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VIRGIN RADIO HOLDINGS LIMITED

Minutes of a meeting of the directors of Virgin Radio Holdings Limited (the *Company*) held on 29 June 2007 at 2pm

PRESENT: William George Watt (Chairman)
Robert Woodward

QUORUM AND NOTICE

1. It was reported that notice of the meeting had been given to all those entitled to receive it. It was noted that a quorum was present and the meeting proceeded to business.

PURPOSE

2. The Chairman explained that the purpose of the meeting was to consider a proposal that the Company should re-organise its share capital and take steps to make itself (and one of its subsidiaries, Virgin Radio Limited) cash free and debt free in advance of its proposed initial public offering and in particular to consider:

- (a) the issue of 5 ordinary shares of 1p each to The Ginger Media Group Limited (*GMG*) for an aggregate consideration of 5p;
- (b) the consolidation of the existing 6,039,300 ordinary shares of 1p each into 603,930 ordinary shares of 10p each,
- (c) the conversion of the existing 3,893,522 8% redeemable preference shares of £1 each and a sub-division into 38,935,220 ordinary shares of 10p each ((b) and (c) together, the *Share Re-organisation*); and
- (d) the approval of the repayment of certain inter-company balances between the Company and certain other companies within the SMG plc group,
- (e) the approval of the payment of certain dividends to the Company's sole shareholder, and
- (f) the approval of the sale of the entire issued share capital of two of the Company's subsidiaries, Dollshouse Films Limited and Virgin Classic Rock Limited, to GMG.

DOCUMENTS PRODUCED TO THE MEETING

3 There were produced to the meeting:



- (a) a sole member's written resolution (i) to approve the cancellation of the existing but unissued authorised share capital and (ii) to increase the authorised share capital by 5p to £3,953,915 (*Resolution A*),
- (b) a sole member's written resolution (i) to approve the Share Re-organisation and (ii) to approve the adoption of new articles of association of the Company (*Resolution B*),
- (c) draft new articles of association of the Company;
- (d) the form of notice of consolidation, conversion and sub-division to be signed by an officer of the Company (a *Form 122*);
- (e) a draft of the demerger structure paper dated 20 June 2007 (the *Demerger Structure Paper*), and
- (f) a sale and purchase agreement (*SPA*) between the Company and GMG proposing the sale of two of the Company's subsidiaries, Dollshouse Films Limited and Virgin Classic Rock Limited, to GMG.

ADJOURNMENT

4 The meeting was then adjourned for the Company's sole shareholder to consider Resolution A.

RESUMPTION

5 On resumption of the meeting, the Chairman reported that Resolution A had been passed

ISSUE OF NEW ORDINARY SHARES

6 **IT WAS RESOLVED THAT** 5 ordinary shares of 1p each be issued and allotted, fully paid at par, to GMG with immediate effect. The entry of GMG's shareholding was made in the share register

SALE AND PURCHASE AGREEMENT

7 **IT WAS RESOLVED THAT** the SPA be executed.

ADJOURNMENT

8. The meeting was then adjourned for the Company's sole shareholder to consider Resolution B. Prior to the passing of Resolution B, it was necessary for interim accounts of the Company to be drawn up which would enable a reasonable judgement to be made of the profits, losses, assets and liabilities of the Company and provisions in respect of depreciation, the diminution in value of assets, retentions to meet liabilities and the Company's capital and reserves

9. There were produced to the meeting draft interim accounts of the Company for the period to today's date, showing distributable reserves (after taking account of

the dividends received from Virgin Radio Limited) in excess of the proposed preference and ordinary dividend. The interim accounts were considered by the directors and it was confirmed that, in their opinion, they complied with the requirements for interim accounts referred to above.

10. **IT WAS RESOLVED THAT** the interim accounts be approved

RESUMPTION

11 On resumption of the meeting, the Chairman reported that Resolution B had been passed.

CONSOLIDATION OF ORDINARY SHARES

12 **IT WAS RESOLVED THAT** a consolidation, as approved by Resolution B, be effected of 6,039,300 issued ordinary shares of 1p each into 603,930 ordinary shares of 10p each

CONVERSION OF PREFERENCE SHARES

13 **IT WAS RESOLVED THAT** a conversion, as approved by Resolution B, be effected as set out in the resolution, forthwith upon payment of the preference dividend referred to in the resolution

APPROVALS AND AUTHORISATION

14 **IT WAS RESOLVED THAT** any director or the Company Secretary be authorised to do all things as he may in his or her discretion consider necessary or desirable (including without limitation approving the terms of and executing any document on behalf of the Company) in connection with the Share Re-organisation.

PAYMENT OF INTER-COMPANY BALANCES AND DIVIDENDS

15. **IT WAS RESOLVED THAT** any outstanding inter-company balances between the Company and certain other companies within the SMG plc group be settled and that the Company pay certain dividends to the Company's sole shareholder, in each case as set out in (and in the sequence set out in) the Demerger Structure Paper but with the exact figures as set out in the schedule attached to these minutes

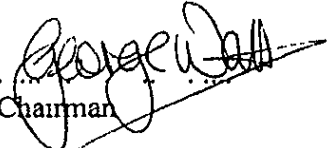
FILINGS

16 The Chairman instructed the Company Secretary to

- (a) arrange for Resolutions A and B, the new articles of association and Forms 88(2), 123 and 122 to be filed at Companies House, and
- (b) enter GMG's name on the Register of Members of the Company as the holder of a total of 39,539,150 ordinary shares of 10p each in the books and registers of the Company and for a replacement share certificate to be issued.

CLOSE OF BUSINESS

17 There being no further business, the meeting closed


Chairman