



PRESS RELEASE

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Proposed sale of majority interest in Subsidiary

On 20th October 2006, the board of USI Group Holdings AG (“USI”) announced that it had 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 Limited (formerly 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.

To date, USI has made significant progress and has received encouraging feedback from the investor community. While USI continues to pursue the above initiatives, it has been approached by a potential investor which has requested that USI consider other strategic alternatives for the Subsidiary which may not involve admission of the Subsidiary’s shares on AIM. The Board of USI intends to carefully review all strategic options and to determine the most appropriate course for the Subsidiary during the first quarter of 2007.

Dr iur V. Lanfranconi (Chairman)
11th December 2006

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