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**USI Group Holdings AG, Zurich
Reduction of Nominal Value and Capital Increase 2006**

Zurich, 21 July 2006 – The ordinary general meeting of USI Group Holdings AG (“USI”) which took place on 22 May 2006 resolved, among other things, to reduce its share capital from CHF 76,382,000 to CHF 72,983,001 by means of a reduction of the nominal value of each of its registered shares from CHF 100.00 to CHF 95.55. At the same time, the general meeting created an authorised capital of CHF 20,000,000 (CHF 19,110,000 after the capital reduction).

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 95.55 each, will be 11 August 2006.

In order to enable shareholders immediately to reinvest the Payment Proceeds in further registered shares of USI, the Board of Directors has decided to increase the USI share capital by issuing up to 19,095 new registered shares with a nominal value of CHF 95.55 each, thereby increasing USI’s share capital by a maximum of CHF 1,824,527.25 up to a maximum of CHF 74,807,528.25.

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 28 July 2006 up to and including 12.00 noon on 7 August 2006. Holders may subscribe for one new registered share for every 40 existing registered shares held.

The subscription price of the new registered shares will be CHF 179.00 which represents the volume-weighted average price of the registered shares on all trading days on the SWX Swiss Exchange from 21 April 2006 up to and including 20 July 2006. There will be no trading of subscription rights on the SWX Swiss Exchange and unexercised subscription rights will have no value.

Payment for the new registered shares must be made for value on 11 August 2006. 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 2006). Listing of the new registered shares in the segment for real estate companies of the SWX Swiss Exchange has been applied for and 16 August 2006 is expected to be the first trading day.