22 April 2010

Phoenix Group Holdings Announces Vote in Favour of Tier 1 Bond Proposals

Phoenix Group Holdings is delighted to announce that, at a meeting held earlier today, Noteholders of the Tier 1 Notes (the “Notes”) issued by its subsidiary company, Pearl Group Holdings (No1.) Limited, voted in favour of the consent solicitation resolution put to the meeting.

The agreement introduces some structural changes to the terms of the Notes and reduces the face value (and consequently future coupon payments) of the Notes by 15%.

The 2010 coupon will be paid on the due date of 26th April 2010 and a payment equal to the 2009 coupon, that was deferred last year, will be made by the end of 2010.

At the meeting 99.9% of the votes cast were in favour and 83.2% of the Tier 1 Notes outstanding were voted.

Jonathan Moss, Group Chief Executive, said:

"We worked very hard with all our stakeholders to develop a proposal that was satisfactory and fair to all and we are delighted that these efforts have been rewarded by such a resounding vote in favour.

Phoenix has a great business model and, following our strong 2009 results, we are well on the way to unlocking the Group’s full potential to deliver benefits for investors and six and a half million policyholders.”

Media:
Daniel Godfrey, Director of Corporate Communications, Phoenix Group
+ 44 (0) 20 7489 4517 (DD)
+ 44 (0) 7894 937 890 (Mob)

Andrew Grant, James Bradley, Mal Patel, Tulchan Communications
+ 44 (0) 20 7353 4200

Investors:
Lorraine Rees, Head of Investor Relations, Phoenix Group
+44 (0) 20 7489 4456

Fiona Clutterbuck, Director, Corporate Office, Phoenix Group
+ 44 (0) 20 7489 4881

Notes to editors:

1. Phoenix Group is the UK’s largest consolidator of closed life funds with 6.5 million policyholders and £67 billion of assets under management

2. The Group's operating businesses delivered £716m of cash and pro forma IFRS operating profits of £457m in the year ending 31st December 2009.