



PHOENIX GROUP

## PHOENIX GROUP HOLDINGS

### Scrip / Interim Dividend Update

Phoenix Group Holdings (the 'Company') announces that it has received from its Shareholders Scrip Dividend elections covering 53,247,458 Ordinary Shares for the interim dividend of 21p per ordinary share.

This will result in the issue of 1,544,446 New Ordinary Shares, resulting in an increase of 0.937% in the issued share capital. As previously announced on 15 September 2010 the relevant Scrip Share Calculation Price to be used will be 724 pence per Ordinary Share. Accordingly, the total interim dividend to be paid in cash will be £23,439,337.82.

As a result of the issue of the New Ordinary Shares, the terms of each of the Public Warrants, the Lender Warrants and the Royal London Warrants will be amended as follows:

#### Public Warrants

Each Public Warrant shall be exercisable into 1.009368 Ordinary Shares per Public Warrant. The Warrant Price at which each Public Warrant may be exercised will change from €11 to €10.90 and the Floor Price at which the Company may redeem each Public Warrant for €0.001 will change from €16.50 to €16.35.

#### Lender Warrants

Each Lender Warrant shall be exercisable into 1.009368 Ordinary Shares per Lender Warrant. The Warrant Price at which each Lender Warrant may be exercised will change from £15 to £14.86 and the Floor Price at which the Company may redeem each Lender Warrant for €0.001 will change from £19.50 to £19.32.

#### Royal London Warrants

Each Royal London Warrant shall be exercisable into 1.009368 Ordinary Shares per Royal London Warrant. The Warrant Price at which each Royal London Warrant may be exercised will change from €11 to €10.90 and the Floor Price at which the Company may redeem each Royal London Warrant for €0.001 will change from €16.50 to €16.35.

In addition, the Company announces that it has complied with the relevant processes in the Group's main credit facilities and that accordingly the interim dividend will be paid and the New Ordinary Shares will be issued on 15 October 2010.

The remaining timetable for the 2010 interim dividend is as follows:

Dividend payment date	15 October 2010
First day of dealings in New Ordinary Shares	15 October 2010

Details of the Scrip Dividend Scheme were sent to Shareholders on 6 September 2010. Full details and copies of the published documents are available on the Company's website at <http://www.thephoenixgroup.com/>



PHOENIX GROUP

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Note: Defined terms used in this announcement have the same meaning as given to them in the Circular sent to Shareholders on 6 September 2010.