

AGREEMENT

London, UK – 17 December 2003

Virtue Broadcasting Plc (“the Company”) today announces that it has reached a compromise agreement with the liquidators of Tornado Entertainment Limited (“TEL”), its former subsidiary, regarding a claim made by the Company over a £200,000 bank deposit account held by TEL.

Danske Bank A/S has agreed to release TEL from a fixed charge over a deposit supporting a £200,000 loan outstanding to one of the Company’s subsidiaries and TEL has agreed to pay £100,000 to the Company.

As a result, an exceptional income of £100,000 will be recorded in the profit and loss account of the Company for the year ending 31 December 2003.

For more information contact:

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