



USI Group Holdings AG
Bleicherweg 66,
CH-8002 Zürich,
Switzerland

www.usigroupholdings.ch

PRESS RELEASE

7 August 2015

In May of this year, the Board of USI Group Holdings AG (“USI” or the “Company”) announced that it had entered into a conditional agreement to acquire and develop 80 acres of contiguous land in proximity to the East Coast Road (“ECR”) near Chennai, India (the “ECR Property”). This is part of a transaction to acquire up to a total of 120 contiguous acres in that area. An international real estate valuation firm has placed a development value on the ECR Property at more than \$90 million. The Board of the Company is pleased to announce that the agreement with the vendors of the ECR Property has now been finalized. This transaction will be financed with 4 million USI shares (valued for the purpose at CHF 20 each) and an investment by the Company of around \$8 million of cash in order to acquire and develop the unencumbered freehold ownership. The ECR Property is presently designated as agricultural land and a change in land use approval (“CLU”) will need to be obtained prior to the transfer of the 100% freehold ownership and development rights in the ECR Property to a newly formed special purpose vehicle wholly owned by USI.

The 4 million USI shares which are required to finance the ECR Property transaction will be made available from shares issued by USI in September of 2013 as part of USI’s acquisition of Goldlink United Limited (“Goldlink”). As a result, no further shares of the Company will be issued at this time.

The Company will continue to hold development rights acquired in 2013 with regard to two other properties in Tamilnadu (“Tamilnadu Properties”), and will seek authority from the Company’s shareholders to issue more USI shares in the event that certain impediments restricting transfer of freehold ownership of those properties to USI ultimately are removed.

Dr. Volkert Klaucke, the Chairman of USI commented, “Since the time of the acquisition of Goldlink in 2013, USI has worked diligently to remove the restrictions on the Tamilnadu Properties which have prevented their value from being reflected on the Company’s balance sheet. Due to the continuing delay, the Board proposed the substitution of the ECR Property. After conducting legal due diligence and obtaining a valuation from an international valuation firm, it was apparent that the ECR Property represented nearly identical value to one of the Tamilnadu Properties. A CLU must be obtained for the ECR Property; however, the process is expected to be completed during the current fiscal year, at which time it will be reflected as an asset on the Company’s balance sheet at a value to be determined.

The Company continues to pursue the elimination of restrictions on the Tamilnadu Properties and also to evaluate other parcels should the delay in removing restrictions continue.

It is the Board’s intention to reflect the value of its real estate holdings on the financial statements of your Company at the earliest possible date. Further information regarding the ECR Property and other potential acquisitions will be provided to shareholders in due course.”

USI Group Holdings AG

Dr. Volkert Klaucke (Chairman)

Approved by the board: 7 August 2015

Full information concerning the Company's Board members and other matters are available from the Company's website at www.usigroupholdings.ch.

Further information:

Ralph Beney

Investor Relations Officer

Phone: +44 20 7766 7000

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