

Not for release, in whole or in part, into the United States, Australia, Canada, Japan, or South Africa

Phoenix Group Holdings - Move to Premium Listing

Phoenix Group Holdings ("the Company") announces that it expects to publish a Prospectus and Shareholder Circulars later today in relation to a Premium Listing on the London Stock Exchange. Full details will be available today on the Company's website (www.thephoenixgroup.com). The Premium Listing is expected to become effective on 5 July 2010 and Phoenix expects to be considered for inclusion in the FTSE UK index series in September 2010.

The Company has made proposals to the holders of Contingent Rights that would allow the Company to meet the Listing Rules requirements in respect of dilutive instruments. The proposals are subject to the agreement of the Contingent Right holders and to Shareholder and lending bank approval. The resolutions set out in the Shareholder Circulars include details of proposals for the exchange of the Contingent Rights for Ordinary Shares at a rate of nine shares for every ten Contingent Rights held. It is intended that the proposals will be put to Shareholders for approval at the Company's AGM on 23 June 2010. Details of the AGM are published below.

Ron Sandler, Chairman of Phoenix Group Holdings, said:

"The Premium Listing and the simplification of our capital structure are important steps towards the delivery of our strategy, which is to play the leading role in the safe decommissioning of the closed life fund sector."

"The closure to new business of much of the traditional life sector is not good news for millions of policyholders. There is a clear and growing need to consolidate such closed life funds so that they can be run off efficiently to deliver better outcomes for their policyholders. Phoenix is the natural home for these funds and the Premium Listing will accelerate our ability to bring this about. We believe this will benefit consumers, the industry and our shareholders."

Jonathan Moss, Group Chief Executive of Phoenix Group Holdings, said:

"Phoenix continues to deliver on its corporate objectives and commitments. We reported operating cash generation of over £700 million for 2009 and £270 million for the first quarter of 2010. We have significantly strengthened our Board and management, resolved outstanding issues with our tier 1 bondholders and are in the process of simplifying our capital structure."

"Following the Premium Listing, we will be able to focus on simplifying our banking facilities and delivering accelerated cashflow and embedded value growth from management actions. In due course, we believe that we will be able to take advantage of acquisition opportunities in the consolidation of the closed life sector, thereby enhancing value for our shareholders."

Benefits from actions taken in preparation for the Premium Listing

The Board believes that the work that has been done to prepare the Company for the Premium Listing has strengthened the Company's investment case, making the business easier to understand and more transparent. This work included:

- the successful outcome of the Public and Insider Warrant Exchange Invitations;
- the proposals to exchange Contingent Rights for new Ordinary Shares, subject to Contingent Right holders' agreement and Shareholder and lending bank approval;
- the proposal, subject to Shareholder and Class B Shareholder approval, to re-designate all Class B Shares as Ordinary Shares upon the Premium Listing;
- the resolution of issues with tier 1 bondholders and the resumption of coupon payments;
- the appointment of four new Independent Non Executive Directors (one of whom, Alastair Lyons, has become the Senior Independent Director); and
- the move to IFRS accounting and closer alignment of the Company's embedded value methodology with CFO Forum MCEV principles.

Reasons for the Premium Listing

The Board believes that the simplification of the capital structure, the Premium Listing and possible FTSE UK index inclusion will assist in raising the profile of the Company, broadening analyst coverage of the Company and increasing the attractiveness of its shares to a wider universe of investors.

As a consequence, the Board believes that this will lead to increased liquidity of the shares, which will help support future strategic objectives. The Board also believes that the Premium Listing has acted as a catalyst in reducing the complexity of the Company's capital structure, providing investors with a simpler and more certain basis for valuation in the future.

A compelling investment case

The Board believes that the Company has a compelling investment case as it:

- is a highly cash generative business, supporting returns to Shareholders;
- has no new business strain and the fact that regulatory capital is released as the life funds run-off gives predictability over long term cashflows;
- is a market leader in UK closed life fund run-off with approximately 6.5 million policyholders and £69 billion of assets under management. The Company owns and operates an existing portfolio of household name businesses with significant value creation opportunities;

- operates in a market which is likely to grow significantly as regulation and lack of demand for traditional products causes the current operators of life funds to reconsider their strategic options. As they do so, the Company believes that the market will increasingly require a safe and responsible manager of closed funds, thus offering long-term opportunities for growth in our business;
- has a track record and expertise in creating value through business integration and financial management of closed life funds; and
- has a simple and scalable business model with an outsourced, primarily variable-cost operating model.

Proposed changes to capital structure

Providing the Contingent Right holders' agreement and necessary Shareholder and lending bank approvals are obtained, upon Premium Listing the Company will issue to each holder of Contingent Rights nine Ordinary Shares for every ten Contingent Rights, resulting in the issue of 32,400,000 new Ordinary Shares in aggregate. The Contingent Right holders will also have the right to receive in aggregate 3,600,000 new Ordinary Shares in the event of a change of control of the company within three years of the Premium Listing. Further, as part of the agreement, all lock-up arrangements over the Contingent Right holders' existing shareholdings will be released.

The proposals include provisions that that Contingent Right holders agree:

- not to transfer the new Ordinary Shares for 12 months; and
- to take all dividends paid in respect of the 12 months from the issue of the new Ordinary Shares as scrip dividends.

Manjit Dale and Hugh Osmond, both of whom are Directors of the Company and who are, or are connected to Contingent Right holders, have, together with their connected parties, separately agreed not to vote on the proposals at the AGM.

The Company will further simplify its structure by asking Shareholders to approve the adoption of new articles of association and re-designation of all of the Class B Shares currently in issue into Ordinary Shares, which will rank equally in all respects with the existing Ordinary Shares.

In conjunction with the move-up to a Premium Listing, the Company is today also announcing its intention to de-list the Ordinary Shares from Euronext Amsterdam, subject to consent from Euronext Amsterdam. Providing the Premium Listing becomes effective, the de-listing of the Ordinary Shares from Euronext is expected to become effective in 2011.

Future Steps for H2 2010 and beyond

Following the Premium Listing, and in pursuit of improved returns for policyholders and shareholders, the focus of the Company will include:

- delivery of financial targets. For 2010, these are recurring cash inflows to the UK holding company of £400 million to £500 million, cash flow acceleration of £225 million, and EV accretion of £145 million. The Company is currently on track to deliver these;
- further fund mergers, increasing policyholder security and releasing shareholder capital - delivery from late 2010;
- simplification of the Company's banking arrangements;
- repayment of at least 10% of the bank debt facility (approximately £275 million in total) which may permit a review of the existing dividend cap. Any such review or amendment would require the approval of the lending banks;
- finalisation and implementation of the Company's Solvency II programme ahead of the implementation of Solvency II in 2013; and
- renewed focus on merger and acquisition strategy.

Expected timetable

Today	Prospectus and Shareholder Circulars published
23 June	Annual General Meeting Meeting of Class B Shareholders
5 July	Premium Listing becomes effective
27 August	Interim results

Analyst and investor call

A conference call for analysts and investors will take place at 2.30pm (BST) today. This will also be audiocast via the Company's website www.thephoenixgroup.com.

The dial in number is +44 (0) 20 3059 5845 - Password "Phoenix". A replay and transcript will be made available on the Company's website¹.

¹This conference call may only be attended by persons in the EEA who are qualified investors under the Prospectus Directive and who, in the UK, have professional experience in matters relating to investments under article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 or high net worth companies under art 49 of that order and any investment activity to which this call relates is available only to such persons and will only be engaged in with such persons and persons who do not have professional experience in matters relating to investments or who are not high net worth companies should not rely or act on the contents of this call. In addition, this conference call may only be attended by persons in the United States who are both qualified institutional buyers (as defined in Rule 144A of the U.S. Securities Act of 1933, as amended) and qualified purchasers (as defined in section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended).

Notice of Annual General Meeting

Phoenix Group Holdings (the "Company") hereby announces that the Annual General Meeting ("AGM") will be held at 12.00 noon, on 23 June 2010, at 1st Floor, 32 Commercial Street, St Helier, Jersey JE2 3RU, Channel Islands.

As of today, the circular containing the Notice of the AGM ("the Circular") is expected to be available on the Company's website later today at www.thephoenixgroup.com.

This document is also available in printed form by directing a request to: (i) the Company's transfer agent, The Royal Bank of Scotland N.V. at Equity Capital Markets/Corporate Actions HQ3130, Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, Tel: +31 20 383 6707; Fax: +31 20 628 0004; Email: corporate.actions@rbs.com or (ii) the Company at Phoenix Group Holdings, 1st Floor, 32 Commercial Street, St Helier, Jersey JE2 3RU, Tel: +1534 715 430.

The Circular provides further details on the proposals, which will be considered and acted upon at the AGM. Copies of the Circular, the Prospectus and the related proxy form, voting instruction forms and letter to holders of CREST Depository Interests are available for viewing at the Document Viewing Facility of the Financial Services Authority at 25 The North Colonnade, Canary Wharf, London E14 5HS.

Enquiries

Investor Relations

Lorraine Rees
+ 44 (0) 20 7489 4456
+ 44 (0) 7872 413277

Fiona Clutterbuck
+ 44 (0) 20 7489 4881

Media

Daniel Godfrey
+ 44 (0) 20 7489 4517
+ 44 (0) 7894 937 890

Shellie Wells
+ 44 (0) 20 7489 4461

Corporate Brokers and Sponsors to the Premium Listing

James Agnew, Deutsche Bank
+44 (0) 20 7547 6860

Andrew Smith, Deutsche Bank
+44 (0) 20 7545 5916

Tim Wise, JP Morgan Cazenove
+44 (0) 20 7155 4576

Conor Hillery, JP Morgan Cazenove
+44 (0) 20 7155 4622

Notes for Editors

1. Phoenix Group Holdings is the UK's largest consolidator of closed life funds with approximately 6.5 million policyholders and £69 billion of assets under management as at 31 March 2010.
2. The Company's operating businesses delivered £716 million of cash inflows to the UK holding company and reported pro forma IFRS operating profits of £457 million in the year ended 31 December 2009. The MCEV at 31 December 2009 was £1,827 million and the IGD surplus was estimated at £1.3 billion as at 31 March 2010.

3. Proposed resultant capital structure:

Providing the necessary shareholder approvals are obtained, the Company will have 164,862,855 Ordinary Shares in issue.

In addition, the Company will have the following instruments outstanding:

- 8,169,868 Public Warrants over Ordinary Shares;
 - 17,360,000 non-public Warrants over Ordinary Shares (formerly Class B Share warrants);
 - 3,600,000 Contingent Rights over Ordinary Shares (only issuable in the event of a change of control within three years); and
 - 2,823,000 Ordinary Shares authorized for issue under employee incentive plans.
4. Shareholder meetings

In addition to the proposals regarding the Contingent Rights and Class B Shares and in order to achieve the Premium Listing, the Company will propose certain resolutions to the AGM, including amendments to the Company's Memorandum and Articles of Association.

The Company is proposing to adopt a new Memorandum and Articles of Association (the "New Articles") in order to ensure that its governance structure and the rights of shareholders are more consistent with UK listed public companies. In connection with these New Articles, the Company will also be seeking approval from Shareholders for certain corporate actions in keeping with the current AGM practice of UK listed companies.

As the New Articles, if adopted at the AGM, will amend the rights of the Class B Shares, it is necessary under the Company's existing Articles of Association to convene a meeting of the Class B Shareholders to consider approving a resolution for the adoption of the New Articles.

5. Depositary Interests:

The Company will, prior to admission, enter into depositary arrangements to enable investors to settle and pay for interests in the Ordinary Shares through the CREST system. Securities issued by non-UK incorporated companies, such as the Company, cannot themselves be held electronically or transferred in the CREST system.

Under the depositary arrangements, a depositary will hold, through a custodian, the Ordinary Shares and issue dematerialised depositary interests ("DIs") representing the underlying Ordinary Shares, which will be held on trust for the holders of the DIs.

Each DI will be treated as one Ordinary Share for the purposes of determining the rights attaching to that DI, for example, eligibility for any dividends. The DIs will have the same security code (ISIN number) as the underlying Ordinary Shares and will not require a separate listing on the Official List. The DIs will enable trading and settlement of the Company's Ordinary Shares through CREST.

The Euronext Depositary Interests and the London Stock Exchange Depositary Interests are fully fungible.

6. The Company intends to apply for the new Ordinary Shares and its Ordinary Warrants to be admitted to the Official List and to trading on the London Stock Exchange. The Company further intends to apply for the new Ordinary Shares to be admitted to listing and trading on Euronext Amsterdam (together, "Admission"). Admission is expected to become effective at the same time as the Premium Listing. The Ordinary Warrants will also be held through CREST in the form of DIs, as described above in relation to the Ordinary Shares.
7. Full details of the listing and all the proposals that will be put to Shareholders at the AGM and the Class B Shareholders meeting will be available on the Company's website (www.thephoenixgroup.com).
8. Group Finance Director, Simon Smith, will not seek re-election to the Board at the Company's AGM on 23 June 2010. Group Finance Director-Designate, Jonathan Yates will seek election to the Board in his place.

Appendix 1 – Capital structure

As at the date of this announcement, there are the following classes of Shares, Warrants or Contingent Rights over shares in the Company:

- Ordinary Shares
- Class B Shares
- Contingent Rights over Ordinary Shares.
- Warrants over Ordinary Shares
- Class B warrants

Subject to the entry by all parties thereto into agreements amending the terms of the existing agreements relating to the Contingent Rights (the “Amended Contingent Rights Agreements”), certain resolutions being passed at the AGM and at a meeting of Class B Shareholders and the adoption of new articles of association:

- All Class B Shares will be re-designated into Ordinary Shares;
- Class B Warrants will, following Admission, be warrants over Ordinary Shares; and
- Contingent Rights over Ordinary Shares shall be satisfied by the allotment and issue of Ordinary Shares to the holders of such Contingent Rights, together with certain residual rights left outstanding.

The following table sets out information on the Company's classes of Shares, Warrants and Contingent Rights over Shares as at the date of this announcement and immediately following Admission:

	<i>As at the date of this announcement</i>	<i>Immediately following Admission⁽³⁾</i>
Shares in issue		
Ordinary Shares	80,430,732	164,862,855
Class B Shares	52,032,123	—
	132,462,855	164,862,855
Ordinary Share Warrants		
Ordinary Warrants.....	8,169,868	8,169,868
Class B Warrants		
Lenders Warrants ⁽¹⁾	5,000,000	5,000,000
Royal London Warrants ⁽¹⁾	12,360,000	12,360,000
	17,360,000	17,360,000
Contingent Rights over Shares⁽²⁾		
Sun Capital/TDR Capital/Selling Shareholders (Contingent Rights).....	26,500,000	2,650,000
Lenders (Contingent Rights)	8,500,000	850,000
Contingent Subscription Agreement (Contingent Rights)	1,000,000	100,000
	36,000,000	3,600,000
Shares authorised for issue under employee incentive plans	2,823,000	2,823,000
Total Warrants and Contingent Rights over Shares and Shares authorised for issue under employee incentive plans outstanding....	64,352,868	31,952,868

(1) Prior to the Premium Listing the Lender Warrants and Royal London Warrants are Class B Warrants and following the Premium Listing they will become Warrants in respect of Ordinary Shares.

(2) Immediately following Admission, the outstanding Contingent Rights will be subject to the rights described in the Amended Contingent Rights Agreements.

(3) Subject to the Amended Contingent Rights Agreements being entered into by all parties thereto, certain resolutions being passed at the AGM and at a meeting of Class B shareholders and the adoption of new articles of association.

Appendix 2 – Definitions

CFO Forum means the European Insurance CFO Forum.

Class B Shares means the Class B ordinary shares of €0.0001 each in the Company.

Class B Warrants means warrants in respect of Class B Shares.

Contingent Rights means, prior to the Premium Listing, the right, under the Contingent Consideration Agreement, the Contingent Fee Agreement or the Contingent Subscription Agreement, to receive Ordinary Shares (subject to certain adjustments) on satisfaction of specified criteria and, upon the Premium Listing, the right, under the Amended Contingent Rights Agreements, to receive Ordinary Shares (subject to certain adjustments) on satisfaction of specified criteria.

Founders means Berggruen Holdings II Ltd, and Marlin Equities IV, LLC and the Company's initial independent directors.

Insider Warrant Exchange Invitation means the invitation made by the Company to the Founders by which the Founders could offer their warrants to the Company in exchange for Class B Shares.

Listing Rules means the Listing Rules of the Financial Services Authority.

MCEV means Market Consistent Embedded Value.

Ordinary Shares means ordinary shares of €0.0001 each in the Company.

Ordinary Warrants means warrants in respect of Ordinary Shares.

Premium Listing means the transfer of the Ordinary Shares to a premium listing on the London Stock Exchange under Chapter 6 of the Listing Rules.

Prospectus means the document published by the Company in relation to the Premium Listing and the Admission. The Prospectus will be published on the Company's website (www.thephoenixgroup.com).

Public Warrant Exchange Invitation means the invitation made by the Company to certain eligible holders of warrants to offer their warrants to the Company in exchange for new ordinary shares.

Shareholder Circulars refers to the Notice of Annual General Meeting and the Notice of Meeting of Class B Shareholders.

TDR Capital means TDR Capital Nominees Limited and its various related entities, or as the context requires, various investment funds whose investment in the Company are managed by TDR Capital LLP.

Disclaimer

This document is an advertisement and not a prospectus or prospectus equivalent document and investors or potential investors should not subscribe for or otherwise acquire any securities referred to in this document except on the basis of the information in the prospectus to be made generally available by the Company in the course of today in connection with the admission of the securities of the Company to primary listing on the Official List of the Financial Services Authority, to trading on London Stock Exchange plc's main market for listed securities and to trading on Euronext Amsterdam by NYSE Euronext. Copies of the prospectus will be available on the Company's website (www.thephoenixgroup.com). This document (and the information contained herein) does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, and is not an invitation to purchase, sell or otherwise engage in investment activity in relation to securities in the United States, Australia, Canada, Japan or South Africa or any other jurisdiction in which such distribution or offer is unlawful. The securities referred to herein have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and the securities if and when issued, will not qualify for distribution under any of the relevant securities laws of Australia, Canada, Japan or South Africa. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance on section 3(c)(7) thereof, and investors will not be entitled to the benefits of the Investment Company Act. The securities of the Company may not be offered or sold in the United States absent registration under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and may not be held by persons whose holding of securities might require registration of the Company as an investment company under the Investment Company Act. Subject to certain exceptions, the securities of the Company may not, directly or indirectly, be offered or sold within Australia, Canada, Japan or South Africa or to or for the account or benefit of any national resident and citizen of Australia, Canada, Japan or South Africa. Any failure to comply with these restrictions may constitute a violation of U.S., Australian, Canadian, Japanese or South African securities laws. No public offer of securities in the Company is being or will be made in the United States, Australia, Canada, Japan or South Africa or elsewhere. Certain information, statements, beliefs and opinions in this document are forward looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document. No statements made herein regarding targets or expectations of future profits, cash flows or dividend cover are profit forecasts, and no statements made herein should be interpreted to mean that the Company's profits, cash flows or earnings per share for any future period will necessarily match or exceed the historical published profits or earnings per share of the Company or any other level.