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13 November 2014

**PUBLICATION OF PROSPECTUS**

Virgin Money has today published a Prospectus in connection with its initial public offering of ordinary shares announced earlier today. The Prospectus relates to the proposed admission of the Company's ordinary shares to the premium listing segment of the Official List maintained by the Financial Conduct Authority and to trading on the London Stock Exchange.

The Prospectus has been approved by the UK Listing Authority. Copies of the Prospectus are available free of charge during normal business hours from the registered office of the Company and will shortly be made available for inspection on the website of the Company ([www.virginmoney.com/ipo-prospectus](http://www.virginmoney.com/ipo-prospectus)).

The Prospectus has also been submitted to the National Storage Mechanism and will shortly be available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM).

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This announcement is an advertisement for the purposes of the Prospectus Rules of the FCA and not a prospectus and investors should not purchase or subscribe for any securities referred to in this announcement except on the basis of information in the Prospectus in its final form published by the Company in connection with Admission. Copies of the Prospectus will be available shortly from the Company's registered office and online at <http://uk.virginmoney.com>.

This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Ordinary Shares or other securities to any person in Australia, Canada, Japan, South Africa, the United States or in any other jurisdiction to whom or in which such offer or solicitation is unlawful nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, or act as an inducement to enter into any contract or commitment whatsoever. The Offer and the distribution of this announcement and other information in connection with the Offer and Admission in certain jurisdictions may be restricted by law and persons into whose possession this announcement, any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The securities referred to herein may not be offered or sold, directly or indirectly, in the United States unless registered under the US Securities Act of 1933, as amended (the "US Securities Act") or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. The offer and sale of securities referred to herein has not been and will not be registered under the US Securities Act.

This announcement is only addressed to and directed at persons in member states of the European Economic Area ("EEA") who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ("Directive 2003/71/EC"), as amended ("Qualified Investors"). In addition, in the United Kingdom, this announcement is addressed and directed only at Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, and (iii) to persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "relevant persons"). Any investment or investment activity to which this announcement relates is available only to relevant persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom, and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. Save as required by law or regulation, the Company does not undertake to release publicly the results of any revisions to any forward-looking statements in this announcement that may

occur due to any change in its expectations or to reflect events or circumstances after the date of the announcement.

The Company expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information future developments or otherwise.

Goldman Sachs International, Merrill Lynch International, Barclays Bank PLC, Citigroup Global Markets Limited and Stifel Nicolaus Europe Limited (trading as Keefe, Bruyette & Woods) (together, the "Banks") are (i) authorised and regulated by the FCA in the United Kingdom and (ii) authorised by the PRA (other than Stifel Nicolaus Europe Limited (trading as Keefe, Bruyette & Woods)). The Banks are acting exclusively for the Company, the Institutional Selling Shareholders and the EBT and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offer and will not be responsible to anyone other than the Company, the Institutional Selling Shareholders and the EBT for providing the protections afforded to their respective clients nor for providing advice in relation to the Offer or any transaction or arrangement or other matter referred to in this Prospectus.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed by any person for any purpose whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change and does not purport to be full or complete. None of the Company, the Selling Shareholders or the Banks undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies. This announcement has not been approved by any competent regulatory authority.

In connection with the Offer, each of the Banks or any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus to the Ordinary Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Banks or any of their respective affiliates acting as investors for their own accounts. In addition, certain of the Banks or their affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Ordinary Shares. The Banks or any of their respective affiliates do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Banks or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation, warranty or undertaking, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

The Offer timetable, including the date of Admission, may be influenced by a range of factors such as market conditions. There is no guarantee that Admission will occur. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. The value of Ordinary Shares can go down as well as up. Potential investors should consult a professional advisor as to the suitability of the Offer for the person concerned. Past performance cannot be relied upon as a guide to future performance.

In connection with the Offer, BofA Merrill Lynch, as stabilising manager (the "Stabilising Manager"), or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Ordinary Shares or effect other transactions with a view to supporting the market price of the Ordinary Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising

transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of Ordinary Shares above the Offer Price. Except as required by law or regulation, neither the Stabilising Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

In connection with the Offer, the Stabilising Manager may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 10 per cent. of the total number of Ordinary Shares comprised in the Offer. For the purposes of allowing the Stabilising Manager to cover short positions resulting from any such over-allotments and/or from sales of Ordinary Shares effected by it during the stabilising period, the Over-allotment Shareholders have granted to it the Over-allotment Option, pursuant to which the Stabilising Manager may purchase or procure purchasers for additional Over-allotment Shares up to a maximum of 10 per cent. of the total number of Ordinary Shares comprised in the Offer at the Offer Price. The Over-allotment Option is exercisable, in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional dealings of the Ordinary Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on the Ordinary Shares, will be purchased on the same terms and conditions as the Ordinary Shares being sold in the Offer and will form a single class for all purposes with the other Ordinary Shares.