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PRESS RELEASE

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USI Group Holdings AG
Bahnhofstrasse 106,
Postfach 1317,
8021 Zürich,
Switzerland
T: + (41) 44 212 4004
F: + (41) 44 211 4638
info@usigroupholdings.ch
www.usigroupholdings.ch

USI GROUP HOLDINGS AG
Annual Report 2009

The Company is pleased to report its financial results for the year ended 31 December 2009.

The Company's two principal assets at 31 December 2009 were a 94.9% interest in a partnership which owns four buildings in Leipzig, Germany leased to the Free State of Saxony (the "Leipzig Properties") and a 25.16% equity holding in Public Service Properties Investments Limited ("PSPI") a property investment company listed on the Alternative Investment Market ("AIM") of the London Stock Exchange which primarily invests in property leased to specialist operators in the care home sector in the UK and Germany.

The Leipzig Properties were constructed in 1995 and leased until 31 March 2020 to the Free State of Saxony (Covenant strength AAA), which has the right to extend the lease for an additional period of 5 years. Annual rent payable under the lease is currently €8.9 million and is subject to periodic escalations. The purchase price for this acquisition was €166 million, which was principally financed by a €121 million senior debt facility lead by the Royal Bank of Scotland plc – Niederlassung, Frankfurt ("RBS") which was concluded on 4 January 2008. The gross market value of the Leipzig Properties at 31 December 2009 was €183.9 based on an independent valuer retained by the Company.

Shareholders will recall that in December 2008, the RBS syndicate commissioned its own valuation of the Leipzig Properties which concluded that their market value was €158 million at that time even though all of the rental income had been received without interruption in accordance with the terms of the lease and all debt service covenants contained in the RBS facility had continued to be met in all respects. As a result, the Company found it necessary to raise additional equity and secure some second mortgage funding during 2009 in order to repay €14.6 million of the RBS facility and to restore the 70% loan to value ("LTV") ratio contained in the RBS facility agreement based on the lower valuation.

In December 2009, RBS commissioned another valuation of the Leipzig Properties which concluded that their gross market value was €149.3 million.. The RBS syndicate notified the Company on 5 March 2010 that the LTV ratio in the RBS loan facility had again risen above 70%, the maximum permitted. The Company believes that the new RBS valuation is unjustifiably conservative and does not take account of the credit worthiness of the sovereign tenant, the stability of the cash flows, the replacement value of the Leipzig Properties or the potential rents that could be achieved on expiration of the lease, matters referred to in the note on Critical Estimates later in this report. The Company has challenged the RBS syndicate on a number of assumptions used in preparation of its most recent valuation report and identified various errors in the calculations included therein. Despite repeated requests to the RBS syndicate and the valuer, the Company was not consulted in the preparation of this report. The Company is presently negotiating with the RBS syndicate and the bank's valuer to re-assess various assumptions used in its report in the hope that it can demonstrate that the Company remains in compliance with the

LTV covenant. Nevertheless, the Company is taking steps to secure a re-financing of the RBS facility which the Company aims to complete prior to the end of 2010.

The Company would stress that all rental income has been received from the Leipzig Properties without interruption in accordance with the terms of the lease and that all debt service covenants contained in the RBS facility have continued to be met in all respects. The Company remains very happy with its investment in the Leipzig Properties and believes that they continue to offer excellent long-term value for the Company's shareholders.

The Company's investment in PSPI has been held since that Company listed on AIM through an initial public offering ("IPO") in March 2007. In March 2010, PSPI announced an 8.3% increase in the total dividends payable in respect of 2009. In addition, PSPI raised an additional CHF 41 million (£25 million) through an Open Offer to existing shareholders in April 2010. The proceeds of the Open Offer will primarily be used for capital expenditure to expand the UK care home portfolio. As part of the Offer, PSPI indicated that the forecast dividend for 2010 would be 10% of the issue price of the new shares, which would imply a further 7.6% increase over the total dividend payable for 2009. The Company subscribed for a further 3.75 million shares in PSPI as part of the Open Offer and it now holds 20.07% of PSPI's enlarged capital base.

PSPI reported a 34% increase in earnings per share for 2009, adjusted to exclude non cash and one off items. Net assets at 31 December 2009 were CHF 171 million (2008 – CHF 158 million) and it maintains a conservative loan to value ratio of only 53% (2008 – 56%). The Swiss Franc depreciated by 8% against sterling between the end of 2008 and the end of 2009 resulting in a positive foreign exchange movement of approximately CHF 3 million which has been adjusted through the translation reserve in the Company's balance sheet.

Overall, the Company is reporting a loss of CHF 3.0 million for the year ended 31 December 2009 compared to a loss of CHF 5.4 million for the year ended 31 December 2008. However, these numbers reflect several non cash items and one off items relating to alleged non-compliance with the LTV covenant breach on the Leipzig Properties at the end of 2008 which, if excluded, would have resulted in an adjusted loss for 2009 of CHF 1.2 million compared to a loss of CHF 0.7 million for 2008.

Gross assets at 31 December 2009 were CHF 369 million compared to CHF 365 million at the end of 2008. Investment properties at the end of 2009 totalled CHF 273 million compared to CHF 271 million at the end of 2008 primarily as a result of a CHF 2.2 million increase in the fair value of the Leipzig Properties as determined by the independent valuer retained by the Company.

Investment in associates (i.e. PSPI) was CHF 43 million at the end of 2009 compared to CHF 40 million at the end of 2008 due to the foreign exchange movements reported above. Had exchange rates remained stable from the date of acquisition of the Company's principal investments, there would have been no need for a foreign exchange translation reserve of approximately CHF 25 million to be reflected in the Company's balance sheet.

Shareholders' funds at 31 December 2009 were CHF 126 million compared to CHF 118 million at 31 December 2008 as a result of raising new capital during 2009 and deducting the capital distribution to shareholders. The Company issued 154,176 new shares during 2009 at an average price of CHF 110 per share (compared to an average market price of CHF 118.5 per share for the year). The Company raised CHF17 million and distributed CHF 7.4 million by way of a par value capital reduction during 2009. The Directors intend to establish an appropriate distribution policy for 2009 and subsequently once the re-financing of the Leipzig Properties referred to above has been arranged.

Our Company's objective is to focus on investment opportunities which offer predictability and sustainability of cash flow, preservation of capital and potential for further capital appreciation. We believe that this objective is particularly appropriate at this time in view of prevailing global market conditions. The Company is actively reviewing investment opportunities in government tenanted properties in Continental Europe and elsewhere and Management is proposing an increase in authorised share capital at the forthcoming Annual General Meeting to support these potential acquisitions. Progress has been made regarding the acquisition of government tenanted properties aggregating nearly CHF 375 million in Lausanne and the Canton of Berne and, in addition, the Company has been approached by a large, well regarded fund management group based in Germany regarding a possible joint venture to source and acquire government properties in Luxembourg, Germany and Switzerland. Management intends to pursue these opportunities actively and expects to report further details in the coming months.

Full details of the Company's board members and other relevant information are available from the Company's website at www.usigroupholdings.ch.

USI Group Holdings AG
Dr. iur. V. Lanfranconi (Chairman)
Approved by the board: 27 April 2010

Further information:

Dr. D. Srinivas
Director and investor relations officer
Phone: +44 20 7766 7000

2009 Annual Report

The document is available at the Company's registered office and at the 'News and Links' page of the USI website: www.usigroupholdings.ch/?task=usi01

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