



Result of Meeting

Released : 10/09/2018 13:24

RNS Number : 3002A
Virgin Money Holdings (UK) PLC
10 September 2018

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FOR IMMEDIATE RELEASE

10 September 2018

RECOMMENDED ALL-SHARE OFFER

for

VIRGIN MONEY HOLDINGS (UK) PLC ("VIRGIN MONEY")

by

CYBG PLC ("CYBG")

**to be effected by means of a scheme of arrangement
under Part 26 of the Companies Act 2006**

RESULTS OF VIRGIN MONEY SHAREHOLDER MEETINGS

The Boards of Virgin Money and CYBG are pleased to announce that, at the Court Meeting and the General Meeting held earlier today in connection with the recommended all-share offer by CYBG for the entire issued and to be issued ordinary share capital of Virgin Money (the "**Offer**") to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**"), all the resolutions proposed were duly passed.

Full details of the resolutions passed are set out in the notices of the Court Meeting and General Meeting contained in the scheme document dated 31 July 2018 (the "**Scheme Document**"), which, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, is available on Virgin Money's website at <https://uk.virginmoney.com/virgin/investor-relations/>.

Voting results of the Court Meeting

The Scheme was approved by the requisite majority on a poll vote at the Court Meeting held at 11.00 a.m. on 10 September 2018. A majority in number of the Scheme Shareholders who voted (and who were entitled to vote), either in person or by proxy, representing over 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders present and voting, voted to approve the Scheme.

The results of the poll at the Court Meeting held on 10 September 2018 were as follows:

Results of Court Meeting	Number of Scheme Shares voted	Percentage of Scheme Shares voted	Number of Scheme Shareholders who voted	Percentage of Scheme Shareholders who voted	Number of Scheme Shares voted as a percentage of issued ordinary share capital entitled to vote on the Scheme
FOR	326,022,821	99.98	205	93.61	73.09
AGAINST	55,708	0.02	14	6.39	0.01
TOTAL	326,078,529	100.0	219	100.0	73.10

Voting results of the General Meeting

The Resolutions were passed by the requisite majority on a poll vote at the General Meeting held at 11.15 a.m. on 10 September 2018.

The results of the poll at the General Meeting held on 10 September 2018 were as follows:

Ordinary Resolutions	FOR		AGAINST		TOTAL	WITHHELD*
	No. of eligible Votes	% eligible Votes	No. of eligible Votes	% eligible Votes	No. of eligible Votes	No. of eligible Votes
<i>Resolution 1</i> To approve, for the purposes of Note 2 to Rule 16 of the City Code on Takeovers and Mergers, the amendment and restatement of the trade mark licence dated 1 October 2014, as set out in the Notice of the General Meeting.	170,260,213	99.94	109,483	0.06	170,369,696	15,512
<i>Resolution 2</i> To approve, for the purposes of Listing Rule 11.1.7R(3), the amendment and restatement of the trade mark licence dated 1 October 2014, as set out in the Notice of the General Meeting.	170,315,449	99.97	54,247	0.03	170,369,696	15,512
Special Resolution	No. of Votes	% Votes	No. of Votes	% Votes	No. of Votes	No. of Votes
<i>Resolution 3</i> To give effect to the Scheme, including the amendments to the articles of association of Virgin Money, as set out in the Notice of General Meeting.	325,319,992	99.97	109,483	0.03	325,429,475	76,186
Ordinary Resolution	No. of Votes	% Votes	No. of Votes	% Votes	No. of Votes	No. of Votes
<i>Resolution 4</i> To approve the amendment of the directors' remuneration policy, as set out in the Notice of General Meeting.	280,801,260	86.95	42,126,622	13.05	322,927,882	2,577,779

Notes:

* A vote withheld is not a vote in law and counts neither "For" nor "Against" a Resolution.

The Offer was also approved by the shareholders of CYBG at the CYBG General Meeting which was also held today.

Commenting on the results of the Meetings, Jayne-Anne Gadhia said:

"I am delighted with the support from our shareholder base in approving the recommended all-share offer for Virgin Money by CYBG. Bringing together the complementary strengths of Virgin Money and CYBG will create the UK's first true national competitor in UK banking, improving competition and choice for all UK consumers, while enabling the Virgin Money franchise to continue to flourish."

Completion of the Offer remains subject to a number of conditions including (but not limited to) those relating to the Prudential Regulation Authority and the Financial Conduct Authority as well as the Court sanctioning the Scheme at the Court Hearing which is expected to take place in the fourth quarter of 2018.

The total number of Virgin Money shares in issue at close of business on Friday 7 September 2018, being the latest practicable business day prior to the General Meeting, was 446,067,336 ordinary shares of 0.01 pence per share, each with one vote and 10,052,161 Deferred Shares of 0.1 pence per share (held in treasury), with no voting rights.

A copy of the special resolution passed at the General Meeting has been submitted to the Financial Conduct Authority and will shortly be available for inspection on the National Storage Mechanism at www.morningstar.co.uk/uk/NSM/.

Except as otherwise defined herein, capitalised terms used but not defined in this Announcement have the same meanings as given to them in the Scheme Document dated 31 July 2018.

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Important notices

Goldman Sachs International ("Goldman Sachs"), 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 Offer and the Related Party Transaction or any other matter set out in this Announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of Goldman Sachs, or for giving advice in connection with the Offer or any matter or arrangement referred to in this document.

Citigroup Global Markets Limited ("Citi"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Virgin Money and no one else in connection with the matters set out in the Offer or any other matter set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Virgin Money for providing the protections afforded to clients of Citi nor for providing advice in relation to any matter referred to herein.

Restrictions in overseas jurisdictions

The distribution of this announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a

violation of the securities laws of such jurisdiction. Neither this announcement nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

This announcement has been prepared for the purposes of complying with English law, the Takeover Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdiction where to do so would violate the laws of that jurisdiction.

Notice to United States Virgin Money Shareholders

The Offer relates to the shares of an English company and is being effected by means of a Scheme under the laws of England and Wales. A transaction effected by means of a Scheme is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended (the US Exchange Act). Accordingly, the Offer is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements, style and format of US proxy solicitation or tender offer rules. However, CYBG reserves the right, subject to the prior consent of the Panel and in accordance with the Co-operation Agreement, to elect to implement the Offer by means of a Takeover Offer for the entire issued and to be issued ordinary share capital of Virgin Money, as an alternative to the Scheme. If CYBG were to elect to implement the Offer by means of a Takeover Offer, it shall be made in compliance with all applicable laws and regulations. If such a Takeover Offer is required to be made in the United States, it will be done in compliance with the applicable tender offer rules under the US Exchange Act, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. In addition to any such Takeover Offer, CYBG certain affiliated companies or their nominees or brokers (acting as agents) may, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, make certain purchases of, or arrangements to purchase, Virgin Money Shares outside the Takeover Offer, during the period in which such Takeover Offer would remain open for acceptance and/or the Scheme becomes Effective, lapses or is withdrawn. If such purchases or arrangements to purchase were to be made, they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Such purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at <http://www.londonstockexchange.com/prices-and-news/prices-news/home.htm>.

Forward-looking statements

This announcement, oral statements made regarding the Offer, and other information published by CYBG and Virgin Money contain statements which are, or may be deemed to be, "forward-looking statements". All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on assumptions, expectations, valuations, targets, estimates, forecasts and projections of CYBG and Virgin Money about future events, and are therefore subject to risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "budget", "targets", "aims", "scheduled", "estimates", "forecast", "intends", "anticipates", "seeks", "prospects", "potential", "possible", "assume" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although CYBG and Virgin Money believe that the expectations reflected in such forward-looking statements are reasonable, CYBG and Virgin Money can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risks (known and unknown) and uncertainties (and other factors that are in many cases beyond the control of CYBG and/or Virgin Money) because they relate to events and depend on circumstances that may or may not occur in the future.

There are a number of factors that could affect the future operations of the CYBG Group, the Virgin Money Group and/or the Combined Group and that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction (or, where permitted, waiver) of the Conditions, as well as additional factors, such as: domestic and global business and economic conditions; asset prices; market related risks such as fluctuations in interest rates and exchange rates, industry trends, competition, changes in government and regulation, changes in the policies and actions of governments and/or regulatory authorities (including changes related to capital and tax), changes in political and economic stability (including exposures to terrorist activities, the repercussions of the UK's referendum vote to leave the European Union (EU), the UK's exit from the EU (including any changes to the UK currency), Eurozone instability, any referendum on Scottish independence), disruption in business operations due to reorganisation activities, interest rate, inflation, deflation and currency fluctuations, the timing impact and other uncertainties of future or planned acquisitions or disposals or offers, the inability of the Combined Group to realise successfully any anticipated synergy benefits when the Offer is implemented (including changes to the board and/or employee composition of the Combined Group), the inability of the CYBG Group to integrate successfully the Virgin Money Group's operations and programmes when the Offer is implemented, the Combined Group incurring and/or experiencing unanticipated costs and/or delays (including IT system failures, cyber-crime, fraud and pension scheme liabilities), or difficulties relating to the Offer when the Offer is implemented. In particular, the capital position of the Combined Group is subject to confirmation of the regulatory treatment of the existing capital instruments issued by CYBG and Virgin Money post completion of the Offer, which is dependent on the final legal structure of the Combined Group. Other unknown or unpredictable factors could affect future operations and/or cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors.

Each forward-looking statement speaks only as of the date of this announcement. Neither CYBG Group nor Virgin Money Group, nor any of their respective associates or directors, officers or advisers, provides any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Forward looking statements involve inherent risks and uncertainties. All forward-looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Takeover Code, the Listing Rules and the Disclosure Guidance and Transparency Rules), neither the CYBG Group nor the Virgin Money Group is under or undertakes any obligation, and each of the foregoing expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing and Opening Position 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, 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.

Publication on website

A copy of this announcement will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), on Virgin Money's website at <https://uk.virginmoney.com/virgin/investor-relations/offer-from-cybg/> and on CYBG's website at <https://www.cybg.com/investor-centre/> by no later than 12.00 noon (London time) on 11 September 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.

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