

Phoenix Group Holdings - response to Press Speculation

Phoenix Group Holdings notes the press comment in respect of ongoing discussions with the holders of certain securities of the Company ("the Contingent Rights").

The Company wishes to state that these discussions have not yet reached a conclusion.

However, the Company can confirm that agreement with the holders of the Contingent Rights is needed for the company to achieve its stated objective of a Premium Listing on the London Stock Exchange.

The Company can also confirm that discussions are at an advanced stage and that the shape of the proposals being discussed includes an exchange of the Contingent Rights in question at the rate of around nine new Ordinary Shares for every ten shares that would have been issued had the Contingent Rights crystallized in the normal way.

Further details cannot be announced until the discussions have been concluded and the Company will make a full announcement at that time.

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Notes for Editors

1. Phoenix Group is the UK's largest consolidator of closed life funds with 6.5 million policyholders and £69 billion of assets under management as at 31 March 2010.
2. The Group'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 ending 31st December 2009.