

# Dear Northern Rock customers,

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Over the past two months, Virgin has been working hard on a proposal to save Northern Rock and rebuild its financial strength.

I have been personally very committed to finding the right solution to the company's issues and I'm delighted to tell you that the Northern Rock Board has chosen to progress with us.

Although there is still work to be done and regulatory approval to be received before we can complete the final transaction, with the support of Northern Rock we're working hard with the Government and the Bank of England to deliver our plans for strengthening Northern Rock.

At the heart of the Virgin proposal is a commitment to:

- Protect the savings of existing Northern Rock customers. The Government's guarantee arrangements will continue until they are no longer needed
- Put the business on a solid financial footing with a multi-billion pound new equity and funding arrangement
- Stop the business being broken up and disbanded - saving thousands of jobs
- Put in place top quality management with world-class experience of banking
- Continue to support the Northern Rock charitable foundation - which does so much good work.

We will achieve all this without additional burden on the taxpayer and we will offer shareholders the opportunity to participate in the future growth of the business.

At Virgin we have always seen change as a force for good and we have some exciting plans that will not only bring about a fresh start for Northern Rock but also provide real benefits to you as an existing customer. I look forward to sharing these with you in the future.

It only remains for me to thank you for your support through what has been a very difficult time. I have the greatest respect for customers and I hope that you will continue to be a valued customer of our new and exciting bank.

Yours sincerely



Richard Branson



**A fresh start for Northern Rock.**

