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**USI Group Holdings AG, Zurich
Reduction of Nominal Value and Capital Increase 2008**

Zurich, 18 August 2008 – At the annual general meeting of USI Group Holdings AG (“USI”) on 27 May 2008 it was resolved, among other things, to reduce USI’s share capital from CHF 69,385,680.70 to CHF 62,258,934.50 by means of a reduction of the nominal value of each of USI’s registered shares from CHF 86.65 to CHF 77.75.

The ex-date for the payment to shareholders of the proceeds arising from the reduction of the nominal value (“Payment Proceeds”), and the first trading day for USI’s registered shares with the new nominal value of CHF 77.75 each, will be 28 August 2008.

The Payment Proceeds may be reinvested by shareholders in further registered shares of USI. The Company intends to increase the USI share capital by issuing up to 44,487 new registered shares with a nominal value of CHF 77.75 each, thereby increasing USI’s share capital up to a maximum of CHF 65,717,798.75.

The registered shares to be issued must be paid for in cash. The subscription rights of existing shareholders have been protected and registered shares will be offered to existing shareholders from 2 September 2008 (ex-date) up to and including 12.00 noon CET on 9 September 2008. Holders may subscribe for one new registered share for every 18 existing registered shares held.

The subscription price of the new registered shares will be CHF 159.00 net which represents the volume-weighted average price of the registered shares on all trading days on the SWX Swiss Exchange from 2 May 2008 up to and including 31 July 2008. There will be no trading of subscription rights on the SWX Swiss Exchange and unexercised subscription rights will lapse worthless.

Payment for the new registered shares must be made for value on 10 September 2008. The new registered shares will have the same dividend entitlement as the existing registered shares (i.e. they are entitled to dividends for the fiscal year ending on 31 December 2008). Listing of the new registered shares in the segment for real estate companies of the SWX Swiss Exchange has been applied for and 15 September 2008 is expected to be the first trading day.

Dr. iur. V. Lanfranconi (Chairman)

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

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