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PRESS RELEASE

31st January 2014

The Board of USI Group Holdings AG (“USI” or the “Company”) is pleased to announce an update concerning its business and activities.

Effective 16th September 2013, USI acquired all of the issued and outstanding shares of Goldlink United Limited (“Goldlink”). As a consequence, USI’s business model expanded to encompass three areas:

Real Estate – The Company owns four buildings in Leipzig, Germany (the “Leipzig Properties”) leased to the Free State of Saxony (Covenant Strength: AAA). USI is presently working with its lender group to complete a refinancing of the Leipzig Properties and hopes to conclude its efforts prior to mid-year.

USI also owns 20.28% of Public Service Properties Investments Limited (“PSPI”), a company listed on the AIM market of the London Stock Exchange. PSPI owns 8 nursing and residential care homes in Germany and 9 residential care facilities in the UK, all of which are leased to third party operators. PSPI is testing the market for the sale of its assets and completed several asset disposals during 2013.

USI’s properties in Madhavaram and Sholinghur, India, represent middle class housing development potential – a sector which has grown and continues to grow rapidly due to expanding demographics. As part of the Goldlink acquisition, the Company acquired development rights and options to acquire the freehold interests in the two properties which are located in and near major metropolitan areas. The options have been exercised subject to regulatory approvals and the removal of certain encumbrances on the properties which the vendors are in the process of undertaking. While there are no immediate plans to develop USI’s Indian land assets, the medium term plan is to seek developers as joint venture partners. The longer term goal is to retain an interest in the developed properties as a way of generating predictable and sustainable cash flow.

Gold Trading – USI’s gold trading business, which centred on the acquisition of Royal Ventures and other Singapore trading entities through Goldlink, is designed to capture the ever expanding demand for gold and jewellery in India and China, which presently absorb the vast majority of the annual net gold production in the world. Particularly in India, this traditional demand for gold is built upon twin pillars of cultural/religious gift giving and as a defence against depreciation in the value of paper currency.

Notwithstanding the traditionally strong demand for gold/jewellery sales in India, steps taken by the government of India to curb imports during the second half of 2013 have proved troublesome for gold importers. As a result of the threatened termination of quantitative easing by western governments, there has been a significant outflow of cash from all of the emerging markets, including India, which in turn has caused downward pressure on the Indian rupee. In order to stem the tide, the Indian government has considered the three principal commodities that dominate the demand for foreign exchange – oil, gold and commodities, such as cooking oil. Of these, only gold represents a non-essential item. Accordingly, to suppress the demand for foreign currency, the Indian government

began to increase duties on imported gold to its current level of 10%. When demand did not abate, the government forbade the importation of gold unless 20% of gold imported was re-exported as jewellery or in another form. Bank financing became more problematic as a result with importers required to post 110% collateral to support imports. Consignment sales virtually disappeared.

Although official imports of gold weakened considerably during 2013 due to the foregoing measures, smuggling of gold into India increased significantly. As a result, other markets such as Singapore and Dubai have seen significant increases in gold bullion and jewellery trading – markets where USI/Royal have established, and continue to build, their trading businesses. Meanwhile, as India's current account deficit has reduced to manageable levels, the government of India has announced that it will steadily reduce its official import restrictions – a move likely to take effect sometime after Indian general elections in May.

USI's short term goals are to increase trade in its Singapore operations by establishing additional lines of credit. USI's domicile in Switzerland is critical as a majority of gold refiners are based there and access to credit markets in India is constrained. In addition, USI is negotiating to acquire a gold trading business based in Dubai and is considering other attractive acquisitions. Overall, the Board believes that USI's gold trading operations represent a high volume business with steady margins and minimal risk, offering strong, predictable cash flow and the prospect of significant volume growth.

Infrastructure – The third pillar of USI's business model involves infrastructure investment. While this area has been de-emphasised to date, there are certain compelling opportunities which have emerged and could provide USI with attractive returns and cash flow.

Dr. Volkert Klaucke, the Chairman of USI, stated:

“Overall, we are pleased with our progress since the Goldlink acquisition. Our expanded management team is now well established and is addressing the various issues and opportunities presented. Every effort is being made to refinance the Leipzig Properties in an improving credit environment, while our real estate assets in India represent a long term store of value.

USI's gold trading business is presently constrained due to the impact of India's import restrictions and the attendant need to establish credit lines in new markets. We continue to believe that gold trading represents excellent long term potential for the Company and the present environment is offering opportunities for acquisitions which are unique and compelling.

We are cognisant that the constrained capital markets in India offer other opportunities as well – particularly in the area of infrastructure. As a Swiss corporation with a strong balance sheet, low leverage and access to international capital, USI is uniquely positioned to capitalise on these opportunities.”

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

USI Group Holdings AG

Dr. Volkert Klaucke (Chairman)

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