling on the Scheduled Maturity Date shall be the Deferred Maturity Date.

If the Maturity Date of the Notes is the Revised Maturity Date (as defined in paragraph 41 below) and such Revised Maturity Date is not later than the Scheduled Maturity Date, the Revised Maturity Date shall also be an Interest Payment Date (such Interest Payment Date, the “**Additional Interest Payment Date**”), in respect of which the Interest Accrual Period shall end on the Event Determination Date immediately preceding such date. For the avoidance of doubt, on the Revised Maturity Date, any interest accrued to but excluding the Additional Interest Period Date (as defined in paragraph 39 below) shall be calculated in accordance with paragraph 18 above.

20	Relevant Time (Floating Rate Notes):	Not applicable
21	Determination Date(s) (if applicable):	Not applicable
22	Interest Determination Date (Floating Rate Notes):	Not applicable
23	Primary Source for Floating Rate:	Not applicable
24	Reference Banks (Floating Rate Notes):	Not applicable
25	Relevant Financial Centre (Floating Rate Notes):	Not applicable
26	Benchmark:	Not applicable
27	Broken Amount (Fixed Rate Notes):	Not applicable
28	Representative Amount (Floating Rate Notes):	Not applicable
29	Relevant Currency (Floating Rate Notes):	Not applicable
30	Effective Date (Floating Rate Notes):	Not applicable
31	Specified Duration (Floating Rate Notes):	Not applicable

32	Margin (Floating Rate Notes):	Not applicable
33	Rate Multiplier (if applicable):	Not applicable
34	Maximum/Minimum Interest Rate (if applicable):	Not applicable
35	Maximum/Minimum Instalment Amount (if applicable):	Not applicable
36	Maximum/Minimum Redemption Amount (if applicable):	Not applicable
37	Interest Amount (Fixed Rate Notes):	Not applicable
38	Day Count Fraction:	Actual/Actual
39	Interest Period Date(s) (if applicable):	<p>(a) 2 August in each year from and including 2 August 2012 (a short first Interest Accrual Period) to and including 2 August 2017; and</p> <p>(b) 20 June 2018 (a short final coupon) (the “Final Interest Period Date”),</p> <p>each such date not being subject to adjustment in accordance with the Business Day Convention.</p> <p>If the Maturity Date of the Notes is the Revised Maturity Date (as defined in paragraph 41 below) and such Revised Maturity Date is not later than the Scheduled Maturity Date, the Event Determination Date immediately preceding the Revised Maturity Date shall be the final Interest Period Date (such Interest Period Date, the “Additional Interest Period Date”).</p>
40	Redemption Amount (including early redemption):	<p>(i) Final Redemption</p> <p>Subject as provided below, the Redemption Amount payable in respect of each Note on the Scheduled Maturity Date (as defined in paragraph 41 below) shall comprise (a) physical delivery of the relevant Physical Settlement Entitlement as at the Scheduled Maturity Date and (b) payment of an amount equal to the Outstanding Surplus Amount (if any) as at the Scheduled Maturity Date divided by the Number of Notes outstanding.</p> <p>In order for Notes to be redeemed by delivery of the relevant Physical Settlement Entitlement, Noteholders must present to any Paying Agent an irrevocable delivery instruction certificate (in the form set out in Schedule 2 of the Supplemental Trust Deed, copies of which are available at the specified office of any Paying Agent) (the “Delivery Instruction Certificate”) and must make presentation and delivery of the Notes held, not later than 5.00 p.m., London time, on the third London Business Day prior to the Maturity Date (or the Deferred</p>

Maturity Date, if applicable). If such Notes and Delivery Instruction Certificate are presented to a Paying Agent after 5.00 p.m., London time, on the day of presentation or if the day of presentation is not a London Business Day, such Notes and Delivery Instruction Certificate shall be deemed to have been presented before 5.00 p.m., London time, on the next following London Business Day. The Paying Agent to which such Notes and Delivery Instruction Certificate are surrendered shall acknowledge receipt by issuing to the holder of such Notes as a receipt for such Notes a copy of such Delivery Instruction Certificate duly marked with the Paying Agent's stamp and the date and time of receipt and shall deliver to the Custodian, the Issuer and the Swap Counterparty a copy of such Delivery Instruction Certificate as soon as practicable after receipt thereof. A copy of the Delivery Instruction Certificate shall act as a receipt for both the Notes and the Delivery Instruction Certificate. Such copy shall be non-transferable and shall be prima facie evidence of entitlement of the person named therein to the Physical Settlement Entitlement in respect of the Notes specified therein. However, the records of the Paying Agent shall be conclusive evidence of such entitlement.

Noteholders should note, in relation to Notes held in Euroclear or Clearstream, Luxembourg, that such Notes will be presented and surrendered and the Delivery Instruction Certificate in respect thereof delivered, on behalf of Noteholders by Euroclear or Clearstream, Luxembourg, as the case may be, and that holders of Notes held in Euroclear or Clearstream, Luxembourg will be required to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to present such Notes and to deliver such Delivery Instruction Certificate not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Clearance System Business Day prior to the date on which such Delivery Instruction Certificate is to be delivered. For these purposes, "Clearance System Business Day" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

If, for whatever reason, the Issuer, the Trustee or the Custodian determines that physical delivery of the Physical Settlement Entitlement is illegal or impossible, then the Issuer shall arrange for the Disposal Agent to sell that relevant Collateral and pay the sale proceeds thereof to the relevant Noteholder in lieu of the Physical

Settlement Entitlement.

Notwithstanding the foregoing, if:

- (a) one or more Maturity Affected Reference Entities exist on the Final Interest Period Date; and
- (b) the Total Loss Percentage is either greater than zero or would be greater than zero were the Zero Valuation Assumption to be made in respect of each such Maturity Affected Reference Entity,

then the Maturity Date shall be postponed until two Business Days following the later to occur of:

- (i) the last day of the Notice Delivery Period; or
- (ii) the last Cash Settlement Date (if any) to occur with respect to each such Maturity Affected Reference Entity,

(such date, the “**Deferred Maturity Date**”).

In such circumstances, on the Deferred Maturity Date the Issuer shall deliver and/or pay (as applicable) to Noteholders in respect of each Note, the Redemption Amount that would otherwise have been payable on the Scheduled Maturity Date but for the operation of the foregoing provisions of this paragraph 40 had the relevant Reference Entity not been a Maturity Affected Reference Entity (in the case of sub-paragraph (i) above) or had the relevant Cash Settlement Date occurred with respect to each Maturity Affected Reference Entity on the related Event Determination Date(s) in the case of sub-paragraph (ii) above).

In the case of any postponement of the Maturity Date in accordance with the above paragraphs, the final Interest Accrual Period shall end on the Final Interest Period Date. The Interest Amount payable in respect of the final Interest Accrual Period shall be calculated in accordance with paragraph 18 above and be payable on the Deferred Maturity Date.

No other amount shall be payable to the Noteholders in respect of such postponement.

A notice of postponement of the Maturity Date will be given to the Noteholders in accordance with Condition 16 as soon as practicable by or on behalf of the Issuer.

In the event that the Maturity Date falls on the Revised Maturity Date, the Redemption Amount payable in respect of each Note shall be EUR 0.

(ii) **On Early Redemption for any reason, including due to a Mandatory Redemption A and for taxation and other reasons pursuant to Condition 7.3**

“**Mandatory Redemption A**” shall apply in respect of the Notes.

Where the Notes are redeemed early due to a Mandatory Redemption A in accordance with Condition 7.2 on upon the occurrence of taxation or other reasons pursuant to Condition 7.3, subject as provided in subparagraph (iii) below, each Note will be redeemed on the relevant date for redemption specified in the relevant notice of redemption at an amount (the “**Early Redemption Amount**”) in the Notes Currency determined at the sole and absolute discretion of the Determination Agent as being equal to a *pro rata* share of:

- (a) the net realised proceeds of the sale of any Collateral effected on behalf of the Issuer by the Disposal Agent pursuant to the Agency Agreement, plus
- (b) the Swap Termination Value (where the same is due from the Swap Counterparty to the Issuer) or, as the case may be, minus the Swap Termination Value (where the same is due from the Issuer to the Swap Counterparty).

In such circumstances, in determining any early termination payment under the Credit Default Swap comprised in such Swap Termination Value, account shall be taken of Credit Events in respect of which the Conditions to Settlement have occurred, but the relevant Cash Settlement Date has yet to occur and in determining any early termination payment under the Interest Rate Swap comprised in such Swap Termination Value, account shall be taken of any Outstanding Surplus Amount then held by the Swap Counterparty under the Interest Rate Swap.

Any sale of Collateral shall be carried out in accordance with the Agency Agreement (as modified by paragraph 77 below).

41 Maturity Date:

Subject as provided in paragraph 40 above or below, the Scheduled Maturity Date.

Where:

“**Scheduled Maturity Date**” means the date falling eight Business Days following 20 June 2018, which date is not subject to adjustment in accordance with any business

day convention.

In the event that the Nominal Amount Outstanding calculated following an Event Determination Date is EUR 0, the Maturity Date shall fall on the eighth Business Day immediately following the date of such determination (the “**Revised Maturity Date**”). For the avoidance of doubt, on the Revised Maturity Date, any interest accrued to but excluding the Additional Interest Period Date shall be payable as calculated in accordance with paragraph 18 above.

A notice of the occurrence of a Revised Maturity Date will promptly be given to the Noteholders in accordance with Condition 16 as soon as practicable by or on behalf of the Issuer.

42	Redemption for taxation reasons permitted on days other than Interest Payment Dates:	Yes
43	Index/Formula (Indexed Notes):	Not applicable
44	Calculation Agent and Determination Agent:	Citibank, N.A., London Branch shall be the Calculation Agent and CGML shall be the Determination Agent. Any amounts falling to be determined by the Calculation Agent or the Determination Agent pursuant to these Conditions shall be determined by it in its sole and absolute discretion, acting in a commercially reasonable manner, rounding (where necessary) the relevant amount down to the nearest unit of the Relevant Currency. For these purposes, “unit” means the lowest amount of the Relevant Currency which is available as legal tender in the country or countries of such Relevant Currency.
45	Dual Currency Notes:	Not applicable
46	Partly-Paid Notes:	Not applicable
47	Amortisation Yield (Zero Coupon Notes):	Not applicable
48	Terms of redemption at the option of the Issuer or other Issuer’s option (if applicable):	Not applicable
49	Terms of redemption at the option of the Noteholders or other Noteholders’ Option (if applicable):	Not applicable
50	Issuer’s Option Period:	Not applicable
51	Noteholders’ Option Period:	Not applicable
52	Instalment Date(s) (if applicable):	Not applicable

53	Instalment Amount(s) (if applicable):	Not applicable
54	Unmatured Coupons to become void upon early redemption:	Yes
55	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not applicable
56	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	London and TARGET Settlement Day
57	Modification to definition of Business Day in Condition 6.2 (if any):	Not applicable
58	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 13.1 (if applicable):	Not applicable
59	Details of any other additions or variations to the Conditions (if applicable):	The provisions of Condition 4.1 are varied as set out in Annex 2 to this Series Prospectus.
60	Details of any additions or variations to the Dealer Agreement:	None
61	The Agents appointed in respect of the Notes are:	<p>Citibank, N.A., London Branch Citigroup Centre Canada Square Canary Wharf London E14 5LB</p> <p>as Issuing and Paying Agent, Calculation Agent and Custodian</p> <p>Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB</p> <p>as Disposal Agent and Determination Agent</p> <p>Citibank International plc 1 North Wall Quay Dublin 1</p> <p>as Irish Paying Agent</p>
62	Purchase by the Issuer of Notes:	The Issuer may purchase Notes.
63	Settlement Method and Net Price payable to Issuer:	The Issuer will issue, and CGML will purchase, the Notes for EUR 3,606,600.

Provisions applicable to Global Notes and Certificates

64	How Notes will be represented on issue:	Temporary Global Note
65	Applicable TEFRA exemption:	D Rules
66	Whether Temporary/Permanent Global Note is exchangeable for Definitive Notes/ Individual Certificates at the request of the holder:	Yes, for Permanent Global Note.

Provisions relating only to the sale and listing of the Notes

67	Details of any additions or variations to the selling restrictions:	Not applicable
68	Listing and admission to trading:	This Series Prospectus has been approved by the Central Bank of Ireland (the " Central Bank "), as competent authority under Directive 2003/71/EC (the " Prospectus Directive "). The Central Bank only approves this Series Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list and trading on its regulated market.
	(i) Estimate of total expenses related to admission to trading:	All such expenses are being paid by the Arranger.
69	Dealer's Commission:	None
70	Method of Issue:	Citigroup Global Markets Limited (the " Dealer ") is acting as placing agent in relation to the Notes.
71	The following Dealer is subscribing to the Notes:	Citigroup Global Markets Limited.
72	Rating:	Not applicable

The Security Arrangements

73	Mortgaged Property:	
	(a) Collateral:	See Annex 2
	(b) Security (order of priorities):	The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Deed (the " Proceeds ") in accordance with "Counterparty Priority A". Investors should have regard to "Terms and Conditions of the Notes – Condition 4.2 Application of Security" in the Base Prospectus for details of the application of monies upon redemption or enforcement of the security in accordance with the above provisions.
	(c) Option Agreement (if	Not applicable

	applicable):	
	Option Counterparty(ies):	Not applicable
	Option Guarantor (if applicable):	Not applicable
(d)	Swap Agreements (if applicable):	See Annexes 3, 4 and 5 to this Series Prospectus.
	Swap Counterparty(ies):	Citibank, N.A., New York Branch, whose registered office is 388 Greenwich Street, 11th Floor, New York, NY 10013, United States.
	Swap Guarantor (if applicable):	Not applicable
	Swap Guarantee:	Not applicable
(e)	Details of Credit Support Document (if applicable):	Not applicable
(f)	Credit Support Provider:	Not applicable
(g)	Details of Securities Lending Agreement (if applicable):	Not applicable
74	Priority of interests in Mortgaged Property:	As set out in paragraph 74(b) above.
75	Mandatory Redemption:	Mandatory Redemption A applies.
76	Noteholder Substitution of Collateral:	Not applicable
77	Sale of Collateral:	As set out in Clause 18 of the Agency Agreement. The nominal amount of Collateral to be liquidated following a Credit Event shall be such minimum nominal amount of such Collateral (rounded up to the nearest integral multiple of the minimum denomination of the relevant Collateral held by the Issuer at such time) the proceeds of sale of which will allow the Issuer to pay to the Swap Counterparty the Aggregate Settlement Amount due to it. Any Surplus Amounts remaining after any such sale shall be paid by the Disposal Agent on behalf of the Issuer to the Swap Counterparty under the Interest Rate Swap.

ANNEX 1 DEFINED TERMS

“Affected Reference Entity” means, at any time, a Reference Entity comprised in the Reference Portfolio in relation to which an Event Determination Date has been determined in accordance with Section 1.8(a)(i) of the Credit Derivatives Definitions or ISDA has publically announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in Sections 1.24(a) and (b) of the Credit Derivatives Definitions are satisfied but the relevant Cash Settlement Date has not occurred at such time.

“Aggregate Settlement Amount” means, following an Event Determination Date, the aggregate of the Cash Settlement Amount (if any) payable by the Issuer to the Swap Counterparty under the Credit Default Swap plus (where the same is due from the Issuer to the Swap Counterparty) or, as the case may be, minus (where the same is due from the Swap Counterparty to the Issuer) the Partial Termination Amount payable under the Interest Rate Swap with respect to such Event Determination Date.

“Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and a TARGET Settlement Day.

“Collateral Issuer” means the issuer of the Collateral.

“Collateral Nominal Amount” means the nominal amount of any such Collateral remaining immediately following payment of the related Aggregate Settlement Amount.

“Collateral Payment Date” means each date on which interest and/or principal is due and payable in respect of the Collateral (taking into consideration any applicable grace period under the terms of the Collateral).

“Disposal Date” means each date on which Collateral is liquidated or realised following an Event Determination Date to allow the Issuer to meet its obligations under the Swap Agreements to pay the Aggregate Settlement Amount. For the avoidance of doubt, the Disposal Date may not be later than the Cash Settlement Date relating to the relevant Event Determination Date and shall not occur until the relevant Aggregate Settlement Amount has been determined.

“Maturity Affected Reference Entity” means, in respect of the Early Redemption Date or the Final Interest Period Date, a Reference Entity comprised in the Reference Portfolio that is an Affected Reference Entity or a Potential Defaulted Reference Entity as at such date.

“Notes Currency” means EUR.

“Notice Delivery Period” has the meaning given to it in the Credit Default Swap, save where indicated otherwise.

“Number of Notes” means, as at the Issue Date, 57 and, following any purchase and cancellation of Notes by the Issuer pursuant to Condition 7.4 and Condition 7.10, such lesser number of Notes outstanding.

“Outstanding Surplus Amount” means, on any date, the aggregate of any Surplus Amounts paid by or on behalf of the Issuer to the Swap Counterparty under the Interest Rate Swap on or prior to such date, as reduced by way of set-off against payments of Cash Settlement Amounts due to the Swap Counterparty under the Credit Default Swap on or prior to such date.

“Physical Settlement Entitlement” means, in respect of each Note, a *pro rata* share of the Collateral Nominal Amount of the Collateral. If the aggregate Physical Settlement Entitlement of a Noteholder in respect of all of its Notes is not a transferable amount of the Collateral, the Issuer shall deliver an amount of Collateral equal to such Physical Settlement Entitlement rounded down to the nearest whole Collateral and shall pay such Noteholder a cash amount (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) equal to the market value of the remainder of the Physical Settlement Entitlement, as determined by the Swap Counterparty in its absolute discretion and references to the “Physical Settlement Entitlement” shall include any such cash amount. If the Collateral is redeemed for any reason prior to physical delivery thereof to the Noteholders, the Physical Settlement Entitlement of each Note shall comprise such Note’s *pro rata* share of the redemption proceeds thereof.

“Potential Defaulted Reference Entity” means a Reference Entity comprised in the Reference Portfolio in relation to which the following condition is satisfied (a **“Potential Credit Event”**): the Swap Counterparty has notified the Issuer that it reasonably believes that a Credit Event has occurred but the Event Determination Date has not yet occurred or been deemed to have occurred (including where ISDA has publicly announced a Credit Derivatives Determinations Committee to Resolve the matters described in Sections 1.24(a) and (b) of the Credit Derivatives Definitions with respect to such Reference Entity).

“Surplus Amount” means an amount equal to the amount (if any) by which the net sale proceeds of any Collateral sold to pay the Aggregate Settlement Amount to the Swap Counterparty under the Interest Rate Swap and Credit Default Swap exceeds such Aggregate Settlement Amount as a result of the principal amount of such Collateral sold being rounded up to the nearest integral multiple of the denomination of the Collateral, such amount to be paid to the Swap Counterparty under the Interest Rate Swap by Disposal Agent on behalf of the Issuer in accordance with paragraph 78, and as such amount may be reduced from time to time to set off against subsequent Cash Settlement Amounts payable by the Issuer as set out under the Credit Default Swap. Any interest payments paid in respect of the Collateral on or after 2 August 2018 shall also be treated as Surplus Amounts and be paid by the Issuer to the Swap Counterparty on the date that such interest payments are payable by the Collateral Issuer.

“Swap Termination Value” means the aggregate of the early termination payments due from or, as the case may be, to the Swap Counterparty under the Interest Rate Swap and the Credit Default Swap, the calculation of which is described under “Consequences of Early Termination in Whole” in Annex 3 to the Series Prospectus.

“Zero Valuation Assumption” means the assumption that, in respect of each Affected Reference Entity or Maturity Affected Reference Entity, (i) where an Event Determination Date has been determined in accordance with Section 1.8(a)(i) of the Credit Derivatives Definitions or ISDA has publically announced that the conditions to convening a Credit Derivatives. Determinations Committee to Resolve the matters described in Sections 1.24(a) and (b) of the Credit Derivatives Definitions are satisfied, the Final Price in respect of each such Affected Reference Entity or Maturity Affected Reference Entity is or would be zero; or (ii) where a Potential Credit Event has occurred, such Potential Credit Event will result in a Credit Event and that the Final Price in respect of each such Affected Reference Entity or Maturity Affected Reference Entity is or would be zero.

ANNEX 2 SECURITY

Description of the Collateral

On the Issue Date the Issuer will purchase EUR 5,700,000 in principal amount of an issue by Citigroup Inc. of EUR 2,500,000,000 5.00 per cent. Notes due 2 August 2019 (ISIN: XS0197646218) (the "**Collateral**").

The following is a summary of the terms and conditions of the Collateral, as set out in the Pricing Supplement (the "**Collateral Pricing Supplement**") relating to the Collateral.

Title:	Citigroup Inc. EUR 2,500,000,000 5.0 per cent. Fixed Rate Notes due 2019 under the US\$ 18,000,000,000 Programme for the issuance of Euro Medium-Term Notes, Series B
Collateral Issuer:	Citigroup Inc.
Country of Incorporation:	Delaware, USA
Principal Address of Collateral Issuer:	399 Park Avenue, New York, New York 10043, United States.
Principal Business of Collateral Issuer:	Citigroup Inc. is a global diversified financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers.
Principal Amount:	EUR 2,500,000,000
Denomination:	EUR 1,000, EUR 10,000 and EUR 100,000.
Issue Date:	2 August 2008
Maturity Date:	2 August 2019
Interest Rate:	5.00 per cent. per annum
Interest Payment Date:	2 August in each year commencing with the Interest Payment Date falling on 2 August 2005
Listing:	Luxembourg Stock Exchange
Governing law:	English law, except for the subordination provisions set out in condition 4(b) of the Securities (<i>Status — Status of Subordinated Notes</i>) which are governed by New York law.
ISIN:	XS0197646218
Common Code:	0197646218
Ratings:	As at the Issue Date of the Notes, the Collateral Issuer has been assigned long-term unsecured senior debt ratings of "A" by Standard & Poor's, "A3" by Moody's Investors Service and "A+" (Negative) by Fitch.
Ranking:	The Collateral and any related coupons constitute senior unsubordinated obligations of the Collateral Issuer.

The Collateral shall be subject to reduction following the occurrence of Event Determination Dates as set out below and is subject to the security interests in favour of the Trustee created by the Trust

Deed.

The occurrence of Credit Events in relation to Reference Entities in the Reference Portfolio may result in the Issuer being required to make payments to the Swap Counterparty under the Credit Default Swap in respect of such Credit Events and under the Interest Rate Swap as a result of a partial termination thereof. The Issuer shall first apply Outstanding Surplus Amounts held by the Swap Counterparty (if any) towards such payment and then, to the extent of any shortfall, sell Collateral with a market value which is at least equal to such shortfall, which sale shall be effected by the Disposal Agent on behalf of the Issuer pursuant to the Agency Agreement.

The Trustee has, in the Supplemental Trust Deed, agreed to release the security over the Collateral to the extent required to enable such payments to be made. After any portion of the Collateral is so released from the security, it will cease to form a part of the Mortgaged Property and thereafter the Collateral will comprise the lesser amount of the Collateral held by the Issuer.

Security Arrangements

Subject as set out below, the obligations of the Issuer under the Notes and the Swap Agreements are secured, *inter alia*, by a first fixed charge over the Collateral. The Collateral will be held by the Custodian pursuant to the Agency Agreement.

Subject as set out below, the obligations of the Issuer under the Notes are secured pursuant to the Trust Deed by:

- (i) a first fixed charge over the Collateral in favour of the Trustee;
- (ii) an assignment by way of security in favour of the Trustee of all the Issuer's rights, title and interest attaching to or relating to the Collateral and all sums derived therefrom including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security in favour of the Trustee of all the Issuer's rights, title and interest against the Custodian and the Disposal Agent, to the extent that they relate to the Collateral;
- (iv) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under and in respect of the Agency Agreement, to the extent that they relate to the Notes and all sums derived therefrom in respect of the Notes;
- (v) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under and in respect of the Custody Agreement, to the extent that they relate to the Notes and all sums derived therefrom in respect of the Notes;
- (vi) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under the Swap Agreements and in respect of any sums received thereunder; and
- (vii) a first fixed charge in favour of the Trustee of (a) all sums held by the Issuing and Paying Agent, the Irish Paying Agent and/or the Custodian to meet payments due in respect of the obligations and duties of the Issuer under the Trust Deed, the Agency Agreement, the Custody Agreement, the Notes and/or the Swap Agreements and (b) all sums held by the Disposal Agent under the Agency Agreement and (c) any sums received by the Issuing and Paying Agent under the Swap Agreements,

the rights and assets of the Issuer referred to in this paragraph, being the "**Mortgaged Property**".

In circumstances where the Collateral is held by or through the Custodian in a clearing system, the security will take the form of an assignment of the Issuer's contractual rights against the Custodian

rather than a charge over the Collateral.

A charge, although expressed in words which would suffice to create a fixed charge, may be treated as a floating charge, particularly if it appears that it was intended that the chargor should have licence to dispose of the assets charged in the course of its business without the consent of the chargee.

The Custodian, acting on behalf of the Issuer, may procure the realisation of the equivalent proportion of the Collateral in connection with any purchase and cancellation of the Notes by the Issuer in accordance with Condition 7.4.

In the event that the Mortgaged Property described above is realised by the Trustee on behalf of the Noteholders, there can be no assurance that the proceeds of realisation thereof will be sufficient to repay the principal amount and any other amount that is due under the Notes.

The Custodian

The Custodian has been assigned long-term unsecured senior debt ratings of "A+" (Negative) by Standard & Poor's, "A1" (Negative) by Moody's Investors Service and "A+" (Watch Negative) by Fitch. The principal executive offices of the Custodian are located at 399 Park Avenue, New York, NY 10043 and its telephone number is (212) 559-1000. The Custodian was incorporated in 1988 under the laws of the State of Delaware with perpetual duration.

The Custodian will be performing its duties out of its London Branch.

ANNEX 3 THE SWAP AGREEMENTS

The description of the Swap Agreements set out below is a summary of certain features of the Swap Agreements and is qualified by reference to the detailed provisions of the Swap Agreements.

Payments under the Swap Agreements

Under a 2002 ISDA Master Agreement deemed entered into on the Issue Date, including the Schedule in the form of the ISDA Schedule Terms dated as of 24 October 2011 as amended and restated from time to time (together, the “**ISDA Master Agreement**”), the Issuer and the Swap Counterparty have entered into two confirmations, one with an effective date of the Issue Date, confirming the terms of an interest rate swap (the “**Interest Rate Swap**”) and the other, with an effective date of 5 October 2011, confirming the terms of a credit default swap pursuant to which the Issuer sells protection on a portfolio of Reference Entities (the “**Credit Default Swap**” (into which the 2003 ISDA Credit Derivatives Definitions (as supplemented by the July 2009 Supplement (as so supplemented the “**2003 ISDA Credit Derivatives Definitions**”) are incorporated) and together with the Interest Rate Swap, the “**Swap Agreements**”).

Under the Interest Rate Swap, the Issuer will pay to the Swap Counterparty periodic amounts equal to the interest and principal receivable on the Collateral and will receive from the Swap Counterparty periodic amounts which, when aggregated with amounts payable to the Issuer by the Swap Counterparty under the Credit Default Swap, will equal the interest payable under the Notes on such date. In addition, the Issuer will pay to the Swap Counterparty (or the Swap Counterparty will pay to the Issuer, as the case may be) any Partial Termination Amounts in connection with the partial termination of the Interest Rate Swap, as set out more fully in “Consequences of Termination in Part” below, and any Surplus Amounts resulting from a sale of the Collateral following an Event Determination Date.

Pursuant to the Credit Default Swap, the Swap Counterparty will pay to the Issuer from and including the Issue Date of the Notes: (i) an upfront amount (in EUR) equal to the difference between (a) the product of the Issue Price (expressed as a percentage) and the Initial Nominal Amount (in EUR); and (b) the purchase price (in EUR) of the Collateral paid by the Issuer on the Issue Date; and (ii) a fixed amount (in EUR) equal to 3.00 per cent. per annum of the Average Nominal Amount Outstanding of the Notes in respect of the related Interest Accrual Period of the Notes (corresponding to the applicable Fixed Rate Payer Calculation Period) on each Fixed Rate Payer Payment Date (as defined in the Credit Default Swap). The Swap Counterparty has the right to exercise the credit default provisions under the Credit Default Swap immediately upon (and, subject as set out below, at any time subsequent to) the occurrence of a Credit Event during the period from 5 October 2011 to and including 20 June 2018. When serving notice of the occurrence of a Credit Event, the Swap Counterparty will provide the Issuer with the Notice of Publicly Available Information unless it is deemed delivered following a DC Resolution that a Credit Event has occurred. See below for a description of the payments to be made following service of such notice of such Credit Event.

Termination of the Swap Agreements

Except as stated in the following paragraphs, the Swap Agreements shall terminate on the Maturity Date of the Notes.

Each of the Swap Agreements may be terminated, among other circumstances:

- (i) if at any time any of the Notes becomes payable in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or (in the case of the Swap Counterparty) perform any obligation, under any Swap Agreement;

- (iii) if withholding taxes are imposed on payments made either by the Issuer or by the Swap Counterparty under any Swap Agreement or it becomes illegal for either party to perform its obligations under any Swap Agreement (see “Transfer to avoid Termination Event” below); and
- (iv) if the other Swap Agreement is terminated early.

In addition to the foregoing, either Swap Agreement may be terminated upon the occurrence of certain other events with respect to either party to such Swap Agreement, including insolvency, or, in respect of the Swap Counterparty, a merger without an assumption of the obligations in respect of the Swap Agreement.

Consequences of Early Termination in Whole

Upon any early termination of a Swap Agreement in the circumstances set out in sub-paragraphs (i) to (iv) and the immediately succeeding paragraph above, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of such parties may have caused such termination). Such termination payments will be based on the replacement cost or gain for a swap agreement that would have the effect of preserving for the party making the determination the economic equivalent of that Swap Agreement. Such termination amounts shall also include amounts that are either unpaid as at the Early Termination Date (as defined in the Swap Agreement) or represent the fair market value of any obligation that was required to have been performed under a Swap Agreement had it not been terminated on the relevant Early Termination Date (as defined in the Swap Agreement).

In all cases of early termination occurring, other than by reason of a default by the Swap Counterparty (in which case the determination will be made by the Issuer) or illegality (in which case the party which is not the Affected Party (as defined in the Swap Agreements) will make the determination (or, if there are two Affected Parties, each party will make a determination which will be averaged)), the termination payment will be determined by the Swap Counterparty.

General

Except as stated under “Transfer to avoid Termination Event”, neither the Issuer nor the Swap Counterparty are, save for the assignment by way of security in favour of the Trustee under the Trust Deed and certain limited circumstances set out in section 7 of the ISDA Master Agreement, permitted to assign, novate or transfer as a whole or in part any of their rights, obligations or interests under the Swap Agreements.

Taxation

The Issuer is not obliged under the Swap Agreements to gross up if withholding taxes are imposed on payments made by it under the Swap Agreements. The Swap Counterparty is obliged to gross up payments constituting Indemnifiable Taxes unless it has exercised its right to designate an Early Termination Date under Section 6(b)(v) (*Transfer to Avoid Tax Event*) of the Swap Agreements.

Transfer to avoid Termination Event

If withholding taxes are imposed on payments made by the Issuer or the Swap Counterparty under the Swap Agreements, then the Swap Counterparty shall, at its sole option, have the right to require the Issuer:

- (i) to transfer all of its interest and obligations under the Swap Agreements together with its interests and obligations under the Notes, the Trust Deed, the Custody Agreement and the Agency Agreement to another entity, whether or not in the same tax jurisdiction as the Issuer, as would not have any obligation to withhold or deduct (if the Issuer is or would be required to make such deduction or withholding) or to which the Swap Counterparty would be entitled to

make payments free from the relevant deduction or withholding and/or not to be subject to any gross-up obligations (if the Swap Counterparty is or would otherwise be required to make such withholding or deduction), subject to obtaining the prior written consent of the Trustee; or

- (ii) to transfer its residence for tax purposes to another jurisdiction, subject to obtaining the prior written consent of the Trustee.

If the Issuer is unable to transfer its interests to another party or to transfer its tax residence in accordance with the preceding provisions prior to the 30th calendar day following the date of imposition of such withholding taxes or, if earlier, the 10th calendar day prior to the first date on which it or the Swap Counterparty would otherwise be required to make a payment net of withholding taxes or subject to gross-up, the Swap Counterparty may terminate the swap transaction under the relevant Swap Agreement.

The Swap Counterparty

Please refer to information about Citibank N.A. under the section entitled “The Custodian” in Annex 2.

The Swap Counterparty will be making and receiving payments under the Swap Agreement through its New York Branch.

ANNEX 4
FORM OF INTEREST RATE SWAP CONFIRMATION

Set out below is the form of the Interest Rate Swap Confirmation

Date: 24 October 2011
To: Libretto Capital P.L.C.
From: Citibank, N.A., New York Branch
Re: Interest Rate Swap relating to Libretto Capital P.L.C. Series No: 2011-02 EUR 5,700,000 Fixed Rate Portfolio Credit Linked Notes due 2018 (SPV1691) (the "**Notes**").

Dear Sirs,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the "**2006 Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement dated the Effective Date (the "**Agreement**") deemed entered into between Citibank, N.A., New York Branch ("**Party A**") and Libretto Capital P.L.C. ("**Party B**") in respect of which the Schedule to such 2002 ISDA Master Agreement is in the form of the ISDA Schedule Terms dated 24 October 2011. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A represents and warrants that it has the capacity and powers to enter into this Agreement and that the entry into this Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not otherwise defined herein have the meanings given to such terms in the confirmation dated the Effective Date, in respect of a credit default swap transaction between the parties relating to the Notes (the "**Credit Default Swap**") or in the Series Prospectus dated 28 October 2011 as amended and supplemented from time to time relating to the issue of the Notes (the "**Series Prospectus**").

In this Confirmation, references to the "**Conditions**" are to the terms and conditions of the Notes as set out in the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Credit Default Swap or the Conditions, the terms as defined in the Credit Default Swap or the Conditions, as the case may be, shall govern.

The terms of the Transaction to which this Confirmation relates are as follows:

1 General Terms

Trade Date: 4 October 2011
Effective Date: 24 October 2011

Termination Date: The Deferred Maturity Date in respect of the Notes, or, if none, the earlier of:

- (i) the Revised Maturity Date in respect of the Notes; and
- (ii) the Scheduled Maturity Date.

Calculation Agent: Citigroup Global Markets Limited

Calculation Agent City: London

Business Days: London and TARGET.

Business Day Convention: Not Applicable in respect of any calculations. Following in respect of any payments.

2 Party A Fixed Amounts

Fixed Rate Payer : Party A

Fixed Rate Payer Calculation Amount: In respect of each Fixed Rate Payer Calculation Period, the Fixed Rate Payer Calculation Amount shall be an amount in the Notes Currency equal to the Average Nominal Amount Outstanding of the Notes in respect of the Interest Accrual Period of the Notes corresponding to such Fixed Rate Payer Calculation Period, provided that if payment of interest in respect of the Notes is deferred on any Scheduled Interest Payment Date thereunder as a result of the existence of one or more Affected Reference Entities on the Interest Period Date immediately preceding such Scheduled Interest Payment Date, the Fixed Rate Payer Calculation Amount in respect of such Fixed Rate Payer Calculation Period shall be an amount in the Notes Currency equal to the Average Nominal Amount Outstanding of the Notes that would have applied in respect of the corresponding Interest Accrual Period if the Cash Settlement Date with respect to each such Affected Reference Entity had occurred on the Event Determination Date of such Affected Reference Entity.

In such circumstances, the Fixed Rate Payer Payment Date relating to such Fixed Rate Payer Calculation Period shall fall on the Deferred Interest Payment Date under the Notes.

Fixed Rate Payer Payment Dates: Each Scheduled Interest Payment Date and Deferred Interest Payment Date in respect of the Notes from (and including) the Effective Date to (and including) the Interest Payment Date immediately preceding the final Interest Payment Date.

Fixed Rate Payer Period End Dates: Subject as provided below, each Interest Period Date in respect of the Notes.

If the Maturity Date of the Notes is the Revised Maturity Date and such Revised Maturity Date is not later than the Scheduled Maturity Date, the day falling on the Revised Maturity Date shall also be a Fixed Rate Payer Period End Date.

Notwithstanding anything to the contrary contained in Section 4.13 of the 2006 Definitions, the final Fixed Rate Payer Calculation Period will end on, but exclude, the earlier to occur of the Final Interest Period Date and the Event Determination Date immediately preceding the Revised Maturity Date.

Fixed Rate: 5.00 per cent. per annum.

Fixed Rate Payer Day Count Fraction: Actual/Actual

3 Party B Floating Amounts

Floating Rate Payer: Party B

Floating Rate Payer Floating Amount: On each Floating Rate Payer Payment Date, Party B will, in respect of the Collateral, pay the amount of interest due on the related Collateral Payment Date.

Floating Rate Payer Calculation Amount: In respect of each Floating Rate Payer Payment Date, the aggregate principal amount of Collateral held by Party B in respect of which interest is due on such Floating Rate Payer Payment Date.

Floating Rate Payer Payment Dates: In respect of the Collateral, each Collateral Payment Date from and including the Collateral Payment Date immediately following the Effective Date to and including the Collateral Payment Date immediately preceding the final Interest Payment Date.

4 Additional Amounts Payable

(i) If the net proceeds of any Collateral sold by or on behalf of Party B to pay the Aggregate Settlement Amount exceeds the Aggregate Settlement Amount (as a result of the principal amount of Collateral sold being rounded up to the nearest integral multiple of the denomination of the Collateral), the Surplus Amount shall be paid by Party B to Party A on the relevant Cash Settlement Date under the Credit Default Swap.

(ii) On the Termination Date, Party A shall pay to Party B the Outstanding Surplus Amount (if any).

5 Additional Amounts Payable in Respect of Partial Termination

On each Cash Settlement Date (as defined in the Credit Default Swap), a Partial Termination Amount may be payable by Party A to Party B or by Party B to Party A, as the case may be.

“Partial Termination Amount” means an amount determined by Party A in its capacity as Calculation Agent hereunder, in the Notes Currency equal to the termination payment due from one party to the other following the termination of a part of this Transaction on each occasion when a Cash Settlement Amount becomes payable under the Credit Default Swap.

6 Other Provisions

- (a) Notwithstanding Part 1, paragraph 11 (*Termination Currency*) of the Schedule to the Agreement, the Termination Currency for this Transaction shall be the Notes Currency.
- (b) The termination of the Credit Default Swap (except following a Credit Event) shall be an Additional Termination Event in respect of all Transactions in relation to this Series, for which purpose the Affected Party shall be Party B, except if Party A is the Defaulting Party or the Sole Affected Party in relation to the termination of the Credit Default Swap, in which case the Affected Party hereunder shall be Party A. For the avoidance of doubt if an event or circumstance which would otherwise constitute or give rise to this Additional Termination Event, would also constitute or give rise to any other Termination Event or Event of Default, it will be treated as only giving rise to such other Termination Event or Event of Default.

7 Third Party Rights

No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.

8 Account Details

EUR Account details of Party A: Citibank, N.A., London Branch
Swift: CITIGB2L
A/c of: Citibank, N.A., New York Branch
Swift: CITIUS33
Account no.: 944831

EUR Account details of Party B: Citibank, N.A., London Branch
Swift: CITIGB2L
A/c of: Citibank, N.A., London Branch
Swift: CITIGB2L
Account Number: 8378339
Ref: Attn: Libretto Capital P.L.C. 2011-02
ISIN: XS0690364657

This Confirmation shall be governed by and construed in accordance with English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised and regulated by the Financial Services Authority. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully,

CITIBANK, N.A., NEW YORK BRANCH

By:

Name:

Title:

Confirmed on the date first above written:

LIBRETTO CAPITAL P.L.C.

By:

Name:

Title:

Confirmed on the date first above written:

CITIGROUP GLOBAL MARKETS LIMITED

By:

Name:

Title:

ANNEX 5 FORM OF CREDIT DEFAULT SWAP CONFIRMATION

Set out below is the form of the Credit Default Swap Confirmation

Date: 24 October 2011
To: Libretto Capital P.L.C.
From: Citibank, N.A., New York Branch
Re: Credit Derivative Transaction relating to Libretto Capital P.L.C. Series No: 2011-02 EUR 5,700,000 Fixed Rate Portfolio Credit Linked Notes due 2018 (CA111196410/CA111199200) (the “**Notes**”).

Dear Sirs

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the July 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 14 July 2009), each as published by the International Swaps and Derivatives Association, Inc. (together, the “**Credit Derivatives Definitions**”), as amended herein, are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement and Schedule dated as of the Effective Date (the “**Agreement**”) deemed entered into between Citibank, N.A., New York Branch (“**Party A**”) and Libretto Capital P.L.C. (“**Party B**”) in respect of which the Schedule to such 2002 ISDA Master Agreement is in the form of the ISDA Schedule Terms dated 24 October 2011. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A and Party B have entered into a related interest rate swap by means of a confirmation under the Agreement dated the date of this Agreement (the “**Interest Rate Swap**”).

Party A represents and warrants that it has the capacity and powers to enter into this Agreement and that the entry into this Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not defined herein will have the meanings given to them in the Series Prospectus dated 28 October 2011 as amended and supplemented from time to time relating to the issue of the Notes (the “**Series Prospectus**”).

In this Confirmation, references to the “**Conditions**” are to the terms and conditions of the Notes as set out in the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Conditions, the terms as defined in the Conditions shall govern. In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Interest Rate Swap, the terms as defined in this Confirmation shall govern.

The terms of the Transaction to which this Confirmation relates are as follows:

1 General Terms

Trade Date:	4 October 2011
Effective Date:	5 October 2011
Scheduled Termination Date:	The Scheduled Maturity Date of the Notes
Termination Date:	The Deferred Maturity Date in respect of the Notes, or, if none, the earlier of: <ul style="list-style-type: none">(i) the Revised Maturity Date in respect of the Notes; and(ii) the Scheduled Maturity Date in respect of the Notes.
Calculation Agent:	Citigroup Global Markets Limited
Calculation Agent City:	London
Business Days:	<ul style="list-style-type: none">(i) With respect to payment dates and dates on which notices are provided under this Confirmation, London and TARGET; and(ii) In all other cases, London.
Business Day Convention:	Not applicable in respect of any calculation. Following in respect of any payment.
Reference Portfolio:	<p>The Reference Entities comprised in the iTraxx[®] Europe Series 9 Version 1 index as of the Effective Date as set out in the Relevant Annex.</p> <p>For the avoidance of doubt, the Reference Portfolio will be amended from time to time upon the occurrence of an Event Determination Date, a Succession Event or otherwise in accordance with the terms herein.</p>
Index Publisher:	Markit Group Limited, or any replacement therefor appointed by the Index Sponsor for purposes of officially publishing the Reference Portfolio.
Relevant Annex:	The list for the iTraxx [®] Europe Series 9 Version 1 index, as published by the Index Publisher (which can be accessed currently at http://www.markit.com).
Index Sponsor:	International Index Company Limited or any successor thereto.
Reference Entity:	Each of the Reference Entities (and any of their respective Successors) for the time being comprised in the Reference Portfolio.
Reference Obligation(s):	<ul style="list-style-type: none">(i) The Reference Obligation(s), if any, set out opposite the relevant Reference Entity in Reference Portfolio, for which Substitute Reference Obligations shall be determined in accordance with

the provisions in the iTraxx[®] Standard Terms Supplement.

- (ii) If the Fallback Settlement Method applies, any obligation or obligations of such Reference Entity, either directly or as provider of any Qualifying Guarantee specified by the Swap Counterparty in its sole discretion, in the Notice of Reference Obligation (if any) at least one Valuation Business Day prior to the Valuation Date relating to the Reference Entity, which obligation is described by the Deliverable Obligation Category, and has each of the Deliverable Obligation Characteristics (if any), specified in the iTraxx[®] Standard Terms Supplement.

Notice of Reference Obligation:

If the Fallback Settlement Method applies, a notice from Party A to Party B that irrevocably confirms that Party A will determine the Final Price in respect of a Reference Entity using the obligation(s) specified in such notice and sets out the outstanding principal balance in respect of each Reference Obligation. The obligation(s) specified in the Notice of Reference Obligation must either:

- (a) satisfy the criteria set out in Section 2.15(a) (and, if applicable, Section 2.33) of the Credit Derivatives Definitions and fall within the Deliverable Obligation Category and (subject to Section 2.21(c) of the Credit Derivatives Definitions) satisfy the Deliverable Obligation Characteristics for the relevant Reference Entity; or
- (b) be the Reference Obligation in respect of that Reference Entity as determined in accordance with sub-paragraph (i) of the definition of Reference Obligation.

For the avoidance of doubt, Section 2.21 of the Credit Derivatives Definitions shall apply for the purposes of determining whether an obligation falls within the said Deliverable Obligation Category and satisfies the Deliverable Obligation Characteristics.

For the purposes of this Confirmation, the reference in Section 2.15(a) of the Credit Derivatives Definitions to “the outstanding principal balance or Due and Payable Amount being delivered” shall be deemed to be a reference to “the amount in respect of which quotations are to be sought”.

The delivery of the Notice of Reference Obligation must become effective (in accordance with Section 1.10 of the

Credit Derivatives Definitions) on or before the Valuation Date relating to the relevant Reference Entity. Party A may notify Party B at any time prior to the relevant Valuation Date that it is changing one of more of the obligations (or the description thereof) specified as Reference Obligation(s) in the Notice of Reference Obligation in which event the Notice of Reference Obligation shall take effect as if it had specified the obligation(s) so notified by Party A. However, any such replacement obligation must comply with all the criteria set out above.

All Guarantees: As set out in the iTraxx[®] Standard Terms Supplement.

Reference Price: 100 per cent.

2 Initial Payment

Initial Payment Payer: Party A

Initial Payment Date: The Issue Date of the Notes

Initial Payment Amount: An amount (in EUR) equal to the difference between:

- (i) the product of the Issue Price (expressed as a percentage) and the Initial Nominal Amount (in EUR); and
- (ii) the purchase price (in EUR) of the Collateral paid by the Issuer on the Issue Date.

3 Party A Fixed Amounts

Fixed Rate Payer: Party A

Fixed Rate Payer Calculation Amount: In respect of each Fixed Rate Payer Calculation Period, the Fixed Rate Payer Calculation Amount shall be an amount in the Notes Currency equal to the Average Nominal Amount Outstanding of the Notes in respect of the Interest Accrual Period of the Notes corresponding to such Fixed Rate Payer Calculation Period, provided that if payment of interest in respect of the Notes is deferred on any Scheduled Interest Payment Date thereunder as a result of the existence of one or more Affected Reference Entities on the Interest Period Date immediately preceding such Scheduled Interest Payment Date, the Fixed Rate Payer Calculation Amount in respect of such Fixed Rate Payer Calculation Period shall be an amount in the Notes Currency equal to the Average Nominal Amount that would have applied in respect of the corresponding Interest Accrual Period if the Cash Settlement Date with respect to each such Affected Reference Entity had occurred on the Event Determination Date of such Affected Reference Entity.

In such circumstances, the Fixed Rate Payer Payment

Date relating to such Fixed Rate Payer Calculation Period shall fall on the Deferred Interest Payment Date under the Notes.

Fixed Rate:

3.00 per cent. per annum.

Fixed Rate Payer Payment Dates:

Each Scheduled Interest Payment Date or Deferred Interest Payment Date, as the case may be, in respect of the Notes.

Section 2.10 of the Credit Derivatives Definitions is amended by deleting the last four lines thereof, beginning with “, provided”.

Fixed Rate Payer Period End Dates:

Subject as provided below, each Interest Period Date in respect of the Notes.

If the Maturity Date of the Notes is the Revised Maturity Date and such Revised Maturity Date is not later than the Scheduled Maturity Date, the Event Determination Date immediately preceding the Revised Maturity Date shall be the final Fixed Rate Payer Period End Date.

Fixed Rate Payer Calculation Period:

Section 2.9 of the Credit Derivatives Definitions is amended by replacing the words:

“the earlier to occur of the Scheduled Termination Date and the Event Determination Date” with “the earlier to occur of the Scheduled Termination Date and the Revised Maturity Date”.

Section 5.4 of the Credit Derivatives Definitions is amended by replacing the words “the earlier to occur of the Scheduled Termination Date and the Event Determination Date” with “the earlier to occur of the Final Interest Period Date and the Revised Maturity Date”.

Fixed Rate Payer Day Count Fraction:

Actual/Actual

4 Party B Floating Amounts

Floating Rate Payer:

Party B

Floating Rate Payer Calculation Amount:

Not applicable

Conditions to Settlement:

(1) Credit Event Notice

Notifying Party: Party A

(2) Notice of Publicly Available

Information: Applicable, except to the extent that it is deemed delivered pursuant to the July 2009 Supplement to

the Credit Derivative
Definitions.

Public Sources: As set out in Section 3.7 of
the Credit Derivatives
Definitions.

Specified Number: Two

“Credit Event Notice” means an irrevocable notice (which Party A has the right but not the obligation to deliver) from Party A (which may be oral including by telephone to be confirmed in writing) to Party B delivered on or after the Credit Event Backstop Date and during the Notice Delivery Period that describes a Credit Event that occurred during the period from and including 5 October 2011 to and including 20 June 2018 or (if applicable and earlier) the Early Redemption Date, each as determined by reference to Greenwich Mean Time.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

A Credit Event Notice may be delivered once only in relation to each Reference Entity except in the event that Restructuring is the only Credit Event specified in a Credit Event Notice, where the Notifying Party may deliver multiple Credit Event Notices in respect of such Reference Entity. Each such Credit Event Notice must specify a percentage with respect to the Reference Entity to which such Credit Event Notice applies (the **“Exercise Percentage”**). When such Credit Event Notice specifies an Exercise Percentage less than the relevant Reference Entity Percentage, such Reference Entity shall continue to be a Reference Entity and further Credit Event Notices may be given and the Conditions to Settlement satisfied in respect of such Reference Entity, but the relevant Reference Entity Percentage will be reduced by the relevant Exercise Percentage.

If subsequent to satisfaction of the Conditions to Settlement with respect to any Reference Entity, such Reference Entity becomes the Successor to one or more other Reference Entities in respect of which an Event Determination Date has not occurred, the Conditions to Settlement may be satisfied again in relation to that Reference Entity such number of times as is equal to the number of Reference Entities in

respect of which that Reference Entity is the Successor (excluding such Reference Entity itself).

If a Credit Event Notice contains the information required in the Notice of Publicly Available Information, such Credit Event Notice shall be deemed to be both a Credit Event Notice and a Notice of Publicly Available Information.

Credit Events: As set out in the iTraxx[®] Standard Terms Supplement.
Obligation: As set out in the iTraxx[®] Standard Terms Supplement.
Obligation Category: As set out in the iTraxx[®] Standard Terms Supplement.
Obligation Characteristics: As set out in the iTraxx[®] Standard Terms Supplement.

5 Settlement Terms

Settlement Method: Auction Settlement.

Fallback Settlement Method: Cash Settlement.

Terms relating to both Auction Settlement and Cash Settlement

Final Price: The Auction Final Price or the Final Price determined in accordance with the section entitled "*Terms relating to Cash Settlement only*" below, as applicable.

Settlement Currency: The Notes Currency.

Cash Settlement Date(s): The earlier of:

- (i) five Business Days following the Auction Final Price Determination Date or the Valuation Date (as applicable); and
- (ii) the Termination Date,

provided that in the event that Collateral is required to be sold by Party B in order for it to pay any Cash Settlement Amount, the relevant Cash Settlement Date shall not occur prior to the last Disposal Date in respect of such Collateral.

Cash Settlement Amount: Following the satisfaction of the Conditions to Settlement with respect to any Reference Entity where the Total Loss Percentage exceeds zero, an amount, calculated on the relevant Cash Settlement Date, equal to the Initial Nominal Amount, multiplied by:

- (a) the Total Loss Percentage following the applicable Credit Event, minus
- (b) the Total Loss Percentage immediately prior to the applicable Credit Event,

less an amount in the Notes Currency equal to the Outstanding Surplus Amount (if any) then held by Party

A pursuant to the Interest Rate Swap, subject to a minimum of zero.

Under no circumstances shall the aggregate of all Cash Settlement Amounts in respect of Reference Entities paid by Party B under this Transaction exceed the Initial Nominal Amount and any Cash Settlement Amount that would cause the aggregate of all Cash Settlement Amounts to exceed the Initial Nominal Amount shall be reduced by the excess.

For the avoidance of doubt, (1) there may be more than one Cash Settlement Date and more than one Cash Settlement Amount in respect of this Transaction, but, subject to the "Conditions to Settlement" provisions in paragraph 3 above, only one Cash Settlement Date and one Cash Settlement Amount with respect to each Reference Entity, except in the case of an occurrence of a Restructuring Credit Event and the Credit Event Notice specifies an Exercise Percentage less than the Reference Entity Percentage, in which case further Credit Event Notice(s) in respect of that Reference Entity may be given and there may be additional Cash Settlement Amounts in respect of such Reference Entity, but only in respect of a notional amount equal to the excess of the original Reference Entity Percentage for that Reference Entity over the Exercise Percentage(s) for which Credit Event Notice(s) has or have been previously given, (2) where a Credit Event has occurred in relation to a Reference Entity and a Loss Percentage has been determined in respect thereof, such Loss Percentage shall always be applied in calculating the Cash Settlement Amount pursuant to the above formula whether or not a subsequent Credit Event occurs in respect of such Reference Entity, which subsequent Credit Event shall be disregarded except in case of occurrence of a Restructuring Credit Event and the Credit Event Notice(s) specifies(y) an Exercise Percentage less than the Reference Entity Percentage, (3) if the Conditions to Settlement are satisfied in relation to two or more Reference Entities on the same Event Determination Date the Cash Settlement Amounts in respect of such Event Determination Date shall be calculated taking into consideration the Credit Events relating to each such Reference Entity and (4) Cash Settlement Amounts may be calculated on one or more occasions after the Scheduled Termination Date in respect of any Event Determination Date falling before the expiry of the Notice Delivery Period.

Valuation Notice:

If the Calculation Agent determines that a Cash Settlement Amount greater than zero may be payable

under this Transaction, then one Business Day following the determination of the relevant Final Price, the Calculation Agent shall send a notice to Buyer and Seller that contains the Quotations received, the Final Price and the calculation of the Cash Settlement Amount. Failure to send such a Valuation Notice shall not affect the Seller's obligation to pay a Cash Settlement Amount under this Transaction.

Terms relating to Cash Settlement only

Valuation Date: Single Valuation Date.

The Valuation Business Day selected by the Calculation Agent in its sole discretion (the "**Scheduled Valuation Date**") provided that such Valuation Business Day shall be no earlier than forty-five (45) Valuation Business Days and no later than sixty (60) Valuation Business Days after the Cash Settlement Fallback Determination Date; provided, however, that if the Calculation Agent believes in relation to any Reference Entity that all of the Reference Obligations with respect to such Reference Entity outstanding on the Event Determination Date are reasonably likely to cease to exist on or prior to the date that is forty-five (45) Valuation Business Days after the Cash Settlement Fallback Determination Date, the Calculation Agent may designate, as the Valuation Date, any day after the Cash Settlement Fallback Determination Date and prior to the date on which the Calculation Agent believes that such Reference Obligation(s) will cease to exist.

The Calculation Agent shall attempt to obtain Full Quotations from at least five Dealers on the Scheduled Valuation Date. If fewer than five Full Quotations are available, but at least two Full Quotations are available, the Calculation Agent shall determine the Final Price on the basis of the available Full Quotations. If at least two Full Quotations are not available on the Scheduled Valuation Date but a Weighted Average Quotation is available, then such Weighted Average Quotation shall be used to determine the Final Price with respect to such Valuation Date. If neither two Full Quotations nor a Weighted Average Quotation is available on the relevant Valuation Date, but a single Full Quotation is available, then such single Full Quotation shall be used to determine the Final Price with respect to such Valuation Date. If a single Full Quotation is also not available, but one or more firm quotations for an amount which is equal to or less than the Minimum Quotation Amount is available, then the weighted average of such firm quotations will be used to determine the Final Price with

respect to such Valuation Date. If one or more firm quotations for an amount equal to or less than the Minimum Quotation Amount are not available, the Quotation shall be deemed to be zero.

Where a Quotation is sought in respect of a Reference Obligation which is a Consent Required Loan, the Calculation Agent shall, to the extent practicable in connection with any requests for quotations in respect of such Reference Obligation, inform the Dealers of the identity of the debtor, the governing law and jurisdiction of the relevant loan documentation, details of any guarantee and/or security, the main covenants contained within the relevant loan documentation, the maturity date of the loan and any amortisation, the interest rate of the loan, whether the loan is a revolving loan or a term loan, the amounts (if any) drawn down under the loan, any conditions to transfer and the date of the relevant loan agreement subject to not thereby breaching any duty of confidentiality the Calculation Agent or any Affiliate thereof may owe in respect of such Consent Required Loan. Any firm bid quotations received from Dealers in respect of such Reference Obligation shall be treated as firm bid quotations notwithstanding that the Dealers express such firm bid quotations as being subject to the loan documentation.

Valuation Time:

Such time as may be selected by the Calculation Agent in its discretion (acting in a commercially reasonable manner) on the relevant Valuation Date during the hours that the Dealers customarily quote prices for the relevant Reference Obligation(s).

Dealer:

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, "**Dealer**" shall mean a leading dealer in obligations of the type of the Reference Obligation for which Quotations are to be obtained as selected by the Calculation Agent in good faith and in a commercially reasonable manner (without consulting the parties hereto or any other party) which may not include the Calculation Agent or any Affiliate thereof.

Valuation Method:

If there is only one Reference Obligation, Highest, or if there is more than one Reference Obligation, Blended Highest.

"**Blended Highest**" means the weighted arithmetic mean (calculated on the nominal amount of Reference Obligations which were quoted for) of the highest Quotations obtained by the Calculation Agent for each Reference Obligation on the Valuation Date.

Quotation Method:	Bid
Quotation Amount:	In respect of each Reference Obligation, the outstanding principal balance of the Reference Obligation specified in the Notice of Reference Obligation, subject to a minimum of EUR 1,000,000 and a maximum of EUR 20,000,000.
Quotations:	Each Full Quotation or other quotation, excluding accrued interest, expressed as a percentage with respect to the relevant Scheduled Valuation Date.
Escrow:	Not applicable

6 Amendments to the Credit Derivatives Definitions

The parties agree that, for purposes of this Transaction only, the following amendments will be made to the Credit Derivatives Definitions:

- (a) Section 1.9 shall be deleted and replaced with the following:

“Section 1.9. Notice Delivery Period. “Notice Delivery Period” means the period from and including the Issue Date of the Notes to and including the Scheduled Maturity Date or the Early Redemption Date of the Notes except, if there is a Maturity Affected Reference Entity on or prior to such Business Day, the Notice Delivery Period shall end fourteen calendar days after the Extension Date. Where an Early Redemption Date has been determined pursuant to the first sub-paragraph under paragraph 40(ii) of the Series Prospectus, references in the definition of ‘Notice Delivery Period’ (as amended hereby) to the Scheduled Termination Date shall be construed as references to such Early Redemption Date (without regard to any postponement thereof pursuant to the terms of the second sub-paragraph of paragraph 40(ii) of the Series Prospectus).”

- (b) Section 2.2 (*Provisions for Determining a Successor*) is amended such that any Successors and Succession Events shall be determined in accordance with the iTraxx[®] Standard Terms Supplement, except that all references to "Reference Entity Notional Amount" in the row on "Successors" shall be construed as references to "Reference Entity Percentage". Section 2.33 (*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation*) is amended as follows:

The phrase “If Physical Settlement and ‘Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable’ are” shall be deleted from the first sentence of Section 2.33(a) and be replaced with the phrase “If ‘Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable’ is”;

Each reference to “a Deliverable Obligation” shall be deleted and replaced with “an obligation”; and the references in Section 2.33(b) to “such Deliverable Obligation” shall be deleted and replaced with “such obligation”; provided that, for the avoidance of doubt, where Section 2.33 applies, in order to be specified in a Notice of Reference Obligation the relevant obligation must also satisfy the requirements for an obligation to be specified in a Notice of Reference Obligation set out in Section 1 above;

The phrase “a Deliverable Obligation may be specified (or deemed specified pursuant to Section 9.10) in the Notice of Physical Settlement” shall be deleted from Section

2.33(a) and replaced with “an obligation (other than the obligation specified in the Relevant Annex in respect of the relevant Reference Entity) may be specified in a Notice of Reference Obligation”;

Paragraph (i) of Section 2.33(b) shall be deleted; and

Paragraph (ii) of Section 2.33(b) shall be amended by the deletion of the words, “and any related transfer or consent documents which have been obtained by Buyer”.

(c) Section 8.2 shall be amended by the deletion of the words “specified in the Notice of Physical Settlement to Seller”.

(d) Section 12.1 shall be deleted in its entirety and replaced with the following:

"If "Auction Settlement" is specified as the Settlement Method and an Event Determination Date occurs on or prior to the Auction Final Price Determination Date, Seller shall pay to Buyer the Cash Settlement Amount (if any) on the Cash Settlement Date. Without prejudice to the foregoing, but without duplication of settlement, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs pursuant to Section 12.12(b), neither party has exercised the Movement Option), (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in Section 1.24(a) and (b) or (d) an Event Determination Date was determined pursuant to Section 1.8(a)(i) and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date (such Auction Cancellation Date, No Auction Announcement Date, ISDA announcement date or Event Determination Date, being the “**Cash Settlement Fallback Determination Date**”), the parties shall, subject to Section 3.1, perform their respective payment and delivery obligations in accordance with the Fallback Settlement Method."

(e) Additional Provisions shall be amended by deleting the words “In the event that an Obligation or a Deliverable Obligation” from the first sentence of paragraph (c) and replacing with “In the event that an Obligation or the obligation specified in the Notice of Reference Obligation”.

7 Other Provisions

(a) The parties agree and acknowledge that, notwithstanding anything to the contrary in the Credit Derivatives Definitions, the Transaction to which this Confirmation relates is in respect of more than one Reference Entity and contemplates that there may be more than one Cash Settlement Amount and more than one Cash Settlement Date with respect to this Transaction provided, however, that there may not be more than one Cash Settlement Date or Cash Settlement Amount in respect of any one Reference Entity except in case of the occurrence of a Restructuring Credit Event in respect of a Reference Entity for which Modified Restructuring or Modified Modified Restructuring is Applicable and the Credit Event Notice specifies an Exercise Percentage less than the Reference Entity Percentage for such Reference Entity, in which case further Credit Event Notice(s) in respect of that Reference Entity may be given and there may be additional Cash Settlement Amounts in respect of such Reference Entity, but only in respect of a notional amount equal to the excess of the original Reference Entity Percentage over the Exercise Percentage(s) for which Credit Event Notice(s) has or have been previously given and that the Credit Derivatives Definitions shall, for the purpose of this Confirmation, be interpreted accordingly.

Accordingly “Termination Date” shall be construed as a reference to a Termination Date in relation to the relevant Reference Entity only and each reference to “Termination Date” shall be construed accordingly. The occasion on which the Settlement Terms with respect to a Reference Entity are satisfied shall be the “Termination Date” with respect to that Reference Entity only, provided that, following the Event Determination Date which would cause the aggregate of all Cash Settlement Amounts to exceed or equal the Initial Nominal Amount, the Termination Date shall be determined in accordance with Section 1.7(a) (*Termination Date*) of the Credit Derivatives Definitions and construed as a reference to the Termination Date in relation to the entire Transaction.

- (b) Notwithstanding Part 1, paragraph 11 (*Termination Currency*) of the Schedule to the Agreement, the Termination Currency for this Transaction shall be the Notes Currency.
- (c) The termination of the Interest Rate Swap (except following a Credit Event) shall be an Additional Termination Event in respect of all Transactions in relation to this Series, for which purpose the Affected Party shall be Party B, except if Party A is the Defaulting Party or the sole Affected Party in relation to the termination of the Interest Rate Swap, in which case the Affected Party hereunder shall be Party A. For the avoidance of doubt if an event or circumstance which would otherwise constitute or give rise to this Additional Termination Event, would also constitute or give rise to any other Termination Event or Event of Default, it will be treated as only giving rise to such other Termination Event or Event of Default.

8 Other Terms

- (a) **Non-insurance business.** Party A and Party B acknowledge and agree that this Transaction is not intended to constitute insurance business and is not a contract of insurance, assurance, suretyship or guarantee and payments may be made under this Transaction by each party independently and without proof of the economic loss (if any) of the other party.
- (b) **Third party rights.** No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.
- (c) **Rounding.** For the purposes of any calculations, determinations and valuations referred to in this Confirmation, (a) all percentages resulting from such calculations, determinations or valuations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) and (b) all amounts used in or resulting from such calculations, determinations or valuations will be rounded to the nearest EUR (with EUR 0.5 being rounded upwards).

9 Licence

iTraxx[®] is a registered trade mark of International Index Company Limited.

iTraxx[®] is a trade mark of International Index Company Limited and has been licensed for the use by Party A and its affiliates. International Index Company Limited does not approve, endorse or recommend Party A, Party B, the Transaction or other iTraxx[®] derivatives products.

iTraxx[®] derivatives products are derived from a source considered reliable, but neither International Index Company Limited nor any of its employees, suppliers, subcontractors and agents (together the “iTraxx Associates”) guarantees the veracity, completeness or accuracy of iTraxx[®] derivatives products or other information furnished in connection with iTraxx[®] derivatives products. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or assumed by International Index Company Limited or any of the iTraxx Associates in respect of iTraxx[®] derivatives products or any data included in such iTraxx[®] derivatives products or the

use by any person or entity of iTraxx[®] derivatives products or that data and all those representations, warranties and conditions are excluded save to the extent that such exclusion is prohibited by law.

None of International Index Company Limited nor any of the iTraxx Associates shall have any liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of International Index Company Limited or any of the iTraxx Associates or otherwise, arising in connection with the use of iTraxx[®] derivatives products or the iTraxx[®] indices.

10 Account Details

EUR Account details of Party A: Citibank, N.A., London Branch
Swift: CITIGB2L
A/c of: Citibank, N.A., New York Branch
Swift: CITIUS33
Account no.: 944831

EUR Account details of Party B: Citibank, N.A., London Branch
Swift: CITIGB2L
A/c of: Citibank, N.A., London Branch
Swift: CITIGB2L
Account Number: 8378339
Ref: Attn: Libretto Capital P.L.C. 2011-02
ISIN: XS0690364657

This Confirmation shall be governed by and construed in accordance with English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised and regulated by the Financial Services Authority. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully

CITIBANK, N.A., NEW YORK BRANCH

By:

Name:

Title:

Confirmed on the date first above written:

LIBRETTO CAPITAL P.L.C.

By:

Name:

Confirmed on the date first above written:

CITIGROUP GLOBAL MARKETS LIMITED

By:

Name:

Title:

SCHEDULE A DEFINITIONS

“Cumulative Loss Percentage” means, on any day, the aggregate of the Loss Percentages in respect of Reference Entities comprised in the Reference Portfolio, expressed as a percentage.

“iTraxx[®] Standard Terms Supplement” means the iTraxx[®] Europe Tranchéd Transactions Standard Terms Supplement published on 23 November 2009 and available on the Markit website at www.markit.com.

“Exposure Percentage” means 3.00 per cent.

“Loss Percentage” means, with respect to each Reference Entity comprised in the Reference Portfolio, the greater of (a) (i) (Reference Price - Final Price) multiplied by (ii) the Reference Entity Percentage (or, if different from the Reference Entity Percentage, the Exercise Percentage specified in the related Credit Event Notice) and (b) zero; provided that if an Exercise Percentage is specified in the Credit Event Notice and more than one Credit Event Notice has been delivered in respect of that Reference Entity, the Loss Percentage for such Reference Entity will be equal to the sum of the Loss Percentages calculated for that Reference Entity in relation to each Exercise Percentage.

“Reference Entity Percentage” means, with respect to a Reference Entity, the percentage specified in the column titled “Weighting” of the Relevant Annex with respect to such Reference Entity, as may be amended from time to time upon the occurrence of an Event Determination Date, a Succession Event or otherwise in accordance with the terms herein.

“Total Loss Percentage” means the greater of:

- (i) the Cumulative Loss Percentage less the Threshold Percentage, subject to a maximum of the Exposure Percentage; and
- (ii) zero,

such amount divided by the Exposure Percentage.

“Threshold Percentage” means 6.00 per cent.

“Valuation Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the currency in which the relevant Reference Obligation is denominated, and in London provided that if the currency of the relevant Reference Obligation is euro, it shall be any TARGET Settlement Day and a London Business Day.

GENERAL INFORMATION

1. From the date of this Series Prospectus and for so long as the Notes remain outstanding, the following documents will be available for inspection in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of the Issuing and Paying Agent and at the office of the Irish Paying Agent. Copies of the documents referred to below may be obtained free of charge from the specified office of the Irish Paying Agent:
 - (a) this Series Prospectus;
 - (b) the Supplemental Trust Deed in relation to the Notes; and
 - (c) the audited financial statements of the Issuer dated 31 December 2009 and 31 December 2010.
2. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 18 October 2011.
3. Save as set out herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2010 (such date being the date of the Issuer's latest audited financial statements) which is material or significant.
4. The Issuer has not been involved in any litigation, arbitration or governmental proceedings (including such proceedings which are pending or threatened or of which the Issuer is aware during the 12 months preceding the date of the Series Prospectus) which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
5. The Issuer does not intend to provide any post issuance transactional information on the Notes or the Collateral (as described in the "Terms and Conditions of the Notes" above).
6. Arthur Cox Listing Services Limited has been appointed by the Issuer to act as its listing agent and as such is not seeking admission to listing of the Notes on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive on its own behalf, but as an agent on behalf of the Issuer.
7. References to any web or internet addresses in this document do not form part of the prospectus for the purpose of its approval or the listing of the Notes.

REGISTERED OFFICE OF THE COMPANY

AIB International Centre
International Financial Services Centre
Dublin 1
Ireland

TRUSTEE

Citicorp Trustee Company Limited

Citigroup Centre
14th Floor
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

ISSUING AND PAYING AGENT, CALCULATION AGENT AND CUSTODIAN

Citibank, N.A., London Branch

Citigroup Centre
14th Floor
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

IRISH LISTING AGENT

Arthur Cox Listing Services Limited

Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Irish Paying Agent

Citibank International plc

1 North Wall Quay
Dublin 1
Ireland

DEALER AND DETERMINATION AGENT

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

DISPOSAL AGENT

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISERS

*to the Issuer
as to Irish law*

A & L Goodbody

International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

*to the Dealer and the Trustee
as to English law*

Linklaters LLP

One Silk Street
London
EC2Y 8HQ
United Kingdom

This Series Prospectus is hereby executed by or on behalf of the Issuer.

LIBRETTO CAPITAL P.L.C.

By: