



MEDIA RELEASE

FINANCIAL MARKETS SET FOR MORE SURGERY FROM VIRGIN

3 June 2004 – Virgin Money is ready to take on new financial markets to provide Australians with better service and value for money, following the phenomenal success of its no annual fee, low interest credit card launched in May last year.

During its first 12 months, Virgin Money has issued over [a third of a million](#) Virgin Credit Cards to build Australia's fastest growing new credit card business.

Independent research house CANNEX has recently calculated that an average Australian credit card holder could have saved \$127 in the past year in annual fees and interest rates by choosing Virgin credit card.¹

"That's [an average of \\$127 per person](#) in credit card charges that our cardholders are reclaiming from the pockets of the incumbents," said Rohan Gamble, Managing Director of Virgin Money.

"It's no wonder that Australians have swooped on our offer and the Virgin Credit Card now represents approximately 20% of all new credit cards issued nationally."

Mr Gamble said he was surprised by how blind the established credit card providers have been to the impact of competition.

"In the same year that we've brought real competition to the card industry, the incumbents have reduced rewards programs, increased interest rates and jacked up credit card fees by a record 38%.² It's those actions that have helped drive so many of their customers into our arms," Mr Gamble said.

Virgin Money is actively exploring which financial services product it will target next and is seeking public opinion on the areas most in need of Virgin's brand of 'emergency surgery'. Some of the potential items on Virgin Money's 'hit list' are personal loans, mortgages, deposit accounts, general insurance and investment products.

Mr Gamble said, "Virgin has a proud history of entering industries and markets with a significantly better offer than consumers are used to, and we see a real opportunity for Virgin Money to become a broad-based provider of retail financial services in Australia. We won't rest until we've delivered real competition across the industry."

The success of the Virgin Credit Card in Australia has helped the Virgin Money Group to generate a post-tax profit for the first time in 2003. The company, which last month became 100% owned by Virgin Group, made a post-tax profit of £1.8 million (A\$4.6 million), maintaining the positive trend of recent years.

Paul Pester, Chief Executive Officer of Virgin Money Group, commented, "All in all, 2003 was undoubtedly Virgin Money's best ever year. We're now superbly placed to realise our potential as a major force in retail financial services worldwide."

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1. Calculated by Cannex based on RBA Credit Card data for May 2003 to March 2004.
2. RBA May 2004.

For further information or an interview please contact:

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About Virgin Money:

Virgin Money launched in Australia in May 2003 to shake up the financial services industry. Virgin Money's first product, the Virgin Credit Card, is the first in Australia to combine a low interest rate, no annual fees and up to 55 interest free days with valuable, instant rewards. There's no funny stuff, just money stuff. <http://virginmoney.com.au>

In the UK, Virgin Money offers a wide range of financial products including credit cards, personal loans, savings account, insurance, unit trusts, pensions, share dealing and general insurance.