



Phoenix Group analyst presentation and trading update

Later today, Phoenix Group (the 'Group') will host a presentation for analysts and investors focusing on Solvency II, management actions and future financial reporting.

In addition, the Group can confirm that it remains on track to meet its 2016 cash generation target of between £350 million and £450 million, having achieved cash generation of £130 million in the period to 30 April.

The Group continues to undertake management actions to optimise its capital position under Solvency II and increase the amount of Free Surplus within the Group's operating companies. Free Surplus is the amount of capital held in the Group's operating companies in excess of that needed to support their capital requirements (including any capital management policy) and is therefore available for distribution to the Group's holding companies as cash. As at 31 December 2015, the Free Surplus within the Group's operating companies under Solvency II was £97 million, with additional financial assets of approximately £125 million held within Opal Re, the Group's captive Bermudan reinsurance business that was restructured in 2015.

As announced at the time of the Group's full year results on 23 March, the Group has agreed a revised £650 million bank facility, reducing interest costs and extending the maturity of the Group's debt. In addition, the Group redeemed the residual £6 million of Tier 1 Notes issued by Pearl Group Holdings (No.1) Limited on 25 April. The Group continues to examine options to further diversify away from senior bank debt to longer term, subordinated debt.

Commenting on the trading update, Group CEO, Clive Bannister said:

"Phoenix Group has made good progress so far, despite the market volatility seen during early 2016, with cash generation of £130 million during the first four months of the year. We remain confident of future opportunities for Phoenix to grow its business through acquisition and continue to believe that the Group's specialist operating model positions us to continue to add value for all of our stakeholders."

Presentation

The presentation will be held at 2.30pm (BST) at:

J.P.Morgan, John Carpenter Street, London EC4Y 0JP

The presentation slides will be available on the Company's website www.thephoenixgroup.com at the same time as the presentation. A replay and transcript of the event will be available on the website after the event.

Enquiries

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Notes

1. Phoenix Group is the UK's largest specialist consolidator of closed life funds with approximately 4.5 million customers and £47 billion of life company assets.



2. Operating companies' cash generation is a measure of cash and cash equivalents, remitted by the Group's operating subsidiaries to the holding companies and is available to cover dividends, bank interest and repayments and other items.
3. Any references to Solvency II relate to the relevant calculation for Phoenix Life Holdings Limited, the ultimate EEA insurance parent undertaking.
4. This announcement in relation to Phoenix Group Holdings and its subsidiaries (the 'Group') contains, and we may make other statements (verbal or otherwise) containing, forward-looking statements and other financial and/or statistical data about the Group's current plans, goals and expectations relating to future financial conditions, performance, results, strategy and/or objectives.
5. Statements containing the words: 'believes', 'intends', 'will', 'may', 'should', 'expects', 'plans', 'aims', 'seeks', 'targets', 'continues' and 'anticipates' or other words of similar meaning are forward-looking. Such forward-looking statements and other financial and/or statistical data involve risk and uncertainty because they relate to future events and circumstances that are beyond the Group's control. For example, certain insurance risk disclosures are dependent on the Group's choices about assumptions and models, which by their nature are estimates. As such, actual future gains and losses could differ materially from those that the Group has estimated.
6. Other factors which could cause actual results to differ materially from those estimated by forward-looking statements include but are not limited to: domestic and global economic and business conditions; asset prices; market related risks such as fluctuations in interest rates and exchange rates, the potential for a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of governmental and/or regulatory authorities, including, for example, new government initiatives related to the financial crisis and the effect of the European Union's "Solvency II" requirements on the Group's capital maintenance requirements; the impact of inflation and deflation; market development and government actions regarding the referendum on UK membership of the European Union; market competition; changes in assumptions in pricing and reserving for insurance business (particularly with regard to mortality and morbidity trends, gender pricing and lapse rates); the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; risks associated with arrangements with third parties; inability of reinsurers to meet obligations or unavailability of reinsurance coverage; the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which members of the Group operate.
7. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set out in the forward-looking statements and other financial and/or statistical data within this announcement. The Group undertakes no obligation to update any of the forward-looking statements or data contained within this announcement or any other forward-looking statements or data it may make or publish. Nothing in this announcement should be construed as a profit forecast or estimate.