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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE OR AS TO THE TERMS ON WHICH ANY FIRM OFFER MIGHT BE MADE

**VIRGIN MONEY HOLDINGS (UK) PLC** (the *Company* or *Virgin Money*)  
ISIN: GB00BQ8P0644

7 May 2018

### **Response to Press Speculation**

Virgin Money Holdings (UK) plc ("Virgin Money") notes the press speculation, and confirms that on the evening of 7 May 2018, it received a preliminary and conditional proposal from CYBG to acquire the entire issued and to be issued share capital of Virgin Money. Under the terms of the proposal, Virgin Money shareholders would receive 1.1297 new CYBG shares for each Virgin Money share. The Board of Virgin Money is in the process of reviewing this proposal.

There can be no certainty either that an offer will be made nor as to the terms of any offer, if made. Accordingly, shareholders are advised to take no action in relation to this proposal.

A further announcement will be made in due course.

In accordance with Rule 2.6(a) of the Code, Virgin Money announces that, by not later than 5.00 pm on 4 June 2018, CYBG must either announce a firm intention to make an offer for Virgin Money under Rule 2.7 of the Code or announce that it does not intend to make an offer for Virgin Money, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

This announcement is being made without the consent of CYBG.

The person responsible for arranging for the release of this announcement on behalf of Virgin Money is Katie Marshall.

## **ENQUIRIES:**

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### ***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant*

*securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

**Additional information**

*Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting for Virgin Money and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of Goldman Sachs International, or for giving advice in connection with the matters described in this announcement or any matter referred to herein.*

**Publication on Website**

*A copy of this announcement will be made available at [www.virginmoney.com](http://www.virginmoney.com) no later than 12.00 noon (London time) on 8 May 2018 (being the business day following the date of this announcement) in accordance with Rule 26.1(a) of the Code. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.*

**Rule 2.9 Disclosure**

*In accordance with Rule 2.9 of the Code, as at the close of business on 4 May 2018, Virgin Money confirms that it had in issue 445,442,008 ordinary shares of 0.01 pence each. The International Securities Identification Number (ISIN) for Virgin's ordinary shares is GB00BQ8P0644.*