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Phoenix Group Holdings Seeking Admission of Warrants to London Stock Exchange

Phoenix Group Holdings (“the Company”) announces that it expects to issue a Prospectus today in connection with admitting its 8,169,868 Public Warrants over Ordinary Shares, which the Company currently has listed on Euronext Amsterdam, to the London Stock Exchange and obtaining a Premium Listing for its Ordinary Shares. In connection with seeking such admission, the Company has amended the terms of the Ordinary Warrants to allow for the additional listing on the London Stock Exchange.

In connection with obtaining the Premium Listing the Company has made proposals to the holders of the Contingent Rights pursuant to which, and 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.

Expected timetable

Today	Prospectus and Shareholder Circulars published
23 June	Annual General Meeting and 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 website.

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).

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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

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.

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).

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