



USI®

USI Group Holdings AG
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PRESS RELEASE

16 September 2013

The Board of USI Group Holdings AG (“USI” or the “Company”) is pleased to announce that it has today entered into and consummated an agreement pursuant to which the Company is acquiring effective today (the “Effective Date”) 40,000 ordinary shares of Goldlink United Ltd (“Goldlink”) constituting all of Goldlink’s issued and outstanding shares, in exchange for 11,241,463 registered shares of USI with a nominal value of CHF 10.00 each (“Shares”), valued at CHF 20.00 each. This exchange ratio reflects a valuation of the total net assets being acquired through Goldlink of \$244.45 million (CHF 224.83 million) based upon the opinions of independent, professional valuers. The Company's capital increase to create the new Shares has been registered in the Zurich Commercial Register as of today.

As reported earlier, Goldlink owns two Singapore subsidiaries, Royal Venture Pte Limited (“Royal”) and Tokyo Ventures Pte Limited (“Tokyo”). Royal and its subsidiaries are engaged in the wholesale trading of gold bullion and jewellery and intend to expand that business significantly through collaboration with Surana Corporation Limited (“SCL”), one of India’s largest gold manufacturers and importers. Royal’s subsidiaries also own 1.84% of SCL. Consolidated revenues of Royal and subsidiaries for 2012 were approximately \$133 million.

The Indian subsidiaries of Royal also hold development rights over, and have exercised options to acquire real estate based in Tamilnadu, India which they intend to develop for various commercial and residential purposes.

Tokyo is an investment holding company which, jointly with Royal and its subsidiaries, owns 4.57% of Surana Industries Limited, a listed Indian infrastructure/industrial company engaged in steel manufacturing, power generation and mining.

Further details regarding the acquisition of Goldlink are contained in a listing prospectus which has been published on the Company’s website (<http://www.usigroupholdings.com/?task=usi01>) in view of the listing of the new Shares on the SIX Swiss Exchange (“SIX”).

Also as of the Effective Date, the Company has consummated the capital reduction by decrease of the nominal value of each of its existing shares from CHF 68.85 to CHF 10.00, which was resolved by the Annual General Meeting of 20 June 2013, and has issued another 2,888,403 fully paid new Shares against set-off of claims of the holders of mandatorily convertible notes issued by its subsidiary USIGH Limited, as follows:

1. 1,372,929 Shares have been issued in respect of the mandatory conversion of CHF 18,543,542 of Series A Notes exchanged for working capital loans of approximately CHF 1.67 million, subordinated debt of €1 million (plus accrued interest), a \$4 million loan used to retire convertible debt in 2011 (plus accrued interest) and CHF 10 million of cash fully subscribed – all convertible at CHF 13.50 per Share;

2. 779,444 Shares have been issued in respect of the mandatory conversion of CHF 14,030,010 of Series B Notes exchanged for €11.5 million of subordinated loan notes secured on the Company's Leipzig Properties – convertible at CHF 18.00 per Share; and
3. 736,030 Shares have been issued in respect of the mandatory conversion of CHF 14,720,600 of Series C Notes issued to RP&C International ("RP&C"), to certain RP&C affiliates and to Directors of USI in settlement of unpaid fees and loans made by and through these parties since 2010 – all convertible at CHF 20.00 per Share.

Post-acquisition of Goldlink, USI has 15,115,164 Shares in issue. The newly issued Shares will be listed and admitted to trading on the SIX as from Wednesday, 18 September 2013. Simultaneously, the regulatory standard pursuant to which the Shares are listed on the SIX will change from the Standard for Real Estate Companies to the Main Standard.

USI is also pleased to announce that the placing of CHF 10 million of Series A Notes for cash by USIGH Limited, its subsidiary, has been fully subscribed. These notes convert into USI shares at a conversion price of CHF 13.5.

Dr. Klaucke, the Chairman of USI, stated:

"We are proud to announce the signing and consummation of our acquisition of Goldlink today. As reported earlier, USI will be transformed by its acquisition of Goldlink from a real estate company focused on Europe, to an industrial holding and trading company with substantial operations principally focused on India. Post-acquisition, its activities will primarily involve the trading of gold bullion and jewellery as well as the development of real estate and infrastructure assets in India. USI plans to increase its asset base through the acquisition of additional interests in related and allied businesses.

While the Indian rupee has weakened appreciably this year as a result of India's current account deficit, the assets to be acquired by USI in India have not been materially adversely impacted by the rupee's weakness. Our new real estate holdings have been professionally valued at \$187,600,000, while only \$174,000,000 was recognised as value in connection with the Goldlink acquisition. More importantly, our development costs will be in rupees which means that the dollar equivalent costs used for purposes of valuation will be lower. As a declining rupee means higher inflation, the rupee value of our real estate interests should increase.

Gold trading is a global business denominated in dollars. While the rupee has declined, demand for gold in India has increased. Given the current account deficit, Indian government policy is encouraging exports of jewellery since it generates foreign exchange. Royal's ability to lower financing costs by obtaining dollar-based working capital lines represents a major opportunity to arbitrage the cost differential between rupee and dollar financing."

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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