



**For Immediate Release
Citigroup Inc. (NYSE: C)
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CitiFX design a dynamic layered hedging cash flow model for Xerox

CitiFX have developed a dynamic layered hedging cash flow model that meets Xerox risk management objectives and sensitivities: measurability, ability to benchmark against alternatives and rules based approach.

This rules based approach solution optimises the risk management process in terms of cost, transparency, accounting friendliness and measurable results. This is achieved by using both Carry & Valuation as indicators to select the appropriate hedging weights and instruments at the beginning of each quarter and throughout the hedging cycle.

The solution is embedded in the **CitiFX Pulse** e-platform. Xerox can input their exposures, run the strategy, execute and confirm trades as well as monitor changes in a secure environment. The Dynamic Layered Hedging enables Xerox to enhance their bottom line and reduce their risk profile.

The key drivers of the strategy are Carry and Valuation:

- **Carry** is the interest rate differential between the currencies.
- **Valuation** is comparing current levels of a currency pair versus a fair value determined by the CitiFX Fair Value Model WERM.

Stuart Kirk (Xerox, Director, EMEA Treasury & Global FX Risk Management), who features within the testimonial video link below says:

"When a currency pair is considered to be sufficiently overvalued we hedge a greater amount of our exposure now in order to capture the overvaluation. If the currency is undervalued, we do the opposite. If the currency is at fair value, we hedge equal amounts every quarter.

Every quarter, both Carry & Valuation are used as indicators to select the appropriate hedging instrument, we can do all this through Citi's state of the art corporate portal: CitiFX Pulse. CitiFX Pulse provides an end to end solution linking seamlessly into our Treasury Management system allowing us to upload our forecasted exposures and existing hedges. This solution has clearly enhanced transparency and cost effectiveness"

Dynamic Layered Hedging, Xerox Testimonial:

<http://digitalmedia1.citigroup.net/viewerportal/citimedia/contentprovider.do;jsessionid=663873A71E42AA64BBA7D72FE866D2E4.VPSAPPP601?eventContentId=34424>

About CitiFX Pulse

CitiFX Pulse provides an end-to-end solution for our diverse corporate clients around the world. Packed with rich functionality, it delivers a full suite of pre- and post-trade services including research, strategy, market commentary, real-time portfolio analysis and mark-to-market as well as full straight through processing.

About Citi

Citi, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Through Citicorp and Citi Holdings, Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management. Additional information may be found at www.citigroup.com or www.citi.com.

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