

## PRESS INFORMATION

For Immediate Release

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### **Sale of Partnership Group Holdings**

Phoenix Equity Partners ("Phoenix") the leading UK middle-market private equity investor, announces that it has reached agreement to sell Partnership Group Holdings ("Partnership") to a new company funded by Cinven and Partnership's management team, for a price of approximately £150m. The sale is conditional solely on regulatory approvals and is expected to complete shortly.

Partnership is a leading provider of retirement annuities for customers with impaired life expectancy and the market leader in providing long term care annuities for the elderly.

Phoenix acquired its 79% stake in Partnership in September 2005, when it acquired the assets and undertaking of the Pension Annuity Friendly Society (PAFS) through the UK's first ever private equity-led demutualisation of a financial services mutual company. Since the demutualisation, Phoenix has provided substantial growth capital to Partnership to support its strong growth, and has worked very closely with Partnership's management team, led by Chairman Ian Owen and Managing Director Steve Groves, to define the company's strategy and to build Partnership's product range, distribution channels and infrastructure, so establishing Partnership as the UK's leading provider of specialist financial solutions to customers with shortened life expectancy. Phoenix invested a total of £16.5 million in Partnership.

Under Phoenix's ownership, Partnership has shown very strong growth, with premium income of over £220m in 2007 representing an increase since the 2005 demutualisation of over 130%. During the same period the number of employees has also increased from 83 to 136.

Sandy Muirhead, Managing Partner of Phoenix, commented; "By investing substantial growth capital since 2005, and really rolling our sleeves up alongside Partnership's outstanding management team, we have together succeeded in establishing Partnership as the leading specialist provider of annuities to the impaired life retirement and long term care funding markets. We have greatly valued our partnership with Ian, Steve and their colleagues, and wish them and Cinven every success in the next phase of the company's development"

Ian Owen, Executive Chairman of Partnership added: "Phoenix has been a tremendous supporter of Partnership; this is a great example of how good private equity should operate. They have worked in extremely close collaboration with the management team in, firstly, putting the business onto a sound footing, then supporting it through two successive years of exceptional growth. Whilst we are naturally excited by the prospect of backing from Cinven, which will enable the business to move onto the next stage of its development, we will miss the advice, guidance and support provided by the Phoenix team."

The shareholders of Partnership were advised by Lexicon Partners.

**-ENDS-**

**For further information:**

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