

PILLAR OPTIONS LIMITED

(Registered Number: 4498061)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2010



PILLAR OPTIONS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2010

The Directors present their annual report and the audited financial statements of Pillar Options Limited ("the Company") for the year ended 31 December 2010

Principal activities and business review

The Company was established to hold the post maturity call option to acquire the loan notes issued by Group undertakings at a negligible consideration. The option was exercisable on the earlier of any date falling 20 days after the last interest payment date or in the event that enforcement of the security is insufficient to pay the full amount due in respect of the loan notes issued after exhausting all available funds. The Company is currently dormant. In November 2010 all outstanding Pillar notes issued under this structure have been redeemed, and the option expired.

As the Directors intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1 a)

Results and dividends

The Company did not trade during the current and previous year. The Directors do not recommend the payment of a dividend (2009 £nil).

Directors

The Directors who held office at 31 December 2010 were

Wilmington Trust SP Services (London) Limited
M H Filer

The Company's ultimate parent is Pillar Holdings Limited, of which Wilmington Trust SP Services (London) Limited is the sole non-beneficial owner.

Charitable donations and political contributions

The Company made no donations or political contributions during the year ended 31 December 2010 (2009 £nil).

Disclosure of information to auditors

In accordance with section 418 of the Companies Act 2006 it is stated by the Directors who held office at the date of approval of this Directors' Report that, so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This statement is made subject to all the provisions of section 418.

PILLAR OPTIONS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2010

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing the financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 1 a) the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

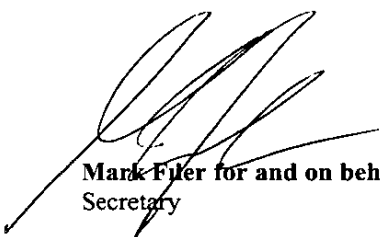
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

By Order of the Board



Mark Filer for and on behalf of Wilmington Trust SP Services (London) Limited
Secretary

24 June 2011

Incorporated in England & Wales
Registered Office Third Floor, 1 King's Arms Yard, London, EC2R 7AF
Registered Number 4498061

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PILLAR OPTIONS LIMITED

We have audited the financial statements of Pillar Options Limited for the year ended 31 December 2010 set out on pages 4 to 7. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the financial statements, as applied in accordance with the provisions of the Companies Act 2006. These financial statements have not been prepared on the going concern basis for the reason set out in note 1 a) to the financial statements.

This report is made solely to the company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2010 and of the company's result for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

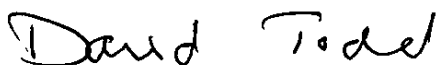
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



David Todd (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

24 June 2011

PILLAR OPTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

During the current and the previous financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during 2009 and 2010 the Company made neither a profit nor a loss and has not recognised any other gains or losses.

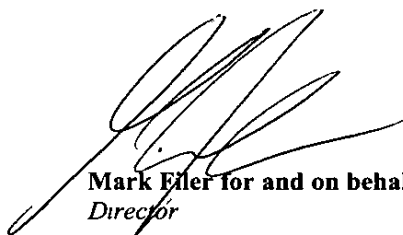
BALANCE SHEET

as at 31 December 2010

	Note	2010 £	2009 £
Assets			
Current assets			
Amounts owed by Group undertakings	5	1	1
Total assets		<u>1</u>	<u>1</u>
Equity			
Called up share capital	3	1	1
Total equity and liabilities		<u>1</u>	<u>1</u>

The accompanying notes on pages 6 to 7 form an integral part of these financial statements

Approved by the Directors on 24 June 2011 and signed on their behalf by



Mark Eiler for and on behalf of Wilmington Trust SP Services (London) Limited
Director

Registered Number 4498061

PILLAR OPTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2010

	Share Capital £	Total £
Balance at 1 January 2009	1	1
Total comprehensive income for the year	-	-
Balance at 31 December 2009 and 1 January 2010	<u>1</u>	<u>1</u>
Total comprehensive income for the year	-	-
Balance at 31 December 2010	<u><u>1</u></u>	<u><u>1</u></u>

The accompanying notes on pages 6 to 7 form an integral part of these financial statements

CASH FLOW STATEMENT

for the year ended 31 December 2010

During the current and the previous financial year the Company did not trade. Consequently, during 2009 and 2010 the Company has incurred no cash flows.

PILLAR OPTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

a) Basis of presentation

The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the E U

In previous years, the financial statements have been prepared on a going concern basis. As the Directors intend to liquidate the Company following the settlement of the remaining net assets, the Directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

The Company has elected not to early adopt amendments to IAS 24 'Related Party Disclosures'. This amendment is expected to have a minor impact to the Related Party Disclosures of the Company.

2 Administrative expenses

None of the Directors received any emoluments in respect of their services to the Company during the year (2009: £nil). Auditors' remuneration of £2,850 (2009: £2,850) is borne by Egg Banking Plc.

3. Share capital

	2010 £	2009 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called-up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

4. Financial instruments

Until November 2010 the Company held an option to acquire the loan notes for a negligible consideration issued by Group undertakings in the event that enforcement of the security is insufficient to pay the full amount due in respect of the loan notes issued. The option expired without being exercised upon the redemption of the Pillar-2005-1 loan notes in November 2010.

5. Related party transactions

At the year end the Company was owed by Pillar Holdings Ltd, its parent company, £1 (2009: £1).

PILLAR OPTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 Parent undertakings

The immediate parent undertaking is Pillar Holdings Limited, a company registered in England and Wales

The smallest group into which the Company is consolidated is that of Egg Banking Plc, registered in England and Wales. Copies of the financial statements can be found at Egg Banking Plc, Citigroup Centre, Canada Square, London, E14 5LB, United Kingdom

The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc. The audited consolidated financial statements of Citigroup Inc are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from www.citigroup.com/citi/corporategovernance/ar.htm

The shares in Pillar Holdings Limited are held by Wilmington Trust SP Services (London) Limited under a Declaration of Trust for charitable purposes