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PRESS RELEASE

17 May 2013

The Board of USI Group Holdings AG (“USI” or the “Company”) is pleased to announce that its affiliates, USI Verwaltungszentrum Leipzig GbR (“USI GbR”), USI Germany Limited and USI Leipzig Limited have today entered into a Standstill Agreement (the “Standstill”) relating to the senior debt facilities provided on 27 November 2007 (the “Facilities”) by a consortium of lenders (the “Lenders”). The Facilities were used to fund USI GbR’s purchase of four buildings in Leipzig, Germany leased to the Free State of Saxony (the “Leipzig Properties”). The Standstill provides USI the opportunity until 31 December 2014 to complete a satisfactory refinancing of the Facilities.

Pursuant to the terms of the Standstill and provided certain conditions continue to be met, the Lenders have agreed not to demand repayment of the Facilities as a result of non-payment of principal or a breach of the loan to value (“LTV”) covenant contained in the Facilities before 31 December 2014 (the “Standstill Period”). USI GbR must reduce the amount owed under the Facilities by a minimum of €3 million by 31 December 2013 and a further €1 million by 31 December 2014. Interest payable during the Standstill Period will be charged at a margin rate of between 5% and 6% p.a. over Euribor. There is a restructuring fee payable to the Lenders out of the rent received.

During the Standstill Period, the entire cash flow of the Leipzig Properties will continue to be applied first to interest, then to agreed costs and operating expenses, then to the restructuring fee and thereafter to a reduction of principal. As of this date, the principal outstanding on the Facilities is approximately €98.2 million. As previously announced, rent payable by the Free State of Saxony has increased by 5% to €9,386,112 p.a. effective December 2012.

Dr. Volkert Klaucke, the Chairman of USI stated *“We are very pleased to be in a position to announce today, a formal Standstill with respect to the Facilities. While rent on the Leipzig Properties has always been paid promptly by the Government of Saxony (Covenant Strength: AAA), in accordance with the terms of its lease, the Lenders have declared defaults in the past with regard to non-compliance with the LTV covenant contained in the Facilities and as a result of USI’s inability to refinance the Facilities when they fell due. From the time of announcing USI’s interim results in September, we informed the market that our key objective in the short*

term was to conclude the Standstill. By doing so, USI has gained the time necessary for discussions regarding a lease extension which will assist with a comprehensive, longer term financing.

For nearly three years, neither the Company's Directors nor its asset manager, RP&C International Inc. ("RP&C") have received any fees for their activities on behalf of the Company and RP&C has advanced more than \$5 million to meet certain third party expenses and to fund the repayment of convertible indebtedness of USI which became due in 2011. Moreover, during 2012, each of the Directors loaned money to the Company. I am pleased to report that RP&C and my fellow Directors have agreed to convert these outstanding amounts into equity of the Company once requisite approvals have been obtained and certain conditions met. Details will be provided at a later date. I am exceedingly grateful for their unwavering support".

The Company shortly intends to raise additional capital to assist in meeting the conditions set forth in the Standstill and to provide working capital. Further details will be provided in the coming weeks.

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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