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COMP/M. M.6442 - VIRGIN MONEY / NORTHERN ROCK

SECTION 1.2

Description of the concentration

On 17 November 2011, the Commission received notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No. 139/2004 under which Virgin Money

Holdings (UK) Limited will acquire the entire issued share capital of Northern Rock plc. Virgin Money Holdings (UK) Limited is jointly controlled by Virgin Financial Services UK Holdings Limited, a subsidiary of Virgin Group Holdings Limited, and WLR IV VM LLC, a special purpose vehicle whose underlying investors are ultimately controlled by WL Ross Group, L.P.

The Virgin Money group has approximately three million customers in the UK and offers a range of financial products to consumers including credit cards, insurance products (home, car, pet, travel and life), investment products, pensions, savings and mortgages along with Virgin Money Giving, its not-for-profit fundraising enterprise. For further details on Virgin Money, please see <http://uk.virginmoney.com/virgin>.

The Virgin Group is a branded venture capital organisation investing in sectors ranging from mobile telephony to transportation, travel, financial services, media and fitness. The group's core business areas are travel, entertainment and lifestyle, operating under well-known brands such as Virgin Atlantic, Virgin Trains, Virgin Media, Virgin Active and Virgin Holidays. For further details on the Virgin Group, please see www.virgin.com.

WLR is a New York based private equity firm, which invests in and restructures financially distressed companies. It is an affiliate of WL Ross & Co. LLC and Invesco, whose Chairman and President is Wilbur L. Ross, Jr. For further details please see <http://www.wlross.com>. Northern Rock has a network of 76 branches across the UK and serves over one million customers. Its product portfolio focuses on savings and mortgages, and a modest personal current account offering.

For more information on Northern Rock, please see <http://www.northernrock.co.uk>.

The area concerned by the transaction is therefore retail banking in the UK. There are no vertically affected markets.