

EMBARGOED UNTIL 07:00 27 January 2010

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27 JANUARY 2010

RECOMMENDED OFFER

for

Church House Trust Plc ("Church House Trust")

by

Virgin Money Holdings (UK) Limited ("Virgin Money")

Offer declared unconditional in all respects

Introduction

On 8 January 2010, it was announced that the boards of Church House Trust and Virgin Money had reached agreement on the terms of a unanimously recommended offer to be made by Virgin Money to acquire the entire issued and to be issued share capital of Church House Trust (the "Offer"). The offer document setting out the full terms and conditions of the Offer (the "Offer Document") was posted to shareholders of Church House Trust on 8 January 2010.

Offer unconditional in all respects

Virgin Money is pleased to announce that all the conditions to the Offer have been satisfied or waived and the Offer is therefore now declared unconditional in all respects.

Acceptance levels

At the time the Offer was made the issued share capital of Church House Trust was £1,660,759 divided into 1,660,759 ordinary shares of £1 each. The issued share capital of Church House Trust has subsequently been increased to £2,040,092 divided into 2,040,092 ordinary shares of £1 each due to the allotment and issue of Option Shares.

As at 1 p.m. on 26 January 2010, Virgin Money had received valid acceptances in respect of 1,984,038 Church House Trust Shares representing 97.25 per cent. of the current issued share capital of Church House Trust, including elections for the Loan Note Alternative in respect of 211,403 Church House Trust Shares pursuant to those acceptances.

This total includes valid acceptances in respect of 352,387 Church House Trust Shares (representing 21.2 per cent. of the issued share capital of Church House Trust at the time the Offer was made and 17.3 per cent. of the current issued share capital of Church House Trust) received pursuant to irrevocable undertakings provided by the Church House Trust Directors. Virgin Money also received irrevocable undertakings in respect of options over 317,760 Church House Trust Shares under the Unapproved Share Option Schemes and revocable undertakings in respect of options over 12,240 Church House Trust Shares under the Approved Share Option Scheme from the Church House Trust Directors to accept the Option Offer pursuant to which the Church House Trust Directors have exercised their options and accepted the Offer in relation to the Church House Trust Shares they acquired (being, in aggregate, 330,000 Church House Trust Shares and representing 16.2 per cent. of the current issued share capital of Church House Trust).

This total also includes valid acceptances in respect of 740,502 Church House Trust Shares (representing 44.6 per cent. of the issued share capital of Church House Trust at the time the Offer was made and 36.3 per cent. of the current issued share capital of Church House Trust) received pursuant to irrevocable undertakings provided by other Church House Trust Shareholders. Virgin Money also received irrevocable undertakings in respect of 1,666 options under the Unapproved Share Option Schemes and revocable undertakings in respect of 2,500 options under the Approved Share Option Scheme from Church House Trust Optionholders (who are not Church House Trust Directors) to accept the Option Offer pursuant to which such Church House Trust Optionholders have exercised their options and accepted the Offer in relation to the Church House Trust Shares they acquired (being, in aggregate, 4,166 Church House Trust Shares and representing 0.2 per cent. of the current issued share capital of Church House Trust).

In total, therefore, Virgin Money received irrevocable undertakings to accept, or procure the acceptance of, the Offer in respect of 1,092,889 Church House Trust Shares (representing 65.8 per cent. of the issued share capital of Church House Trust at the time the Offer was made and 53.6 per cent. of the current issued share capital of Church House Trust) and irrevocable and revocable undertakings to accept the Option Offer in relation to, in aggregate, options over 334,166 Church House Trust Shares (being, in aggregate, 334,166 Church House Trust Shares and representing 16.4 per cent. of the current issued share capital of Church House Trust).

Valid acceptances have been received by Virgin Money in respect of the full amount of all these undertakings.

Further acceptances of the Offer and the Loan Note Alternative

The Board of Virgin Money announce that the Offer and the Loan Note Alternative, which remain subject to the terms and conditions set out in the Offer Document, will remain open for acceptance until further notice. Virgin Money will give not less than 14 days notice in writing to Church House Trust Shareholders who have not accepted the Offer before closing it.

Church House Trust Shareholders who wish to accept the Offer, and who have not yet done so, are urged to do so in the manner set out in the Offer Document as soon as practicable. To accept the Offer and the Loan Note Alternative you should complete, sign and return the Form of Acceptance in accordance with the instructions set out in the Offer Document and the Form of Acceptance as soon as practicable.

Copies of the Offer Document, the Form of Acceptance and other documents on display for the purposes of the Offer are available for inspection during normal business hours on any business day at the offices of Denton Wilde Sapte LLP, One Fleet Place, London EC4M 7WS throughout the period during which the Offer remains open for acceptance. Additional Forms of Acceptance are available from Capital Registrars by telephoning 0871 664 0321 from within the UK or on +44 20 8639 3399 if calling from outside the UK.

All times referred to in this announcement are London times.

Certain terms used in this announcement are defined in the Offer Document.

Settlement of consideration

Settlement will be effected on or before 10 February 2010 for Church House Trust Shareholders who have validly accepted the Offer prior to today's date. Settlement for Church House Trust Shareholders who validly accept the Offer after today's date will be effected within 14 days of receipt of their valid acceptance. Further details of settlement arrangements in relation to the Offer are set out in the Offer Document.

Compulsory acquisition

If Virgin Money does not receive acceptances for 100 per cent. of the Church House Trust Shares it intends to apply the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 to compulsorily acquire all remaining Church House Trust Shares to which the Offer relates in respect of

which it has not received valid acceptances or which it has not otherwise acquired. Any Church House Trust Shares that Virgin Money acquires in this way will be acquired on the same terms as the Offer. As Virgin Money has received valid acceptances in respect of over 90 per cent. by nominal value and voting rights of the Church House Trust Shares to which the Offer relates, it is entitled to do this.

Other

It is intended that Virgin Money will pass the necessary resolutions and take all other necessary steps as required under the relevant provisions of the Companies Act 2006 to re-register Church House Trust as a private limited company.

Enquiries

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Responsibility

The directors of Virgin Money accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the directors of Virgin Money (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for

which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of that information.

Advisers

Quayle Munro Limited which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser exclusively for Virgin Money and for no-one else in connection with the Offer and will not be responsible to anyone other than Virgin Money for providing the protections afforded to its clients, nor for giving advice in relation to the Offer, the contents of this announcement, the Offer Document or any matter or arrangement referred to herein or therein.

Europa Partners Limited which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser exclusively for Church House Trust and no one else in connection with the Offer and will not be responsible to anyone other than Church House Trust for providing the protections afforded to its clients, nor for giving advice in relation to the Offer, the contents of this announcement, the Offer Document or any matter or arrangement referred to herein or therein.

This announcement

This Announcement is not intended to and does not constitute or form any part of, an offer to sell or an invitation to purchase or the solicitation of an offer to subscribe for any securities. The Offer will be made solely by the Offer Document and the Form of Acceptance, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any acceptance or other response in relation to the Offer should be made only on the basis of the information contained in the Offer Document and the Form of Acceptance.

No person has been authorised to give any information or make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied upon as having been authorised.

Overseas Jurisdictions

The making of the Offer (including the Loan Note Alternative) to persons resident in, or nationals or citizens of, jurisdictions outside the United Kingdom ("Overseas Shareholders") and the availability of Loan Notes in such jurisdiction or to such persons who are custodians, nominees, guardians or trustees for such persons may be prohibited or affected by the laws of the relevant jurisdiction. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any Overseas Shareholder wishing to accept the Offer or elect for Loan Notes to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such Overseas Shareholder shall be responsible for any such issue, transfer or other taxes or duties or other payments by whomsoever payable and Virgin Money and Quayle Munro (and any person acting on behalf of any of them) shall be fully indemnified and held harmless by such Overseas Shareholders for any such issue, transfer or other taxes or duties or other payments which Virgin Money or Quayle Munro (and any person acting on behalf of them) may be required to pay. If you are an Overseas Shareholder and you are in doubt about your position you should consult your professional adviser in the relevant jurisdiction.

The Offer (including the Loan Note Alternative) is not being made, directly or indirectly, in or into or by use of the mails of, or by any means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, the United States, Australia, Canada or Japan or any area subject to its jurisdiction or any political division thereof, nor is it being made in any other Restricted Jurisdiction and the Offer cannot be accepted by any such use, means or instrumentality or otherwise from within the United States, Australia, Canada or Japan or any other Restricted Jurisdiction. Copies of the Offer Document, the Form of Acceptance and any related documents are not being (unless determined otherwise by Virgin Money in its sole discretion), and must not be,

mailed or otherwise distributed or sent in, into or from the United States, Australia, Canada or Japan or any other Restricted Jurisdiction including to Church House Trust Shareholders or participants in the Church House Trust Share Schemes with registered addresses in the United States, Australia, Canada or Japan or any other Restricted Jurisdiction or to persons whom Virgin Money or Quayle Munro know to be custodians, trustees or nominees holding Church House Trust Shares for persons with registered addresses in the United States, Australia, Canada or Japan or any other Restricted Jurisdiction. Persons receiving those documents (including, without limitation, custodians, nominees and trustees) should not distribute, mail or send them in, into or from the United States, Australia, Canada or Japan or any other Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly in connection with the Offer, and so doing may render any purported acceptance of the Offer invalid.

Persons wishing to accept the Offer (including the Loan Note Alternative) must not use the mails of the United States, Australia, Canada or Japan or any other Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. All Church House Trust Shareholders (including nominees, trustees or custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward the Offer Document and/or Form of Acceptance, should read the further details in this regard which will be contained in the Offer Document before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be postmarked in the United States, Australia, Canada or Japan or any other Restricted Jurisdiction or otherwise despatched from such jurisdictions and all acceptors must provide addresses outside the United States, Australia, Canada or Japan or any other Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or for the return of the Form of Acceptance or documents of title.