



PRESS RELEASE

For Publication 18:00 hrs Zurich time

20th October 2006

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Proposed sale of majority interest in Public Service Properties Investments Limited (formerly known as USI Group Holdings Limited)

The board of USI Group Holdings AG (“USI”) is pleased to announce that it has appointed Evolution Securities Limited and Fairfax IS plc to advise it in relation to the proposed a) admission of the shares of its wholly owned subsidiary, Public Service Properties Investments Limited (formerly known as USI Group Holdings Limited) (the “Subsidiary”) to the AIM market of the London Stock Exchange (“AIM”); b) sale of a proportion of its shares in the Subsidiary to institutional investors; and c) fund raising by the Subsidiary through a placing of shares by the Subsidiary to institutional investors. If all of the proposed actions are successfully concluded, USI will have sold a majority interest in the Subsidiary for cash and the shares of the Subsidiary will be listed on AIM. Although a value for the shares of the Subsidiary has not been agreed, it is anticipated that this will be at a premium to the net asset value reported in USI’s interim accounts for the period ended 30 June 2006. It is expected that following the sale, USI will remain the largest single shareholder in the Subsidiary. The cash proceeds received from the sale will be available for further investments by USI in accordance with its investment policy and strategy. USI expects to make a further announcement in respect of these matters during the course of the next several weeks.

Dr iur V. Lanfranconi (Chairman)

Further information:

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SWX Swiss Exchange – symbol USIN, security number 227.101, ISIN CH0002271010

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