Documentation to be presented
at the Annual General Meeting of

Modern Times Group MTG AB (publ)

Wednesday 18 May 2011

Agenda

for the Annual General Meeting of Modern Times Group MTG AB (publ) Wednesday 18 May 2011 at 9:30 a.m. CET at the Hotel Rival, Mariatorget 3 in Stockholm.

PROPOSED AGENDA

1. Opening of the Meeting.

2. Election of Chairman of the Annual General Meeting.

3. Preparation and approval of the voting list.

4. Approval of the agenda.

5. Election of one or two persons to check and verify the minutes.

6. Determination of whether the Annual General Meeting has been duly convened.

7. Statement by the Chairman of the Board on the work of the Board of Directors.

8. Presentation by the Chief Executive Officer.

9. Presentation of the Annual Report, the Auditors' Report and the consolidated financial statements and the Auditors' Report on the consolidated financial statements.

10. Resolution on the adoption of the income statement and Balance Sheet and of the consolidated income statement and the consolidated Balance Sheet.

11. Resolution on the proposed treatment of the Company's unappropriated earnings or accumulated loss as stated in the adopted Balance Sheet.

12. Resolution on the discharge of liability of the directors of the Board and the Chief Executive Officer.

13. Determination of the number of directors of the Board.

14. Determination of the remuneration to the directors of the Board and the auditors.

15. Election of the directors of the Board and the Chairman of the Board.

16. Determination of the number of auditors.

17. Approval of the procedure of the Nomination Committee.

18. Resolution regarding Guidelines for remuneration to the senior executives.

19. Resolution regarding incentive programme comprising the following resolutions:

- (a) adoption of an incentive programme;
- (b) authorisation to resolve to issue Class C shares;
- (c) authorisation to resolve to repurchase own Class C shares;

(d) transfer of own Class B shares.

20. Resolution to authorise the Board of Directors to resolve on repurchase of own shares.

21. Resolution on amendment of the Articles of Association.

22. Closing of the Meeting.

The Board of Directors' proposals to be presented at the Annual General Meeting of Modern Times Group MTG AB (publ) on Wednesday 18 May 2011

The following proposals are numbered according to the proposed agenda.

DIVIDENDS (Item 11)

The Board of Directors proposes a dividend of SEK 7.50 per share. The record date is proposed to be on 23 May 2011. The dividend is estimated to be paid out by Euroclear Sweden on 26 May 2011.

A motivated statement in connection with the Board of Directors' proposal for treatment of the Company's unappropriated earnings according to Chapter 18, Section 4 of the Companies Act is found in **Appendix 1**.

GUIDELINES FOR REMUNERATION TO THE SENIOR EXECUTIVES (Item 18)

The Annual General Meeting 2011 is asked to decide on the following guidelines, proposed by the Board of Directors, for determining remuneration for MTG's senior executives (below the "**Executives**").

Remuneration guidelines

The objective of the guidelines is to ensure that MTG can attract, motivate and retain senior executives, within the context of MTG's international peer group, which consists of Northern and Eastern European media companies. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the Executives shall consist of a fixed and variable salary in cash, as well as the possibility of participation in an equity based long-term incentive programme and pension schemes. These components shall create a well balanced remuneration reflecting individual performance and responsibility, both short-term and long-term, as well as MTG's overall performance.

Fixed salary

The Executives' fixed salary shall be competitive and based on the individual Executive's responsibilities and performance.

Variable salary

The Executives may receive variable remuneration in addition to fixed salaries. The contracted variable remuneration will generally not exceed a maximum of 75 per cent of the fixed annual salary. The variable remuneration shall be based on the performance of Executives in relation to established goals and targets.

Other benefits

MTG provides other benefits to the Executives in accordance with local practice. Other benefits can include, for example, a company car and company health care. Occasionally, housing allowance could be granted for a defined period.

Pension

The Executives shall be entitled to pension commitments based on those that are customary in the country in which they are employed. Pension commitments will be secured through premiums paid to insurance companies.

Notice of termination and severance pay

The maximum notice period in any Executive’s contract is twelve months during which time salary payment will continue. The Company does not generally allow any additional contractual severance payments to be agreed although there can be occasional cases where this takes place and it should be noted that the Chief Executive Officer is entitled to receive a severance payment equivalent to one month's basic salary per year of service in the Group if he complies with certain conditions.

Deviations from the guidelines

In special circumstances, the Board of Directors may deviate from the above guidelines, for example additional variable remuneration in the case of exceptional performance. In such a case the Board of Directors is obliged to explain the reason for the deviation at the following Annual General Meeting.

There is no deviation during 2010 compared with the remuneration guidelines for the Executives approved by the Annual General Meeting in May 2010.

The auditor’s statement according to Chapter 8, Section 54 of the Companies Act regarding whether there has been compliance with the guidelines on remuneration for senior executives which have applied since the previous Annual General Meeting is found in **Appendix 2**.

PROPOSAL TO IMPLEMENT AN INCENTIVE PROGRAMME (Item 19)

The Board of Directors proposes that the Annual General Meeting resolves to adopt a performance based incentive programme for senior executives and other key employees within the Group in accordance with items 19(a) – 19(d) below. All resolutions are proposed to be conditional upon each other and therefore proposed to be adopted in connection with each other.

PROPOSAL TO ADOPT AN INCENTIVE PROGRAMME (Item 19(a))

The Board of Directors proposes that the Annual General Meeting resolves to adopt a performance based incentive programme (the “**Plan**”). The Plan is proposed to in total include approximately 100 senior executives and other key employees within the Group. The participants in the Plan are required to own shares in MTG. These investment shares can either be shares already held or shares purchased on the market in connection with the notification to participate in the Plan. Thereafter the participants will be granted, free of charge, retention rights, and in certain cases, performance rights and stock options. The proposed Plan has the same structure as the plan that was adopted at the 2010 Annual General Meeting.

Personal investment

In order to participate in the Plan, the employees must own shares in MTG. These shares can either be shares already held or shares purchased on the market in connection with the notification to participate in the Plan. The maximum number of shares which the employee may invest in under the Plan will correspond to a value of approximately 5 – 7 per cent of the employee's annual base salary.

For each share invested under the Plan, the participants will be granted retention rights, and in certain cases, performance rights and stock options by the Company.

General terms

Subject to fulfillment of certain retention and performance based conditions during the period 1 April 2011 – 31 March 2014 (the "**Measurement Period**"), the participant maintaining employment within the Group at the release of MTG's interim report for the period January – March 2014, and subject to the participant maintaining the invested shares during the vesting period ending at the release of the interim report for the period January – March 2014, each retention right and performance right will entitle the participant to receive one Class B share free of charge and each performance option will entitle the participant to purchase one Class B share at a price corresponding to 120 per cent of the share price at grant. Dividends paid on the underlying share will increase the number of shares that each retention right and performance right entitles to in order to treat the shareholders and the participants equally.

Performance conditions

The retention rights, the performance rights and the options are divided into Series A; retention rights and Series B and C; performance rights and options. The number of MTG shares the participant will receive at vesting of retention rights and performance rights and exercise of vested options depends on which category the participant belongs to and on the fulfilment of the following defined retention and performance based conditions:

Series A MTG's total shareholder return on the share (TSR) during the Measurement Period exceeding 0 per cent as entry level.

Series B MTG's average normalised return of capital employed (ROCE) during the Measurement Period being at least 18 per cent as entry level and at least 28 per cent as the stretch target.

Series C MTG's total shareholder return on the shares (TSR) during the Measurement Period being equal to the average TSR for a peer group including CME, ITV, M6, Mediaset, ProSieben, RTL Group, Sky, TF1 and TVN as entry level, and exceeding the average TSR for the peer group with 10 percentage points as the stretch target. When calculating the TSR, March 2011 shall be compared to March 2014. Furthermore, the companies in the peer group which have the highest respectively the lowest TSR, shall be excluded from the calculation.

The determined levels of the conditions include an entry level and a stretch target with a linear interpolation applied between those levels as regards the number of rights and options that vests. The entry level constitutes the minimum level which must be reached in order to enable vesting of the rights and options in that series. If the entry level is reached, the number of rights and options (as applicable) that vest is proposed to be 100 per cent for Series A and 20 percent for Series B and C. If the entry level is not reached, all rights and options (as applicable) in that series lapse. If a stretch target is met, all rights and options (as applicable) remain exercisable in that series. The Board of Directors intends to disclose the outcome of the retention and performance based conditions in the Annual Report of 2014.

Retention rights and performance rights

The retention rights and performance rights shall be governed by the following terms and conditions:

- Granted free of charge after the Annual General Meeting.
- May not be transferred or pledged.
- Vest following the release of the interim report for the period January – March 2014.
- Dividends paid on the underlying share will increase the number of shares that each retention right and performance right entitles to in order to treat the shareholders and the participants equally.
- Vest provided that the holder is still employed by the Group and has maintained the personal investment during the vesting period ending at the release of the interim report for the period January – March 2014.

Options

The options shall be governed by the following terms and conditions:

- Granted free of charge after Annual General Meeting.
- Each option entitles the participant to acquire one Class B share in the Company. The exercise price shall be 120 per cent of the market value on the date of the allocation of the option.
- May not be transferred or pledged.
- May be exercised following the release of the interim report for the period January – March 2014 and up until 29 August 2014.
- No entitlement to compensation for dividend on the underlying shares under the term of the option.
- Vest provided that the holder is still employed by the Group and has maintained the personal investment during the vesting period ending at the release of the interim report for the period January – March 2014.

Preparation and administration

The Board of Directors, or a committee established by the Board for these purposes, shall be responsible for preparing the detailed terms and conditions of the Plan, in accordance with the mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to the Plan to meet foreign regulations or market conditions. The Board may also make other adjustments if significant changes in the Group, or its operating environment, would result in a situation where the decided terms and conditions for the personal investment, and the allotment and vesting of retention rights, performance rights and options under the Plan become irrelevant.

Allocation

In total, the Plan is estimated to comprise up to 19,850 shares held by the employees entitling to allotment of up to 215,650 rights and options, whereof 19,850 retention rights, 97,900 performance rights and 97,900 options. The participants are divided into different categories and the Plan will comprise the following number of invested shares and the maximum number of rights and options in accordance with the above mentioned principles and assumptions:

- the CEO: may acquire up to 1,900 shares within the Plan and will be granted 1 Series A right, 4 rights each of Series B and C, and 4 options each of Series B and C per invested share;
- category 1 (approximately 10 persons): may acquire up to 600 shares within the Plan and will be granted 1 Series A right, 4 rights each of Series B and C, and 4 options each of Series B and C per invested share;
- category 2 (approximately 10 persons): may acquire up to 250 shares within the Plan and will be granted 1 Series A right, 3 rights each of Series B and C, and 3 options each of Series B and C per invested share;
- category 3 (approximately 20 persons): may acquire up to 175 shares within the Plan and will be granted 1 Series A right, 2 rights each of Series B and C, and 2 options each of Series B and C per invested share;
- category 4 (approximately 10 persons): may acquire up to 100 shares within the Plan and will be granted 1 Series A right, 2 rights each of Series B and C and 2 options each of Series B and C per invested share; and
- category 5 (approximately 50 persons): may acquire up to 100 shares within the Plan and will be granted 1 Series A right per invested share.

Scope and costs of the Plan

The Plan will be accounted for in accordance with IFRS 2 which stipulates that the rights and options should be recorded as a personnel expense in the income statement during the vesting period. Based on the assumptions that the share price is SEK 485 (closing share price of the MTG Class B share on 5 April 2011) at the time of allocation, that each participant makes the maximum personal investment, that the annual employee turnover is 10 per cent among the participants of the Plan, an average fulfillment of performance conditions of approximately 50 per cent and full vesting the total cost, exclusive of social security costs, for the Plan is estimated to approximately SEK 23 million. The cost will be allocated over the years 2011-2014.

Social security costs will also be recorded as a personnel expense in the income statement by current reservations. The social security costs are estimated to be around SEK 7 million with the assumptions above and an average social security tax rate of 23 per cent and an annual share price increase of 10 per cent during the vesting period.

The participant's maximum profit per right and option in the Plan is SEK 1,294 which corresponds to three times the average closing share price of the MTG Class B shares during February 2011. If the value of the MTG Class B share at vesting or the profit at exercise of the option exceeds SEK 1,294, the number of shares each right entitles the employee to receive at vesting or the number of shares received at exercise of the options will be reduced accordingly. The maximum dilution is 0.4 per cent in terms of shares outstanding, 0.2 per cent in terms of votes and 0.07 per cent in terms of the estimated Plan cost as defined in IFRS 2 divided by the Company's market capitalisation.

Assuming that a maximum gain of SEK 1,294 per right and option is achieved, all invested shares are held under the Plan and a 100 per cent fulfillment of retention and performance based conditions the maximum cost for the Plan is approximately SEK 42 million in accordance with IFRS 2 and the maximum cost for social charges approximately SEK 64 million.

Information on MTG's other equity-related incentive programmes, reference is made to the Annual Report for 2010, note 25.

Effect on certain key ratios

The impact on basic earnings per share if the Plan had been introduced in 2010 with the assumptions above would result in a dilution of 0.2 per cent or from SEK 53.34 to SEK 53.22 on a proforma basis.

The annual cost of the Plan including social charges is estimated to be approximately SEK 11 million assuming the above assumptions. This cost can be related to the Company's total personnel costs, including social charges, of SEK 1,649 million in 2010.

Delivery of shares under the Plan

To ensure the delivery of Class B shares under the Plan, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to resolve on a directed issue of Class C shares to Nordea Bank AB (publ) in accordance with item 19(b), and further to authorise the Board of Directors to subsequently resolve to repurchase the Class C shares from Nordea Bank AB (publ) in accordance with item 19(c). The Class C shares will then be held by the Company during the vesting period, where after the appropriate number of Class C shares will be reclassified into Class B shares and subsequently be delivered to the participants under the Plan.

The rationale for the proposal

The objective of the proposed Plan is to create conditions to recruit and retain high performing employees in the Group. The Plan has been designed based on the view that it is desirable that senior executives and other key employees within the Group are shareholders in the Company. Participation in the Plan requires a personal investment in MTG shares by each participant. By linking the employee's reward with the development of the Company's profits and increase in value, employee loyalty is rewarded and long-term value growth of the Company is facilitated. Against this background, the Board of Directors is of the opinion that the adoption of the Plan as set out above will have a positive effect on the Group's future development and thus be beneficial for both the Company and its shareholders.

Preparation

MTG's Remuneration Committee has prepared this Plan in consultation with external advisors and major shareholders. The Plan has been reviewed at meetings of the Board of Directors during the end of 2010 and the first months of 2011.

The above proposal is supported by the Company's major shareholders.

AUTHORISATION TO RESOLVE TO ISSUE CLASS C SHARES (Item 19(b))

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the next Annual General Meeting, to increase the Company's share capital by not more than SEK 1,200,000 by the issue of not more than 240,000 Class C shares, each with a ratio value of SEK 5.00. With disapplication of the shareholders' preferential rights, Nordea Bank AB (publ) shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the ratio value of the shares. The purpose of the authorisation and the reason for the disapplication of the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of Class B shares to participants under the Plan.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the Annual General Meeting.

AUTHORISATION TO RESOLVE TO REPURCHASE OWN CLASS C SHARES (Item 19(c))

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the next Annual General Meeting, to repurchase its own Class C shares. The repurchase may only be effected through a public offer directed to all holders of Class C shares and shall comprise all outstanding Class C shares. The purchase may be effected at a purchase price corresponding to not less than SEK 5.00 and not more than SEK 5.10. The total price will not exceed SEK 1,224,000. Payment for the Class C shares shall be made in cash. The purpose of the repurchase is to ensure the delivery of Class B shares under the Plan.

A motivated statement in connection with the Board of Director's proposal to repurchase the Company's own shares according to Chapter 19, Section 22 of the Companies Act is set out in **Appendix 1**.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the Annual General Meeting.

TRANSFER OF OWN CLASS B SHARES (Item 19(d))

The Board of Directors proposes that the Annual General Meeting resolves that Class C shares that the Company purchases by virtue of the authorisation to repurchase its own shares in accordance with item 19(c) above, following reclassification into Class B shares, may be transferred to participants in accordance with the terms of the Plan.

A valid resolution requires approval of shareholders representing at least nine-tenths of both the shares and number of votes represented at the Annual General Meeting.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO RESOLVE ON REPURCHASE OF OWN SHARES (Item 20)

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to pass a resolution on repurchasing the Company's own shares in accordance with the following conditions:

1. The repurchase of Class A and/or Class B shares shall take place on the Nasdaq OMX Stockholm in accordance with the rules regarding purchase and sale of own shares as set out in the Rulebook of Nasdaq OMX Stockholm.
2. The repurchase of Class A and/or Class B shares may take place on one or more occasions for the period up until the next Annual General Meeting.
3. So many Class A and/or Class B shares may, at the most, be repurchased so that the Company's holding does not at any time exceed 10 per cent of the total number of shares in the Company.
4. The repurchase of Class A and/or Class B shares at the Nasdaq OMX Stockholm may occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.
5. Payment for the shares shall be in cash.

The purpose of the authorisation is to give the Board of Directors flexibility to continuously decide on changes to the capital structure during the year and thereby contribute to increased shareholder value.

The Board of Directors shall be able to resolve that repurchase of own shares shall be made within a repurchase programme in accordance with the Commission's Regulation (EC) no 2273/2003, if the purpose of the authorisation and the repurchase only is to decrease the Company's equity.

A motivated statement in connection with the Board of Directors' proposal to authorise the Board to repurchase own shares according to Chapter 19, Section 22 of the Companies Act is found in **Appendix 1**.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the Annual General Meeting.

AMENDMENT OF THE ARTICLES OF ASSOCIATION (Item 21)

Due to amendments to the Swedish Companies Act the Board of Directors proposes that the Annual General Meeting resolves on additions and alterations of Sections 7 and 9 of the Articles of Association.

The Board of Directors proposes an addition to Section 7 involving that the term of office of the auditor shall last until the end of the Annual General Meeting which is held during the fourth financial year after the election. The Board of Directors proposes that Section 7 shall have the following wording.

"The Company shall have no more than three auditors with up to three deputy auditors. *The auditors term of office shall last until the end of the Annual General Meeting which is held during the fourth financial year after the auditor was elected.*"

Regarding Section 9 the Board of Directors proposes that the rules regarding the timetable for the notice convening General Meetings, in Section 9 first paragraph, be deleted from the Articles of Association.

The proposed amendments to the Articles of Association is set forth in **Appendix 3**. The proposed amendments is italicised.

The proposed wording of the Articles of Association is found in **Appendix 4**.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the Annual General Meeting.

The Nomination Committee's proposals to be presented at the Annual General Meeting of Modern Times Group MTG AB (publ) on Wednesday 18 May 2011

The following proposals are numbered according to the proposed agenda.

NOMINATION COMMITTEE PROPOSALS (Items 2 and 13-17)

Election of Chairman of the Annual General Meeting (Item 2)

The Nomination Committee proposes that the lawyer Wilhelm Lüning is appointed to be the Chairman of the Annual General Meeting.

Determination of the number of directors of the Board and election of the directors of the Board and the Chairman of the Board (Item 13 and 15)

The Nomination Committee proposes that the Board of Directors shall consist of eight directors and no deputy directors. The Nomination Committee proposes, for the period until the close of the next Annual General Meeting, the re-election of David Chance, Simon Duffy, Alexander Izosimov, Mia Brunell Livfors, Michael Lynton, David Marcus and Cristina Stenbeck as directors of the Board. Furthermore the Nomination Committee proposes the election of Lorenzo Grabau as a new director of the Board. The Nomination Committee proposes that the Annual General Meeting shall re-elect David Chance as Chairman of the Board of Directors. Finally, it is proposed that the Board of Directors at the Constituent Board Meeting appoints an Audit Committee and a Remuneration Committee within the Board of

Directors. The Nomination Committee's motivated opinion regarding proposal of the Board of Directors is available at the Company's website, www.mtg.se.

Determination of the number of auditors (Item 16)

At the Annual General Meeting 2007 the shareholders appointed accounting firm Ernst & Young AB, with Erik Åström as auditor-in-charge, until the end of the Annual General Meeting 2011 and at the Annual General Meeting 2010 the shareholders appointed accounting firm KPMG AB, with George Pettersson as auditor-in-charge, until the end of the Annual General Meeting 2014. The Nomination Committee now proposes that the Company shall have one (1) accounting firm as auditor. Pursuant to the Nomination Committees proposal that the Company shall have one (1) accounting firm as auditor the task of appointing an auditor is not scheduled to occur until 2014, and will therefore not occur at this 2011 Annual General Meeting.

Determination of the remuneration to the directors of the Board and the auditor (Item 14)

The Nomination Committee proposes that the Annual General Meeting resolve to increase the total Board remuneration from SEK 3,950,000 to SEK 4,875,000 for the period until the close of the next Annual General Meeting in 2012. The proposal includes SEK 1,200,000 to be allocated to the Chairman of the Board, SEK 450,000 to each of the directors of the Board and total SEK 525,000 for the work in the committees of the Board of Directors. The increase for committee work is driven by an increase in number of Audit Committee members from three to four members and not due to an individual increase in committee remuneration. The Nomination Committee proposes that for work within the Audit Committee SEK 200,000 shall be allocated to the Chairman and SEK 75,000 to each of the other three members. For work within the Remuneration Committee SEK 50,000 shall be allocated to the Chairman and SEK 25,000 to each of the other two members. Furthermore, remuneration to the auditor shall be paid in accordance with approved invoices.

Approval of the procedure of the Nomination Committee (Item 17)

The Nomination Committee proposes that the Annual General Meeting approves the following procedure for preparation of the election of the Board of Directors and auditor. The work of preparing a proposal on the directors of the Board and auditor, in the case that an auditor should be elected, and their remuneration as well as the proposal on the Chairman of the Annual General Meeting of 2012 shall be performed by a Nomination Committee. The Nomination Committee will be formed during October 2011 in consultation with the largest shareholders of the Company as per 30 September 2011. The Nomination Committee will consist of at least three members representing the largest shareholders of the Company. The Nomination Committee is appointed for a term of office commencing at the time of the announcement of the third quarter report in 2011 and ending when a new Nomination Committee is formed. The majority of the members of the Committee may not be directors of the Board of Directors or employed by the Company. If a member of the Committee resigns before the work is concluded, a replacement member may be appointed after consultation with the largest shareholders of the Company. However, unless there are special circumstances, there shall not be changes in the composition of the Nomination Committee if there are only marginal changes in the number of votes, or if a change occurs less than three months prior to the Annual General Meeting. Cristina Stenbeck will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Committee Chairman at their first meeting. The Nomination Committee shall have the right to upon request receive personnel resources such as secretarial services from the Company, and to charge the Company with costs for recruitment consultants if deemed necessary.

CV's of proposed Directors of Modern Times Group MTG AB (publ)

David Chance, Chairman of the Board

Born: 1957

Nationality: American and British

Independence: Independent of the Company and management and independent of major shareholders.

Ownership including related physical and legal persons: 1,000 Class B shares

Committee work: Member of the Remuneration Committee.

David has been Chairman of the Board since 2003 and a member of the Board since 1998. David was Deputy Managing Director of the BSkyB Group between 1993 and 1998 and is now Chairman of Top Up TV. He also served as a Non-Executive Director of ITV plc and O2 plc. David graduated with a BA, BSc and MBA from the University of North Carolina.

Simon Duffy, Non-Executive Director

Born: 1949

Nationality: British

Independence: Independent of the Company and management and independent of the major shareholders.

Ownership including related physical and legal persons: 1,750 Class B shares

Committee work: Chairman of the Audit Committee.

Simon has been Director of the Board since 2008. Simon was Executive Chairman of Tradus plc from 2007 until the company's sale in March 2008. Simon is Non-Executive Chairman of bwin.party digital entertainment plc, Cell C (Pty) Limited, mBlox Inc, Cadogan Petroleum plc and Symbiotic Technologies Pty Limited as well as a Non-Executive Director of Oger Telecom Limited. Simon was also Executive Vice-Chairman of ntl:Telewest, until 2007 having joined ntl in 2003 as CEO. Simon has also served as CFO of Orange SA, CEO of wireless data specialist End2End AS, CEO and Deputy Chairman of WorldOnline International BV, and held senior positions at EMI Group plc and Guinness plc. Simon holds a Master's degree from Oxford University and an MBA from Harvard Business School.

Lorenzo Grabau, Proposed Non-Executive Director

Born: 1965

Nationality: Italian

Independece: Independent of the Company and management and independent of the major shareholders.

Ownership including related physical and legal persons: -

Committee work: -

Lorenzo Grabau is being proposed as a new Director of the Board of Modern Times Group MTG AB at the Annual General Meeting in May 2011. He was Managing Director at Goldman Sachs International and Head of EMEA Entrepreneurial Families Group until 2011. Lorenzo held various positions during his career at Goldman Sachs including Head of EMEA Media from 2008 to 2009, Head of EMEA Financial Sponsors Group from 2005 to 2007 and Co-Head of EMEA Media from 2001 to 2005. Between 1994 and 2000 Lorenzo was Head of Goldman Sachs International’s Consumer Retail Group. From 1990 to 1994 Lorenzo was an analyst and associate at Merrill Lynch. Lorenzo is a graduate from Universitetá degli Studi di Roma, La Sapenzia, Italy.

Alexander Izosimov, Non-Executive Director

Born: 1964

Nationality: Russian

Independence: Independent of the Company and management and independent of the major shareholders.

Ownership including related physical and legal persons: 2,634 Class B shares.

Committee work: Member of the Audit Committee.

Alexander has been Director of the Board since 2008. Alexander is Chief Executive Officer of the enlarged VimpelCom Ltd. He was CEO of former VimpelCom Group from October 2003 until April 2009. Alexander is a Director of Dynasty Foundation, the GSMA (the governing body for the global mobile telecommunications industry) and East Capital AB. Alexander previously held several senior positions at Mars, Inc. over a period of seven years, including as a member of the Global Executive Management Board and as Regional President for Russia, the CIS, Eastern Europe and the Nordics. Alexander worked as a consultant for McKinsey & Co in Stockholm and London for five years. Alexander graduated from the Moscow Aviation Institute with a Master’s degree in Science and from INSEAD with an MBA.

Mia Brunell Livfors, Non-Executive Director

Born: 1965

Nationality: Swedish

Independence: Not independent of the Company and management and not independent of major shareholders.*

*Mia is not independent of the Company and its management due to her appointment to Board of Directors of Transcom Worldwide S.A., a significant supplier of call centre services (CRM) to MTG. As CEO of Investment AB Kinnevik, Mia represents major shareholders who owns more than 10 percent of MTG.

Ownership including related physical and legal persons: 5,505 Class B shares.

Committee work: Member of the Remuneration Committee.

Mia has been Director of the Board since 2007. Mia has been Chief Executive Officer of Investment AB Kinnevik since 2006. Mia has previously worked for MTG since 1992, in various managerial positions. She was appointed as Chief Financial Officer of Modern Times Group MTG AB in 2001. Mia is Chairman of the Board of Directors of Metro International S.A. since 2008. She serves as a Non-Executive Director of Millicom International Cellular S.A., Tele2 AB, Transcom Worldwide S.A., Korsnäs AB and CDON Group AB and is also a member of the board of H & M Hennes & Mauritz AB since 2008. Mia studied Business Administration at Stockholm University.

Michael Lynton, Non-Executive Director

Born: 1960

Nationality: American and British.

Independence: Independent of the Company and management and independent of major shareholders.

Ownership including related physical and legal persons: -

Committee work: Member of the Audit Committee

Michael has been Director of the Board since 2009. Michael became Chairman and Chief Executive Officer of Sony Pictures Entertainment in January 2004. Prior to joining Sony Pictures, Michael worked for Time Warner and served as CEO of AOL Europe, President of AOL International and President of Time Warner International. From 1996 to 2000, he was Chairman and CEO of Pearson plc’s Penguin Group. Michael joined The Walt Disney Company in 1987, was responsible for starting Disney Publishing and served as President of Disney’s division Hollywood Pictures from 1992 to 1996. Michael is a graduate of Harvard College and Harvard Business School.

David Marcus, Non-Executive Director

Born: 1965

Nationality: American

Independence: Independent of the Company and management and independent of major shareholders.

Ownership including related physical and legal persons: 6,100 Class B shares.

Committee work: Chairman of the Remuneration Committee.

David has been Director of the Board since 2004 and is the co-founder and Chief Executive Officer of Evermore Global Advisors, LLC. David is also the Non-Executive Chairman of Modern Holdings, Inc.. David graduated from Northeastern University in Boston.

Cristina Stenbeck, Non-Executive Director

Born: 1977

Nationality: American and Swedish

Independence: Independent of the Company and management but not independent of major shareholders.**

** As Chairman of Investment AB Kinnevik, Cristina represents major shareholders who owns more than 10 percent of MTG.

Ownership including related physical and legal persons: 225,961 Class A shares and 53,722 Class B shares. In addition to her own directly held shares, Cristina is via Verdere S.à.r.l. indirectly owner of a considerable shareholding in MTG’s major shareholder, Investment AB Kinnevik.

Committee work: -

Cristina has been Director of the Board since 2003. Cristina is Chairman of the Board of Directors of Investment AB Kinnevik since 2007. She serves as a Non-Executive Director of Metro International S.A. and Tele2 AB since 2003. Cristina graduated with a B. Sc. from Georgetown University in Washington DC.

Appendix 1

The Board of Directors' statement in accordance with Chapter 18, Section 4 and Chapter 19, Section 22 of the Companies Act (2005:551)

The Board of Directors hereby presents the following statement in accordance with Chapter 18, Section 4 and Chapter 19, Section 22 of the Companies Act.

The Board of Directors' reasons for the proposed dividend and the authorisation to repurchase the Company's own shares being in accordance with the provisions of Chapter 17, Section 3, paragraph 2 and 3 of the Companies Act are as follows:

The Company's objects, scope and risks

The Company's objects and scope of business are set out in the Articles of Association and the submitted Annual Reports. The business run by the Company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the Parent Company and the Group

The financial position of the Parent Company and the Group as per 31 December 2010 is stated in the annual report for 2010. The annual report also states which accounting principles are applied in the valuation of assets, allocations and liabilities.

The proposal on dividend states that the Board of Directors proposes a total dividend of SEK 7.50 per share, which corresponds to an amount of approximately SEK 501 million. The proposed dividend constitutes approximately 6 per cent of the Parent Company's equity and approximately 8 per cent of the Group's equity. The non-restricted equity in the Parent Company and the Group's retained profits as of 31 December 2010 amounted to SEK 8.490 million and SEK 3.974 million respectively.

The Board of Directors proposes that the record day for the dividend is Monday 23 May 2011.

As of 31 December 2010 the Group's equity/assets ratio amounted to 45 per cent. The proposed dividend and authorisation to repurchase the Company's own shares does not limit the Company's possibilities to complete ongoing, and further make value-creating, investments.

The Company's financial position does not give rise to any other conclusion than that the Company can continue its business and that the Company can be expected to fulfil its obligations on both a short and long-term basis.

Justification for dividend and repurchase

With reference to the above and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that after a comprehensive review of the financial position of the Parent Company and of the Group it follows that the proposed dividend and the authorisation to repurchase the Company's own shares to create flexibility in the work with the Company's capital structure and to secure the delivery of the shares under the proposed incentive programme is justified according to the provisions of Chapter 17, Section 3, paragraph 2 and 3 of the Companies Act, i.e. with reference to the requirements that the objects of the business, its scope and risks place on the size of the Parent Company's and Group's equity and the Parent Company's and the Group's consolidating requirements, liquidity and financing needs in general.

Stockholm, April 2011

Modern Times Group MTG AB (publ)

The Board of Directors

Appendix 2

Statement of Auditor in accordance with Chapter 8, Section 54 of the Swedish Companies Act (SFS 2005:551), on whether the guidelines adopted by the Annual General Meeting regarding compensation to Senior Executives have been complied with.

To the annual meeting of the shareholders in Modern Times Group MTG AB (publ.),

Corporate identity number 556309-9158

Introduction

We have audited whether the Board of Directors and the Chief Executive Officer of Modern Times Group MTG AB (publ.) have complied with the guidelines for remuneration to Group Executive Management during the financial year 2010 which were approved by the Annual Meeting of the Shareholders held on 11 May 2009 respectively by the Annual Meeting of the Shareholders held on 17 May 2010. The Board of Directors and the Chief Executive Officer are responsible for compliance with these guidelines. Based on our audit, our responsibility is to express an opinion to the annual meeting of the shareholders as to whether the guidelines have been complied with.

The focus and scope of our audit

We conducted our audit in accordance with standard RevR 8 Audit of Remuneration to Officers in Listed Companies issued by Far, the institute for the accountancy profession in Sweden. In following this standard, we have planned and performed the audit to obtain reasonable assurance whether the guidelines have, in all material aspects, been complied with. Our audit has included a review of the organization for and the documentation supporting the remuneration to Group Executive Management as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to Group Executive Management. We believe that our audit procedures provide a reasonable basis for our opinion as set out below.

Opinion

In our opinion, the Board of Directors and the Chief Executive Officer of Modern Times Group MTG AB (publ.) have during the financial year 2010 complied with the guidelines for remuneration to Group Executive Management which were approved by the Annual Meeting of the Shareholders held on 11 May 2009 respectively by the Annual Meeting of the Shareholders held on 17 May 2010.

11 April, 2011

KPMG AB

George Pettersson
Authorized Public Accountant

Ernst & Young AB

Erik Åström
Authorized Public Accountant

Appendix 3

The Board of Directors' proposed amendments to the Articles of Association

Current wording	*Proposed wording*
§ 7 The Company shall have no more than three auditors with up to three deputy auditors.	§ 7 The Company shall have no more than three auditors with up to three deputy auditors. *The auditors term of office shall last until the end of the Annual General Meeting which is held during the fourth financial year after the auditor was elected.*
§ 9 Notice of an annual general meeting and any extraordinary general meeting where any proposed amendment to the articles of association is to be addressed, shall be given no earlier than six and no later than four weeks prior to the meeting. Notice of any other extraordinary general meeting shall be given no earlier than six and no later than two weeks prior to the meeting.	§ 9 *The first paragraph is proposed to be removed.*
Notice of a General Meeting of shareholders shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the Company's website. At the same time as the notice is published, an announcement that the notice has been issued shall be published in Svenska Dagbladet.	Notice of a General Meeting of shareholders shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the Company's website. At the same time as the notice is published, an announcement that the notice has been issued shall be published in Svenska Dagbladet.

Appendix 4

Articles of Association

Modern Times Group MTG AB, Company Reg. No. 556309-9158

Adopted by the shareholders at the Annual General Meeting on 18 May 2011

(*Please note that this is a translation from the Swedish prevailing version*)

§ 1

The name of the Company is Modern Times Group MTG AB. The Company is a public company (publ).

§ 2

The board of directors shall have its registered office in the municipality of Stockholm.

§ 3

The primary purpose of the Company's business shall be to generate profit for its shareholders.

The object of the Company's business is to develop and sell goods and services within the media, information and communications businesses and other activities compatible therewith.

The Company shall also be entitled to own and manage real estate as well as shares and other movables, and carry on other activities compatible therewith.

The Company shall have the right to guarantee or otherwise pledge security for obligations assumed by other companies within the group.

§ 4

The Company's share capital shall be not less than SEK 298,000,000 and not more than SEK 1,192,000,000.

The number of shares in the Company shall be not less than 59,600,000 and not more than 238,400,000.

§ 5

Shares may be issued in three Classes, Class A, Class B and Class C. Class A shares may be issued to a maximum number of 238,400,000, Class B shares to a maximum number of 238,400,000 and Class C shares to a maximum number of 238,400,000. Each Class A share carry ten votes and each Class B share and Class C share carry one vote.

Class C shares do not entitle to dividends. Upon the Company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 30 days with an additional one percentage point calculated from the day of payment of the subscription price. STIBOR 30 days is set on the first business day of each calendar month.

Should the Company resolves on an issue of new Class A, Class B and Class C shares, against other payment than contribution in kind, each holder of Class A, Class B and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.

Should the Company resolves on an issue of new shares solely of Class A shares, Class B shares or Class C shares, against other payment than contribution in kind, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

If the share capital is increased by a bonus issue, where new shares are issued, new shares of Class A and Class B shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Class C shares do not carry rights to participate in bonus issues. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue.

Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's equity reserves, if the required funds are available.

The redemption payment per Class C share shall correspond to the quota value of the share annualised per day with an interest rate of STIBOR 30 days with additional one percentage point calculated from the day of payment of the subscription price. STIBOR 30 days shall be initially set on the day of payment of the subscription price.

Following notice of the redemption resolution, holders having requested redemption shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been registered.

Upon decision by the Board of Directors, Class C shares shall be reclassified into Class B shares, provided that the shares are held by the Company. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

It shall be possible to reclassify Class A shares to Class B shares. Holders of Class A shares shall, during the calendar months January and July each year (the "Reclassification periods"), be entitled to request that all or part of the shareholder's Class A shares shall be reclassified to Class B shares. The request shall be made in writing and must have been received by the Board of Directors no later than on the last day of the specific Reclassification period. The request shall state (i) the number of Class A shares that the shareholder wants to reclassify or (ii) the maximum percentage of the total number of votes in the Company, that the shareholder wants to hold, after reclassification has been completed of all Class A shares requested to be reclassified during the specific Reclassification period. When making a request according to alternative (ii) above, the shareholder shall also state the total number of Class A and Class B shares that the shareholder holds at the time of the request.

By the end of each Reclassification period, the Board of Directors shall consider the question of reclassification. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

§ 6

The board shall consist of no less than three and no more than nine directors.

§ 7

The Company shall have no more than three auditors with up to three deputy auditors. The auditors term of office shall last until the end of the Annual General Meeting which is held during the fourth financial year after the auditor was appointed.

§ 8

The Company's financial year shall be the calendar year.

§ 9

Notice of a General Meeting of shareholders shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the Company’s website. At the same time as the notice is published, an announcement that the notice has been issued shall be published in Svenska Dagbladet.

§ 10

A shareholder that wishes to participate at the general meeting shall, firstly, have been registered as shareholder in a transcript of the entire share register with respect to the situation five business days before the meeting, and secondly, register with the Company no later than 1 p.m. on the registration day set forth in the notice convening the meeting. Such registration day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve, New Year's Eve or any day earlier than five week days prior to the meeting.

A shareholder attending a general meeting may be accompanied by an assistant, however only where the shareholder has provided notification hereof in accordance with the foregoing paragraph.

§ 11

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).