



PRESS RELEASE

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

In October 2006, the board of USI Group Holdings AG (“USI”) announced that it had appointed Evolution Securities Limited 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) the sale of a proportion of its shares in the Subsidiary to institutional investors; and (c) a fund raising by the Subsidiary through the placing of shares by the Subsidiary to institutional investors.

In December 2006, USI announced that it had been approached by a potential investor which had requested that USI consider other strategic alternatives for the Subsidiary which may not involve admission of the Subsidiary’s shares to AIM.

Having carefully reviewed further all strategic options, the Board of USI has determined that the most appropriate course for the Subsidiary would be to proceed with the proposals outlined in the first paragraph above.

If the proposed admission of the shares of the Subsidiary to AIM is successfully concluded, USI will have sold a majority interest in the Subsidiary for cash at a premium to the net asset value reported in USI’s interim report for the period ended 30 June 2006. It is expected that following any sale, USI will remain the largest single shareholder in the Subsidiary. The cash proceeds received from the sale will be available for further investment 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.

The Subsidiary will tomorrow be making an announcement concerning the proposed admission of its shares to AIM. A copy of this announcement will be available on request from RP&C International Inc, USI’s manager (contact: Sian Morgan Tel: + 44 20 7766 7000; email: sian@rpcint.co.uk)

Dr iur V. Lanfranconi (Chairman)

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

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