



THE SHAREHOLDERS IN MODERN TIMES GROUP MTG AB (PUBL)

are hereby called to attend an Extraordinary General Meeting held on Friday 16 February 2001 at 11:00 at Gamla Stans Bryggeri, Tullhus 2, Skeppsbron in Stockholm

NOTIFICATION ETC.

Shareholders intending to participate in the general meeting shall:

- be registered in the share register kept by VPC AB on Tuesday 6 February 2001, and
- notify the company of the intention to participate in the general meeting not later than on Tuesday 13 February 2001 at 13:00.

Notice of intention to participate in the general meeting should be submitted over the company's web site, www.mtg.se, or by telephone at +46 8 560 000 50, or in writing to Modern Times Group MTG AB, Box 2094, SE-103 13 Stockholm or per fax at +46 8 20 50 74. The notice should contain details of name, personal ID or registration number, address, telephone number and number of advisors.

A shareholder who has its shares registered with a nominee shall, in order to have the right to participate in the meeting, temporarily register the shares in its own name. A shareholder who wishes to have its shares registered in its own name should contact its nominee well in advance of 6 February 2001.

PROPOSED AGENDA

1. Election of a chairman of the meeting
2. Preparation and approval of the voting register
3. Approval of the agenda
4. Election of persons to attest the minutes
5. Determination of whether the meeting has been duly convened
6. Resolution regarding offer to convert shares of Class A into shares of Class B
7. Resolution regarding the authorisation for the Board of Directors to issue subordinated debentures with detachable warrants
8. Resolution regarding the adoption of a share option plan
9. Resolution regarding number of directors
10. Election of new board members
11. Closing of the meeting

THE BOARD OF DIRECTORS' PROPOSALS

Resolution regarding offer to convert shares of Class A into shares of Class B (item 6)

The Board of Directors proposes that the General Meeting adopts a resolution pursuant to which holders of shares of Class A shall be entitled to convert shares of Class A into shares of Class B, whereby each share of Class A shall be converted to one share of Class B. Request for conversion shall be made during the period commencing on 22 February 2001 up to and including 28 March 2001 on a

special form which will be distributed to the holders of shares of Class A before 22 February 2001.

A resolution to convert shares of Class A into shares of Class B is valid only where supported by shareholders representing not less than two-thirds of the votes cast as well as two-thirds of all shares represented at the meeting.

Resolution regarding the authorisation for the Board of Directors to issue subordinated debentures with detachable warrants (item 7)

The Board of Directors proposes that the General Meeting authorises the Board of Directors to, not later than the next Annual General Meeting, notwithstanding the shareholders' pre-emptive rights, at one or more occasions, resolve to issue subordinated debentures with not more than 2,052,840 detachable warrants attached, entitling the holders to subscribe for Class B shares in the company. Entitlement to subscribe for debentures shall, with deviation from the shareholders' pre-emptive rights, rest with wholly owned subsidiaries of the Group.

In the event the Board of Directors utilizes the authorisation in full and all 2,052,840 warrants are exercised, the share capital of the company will increase by SEK 10,264,200, equivalent to approx. 0.8 per cent of the votes and approx. 3.0 per cent of the total share capital. The reason for the deviation from the pre-emption right of the shareholders is to guarantee the fulfilment of the obligation under granted options in accordance with the share option plan described in item 8 and to cover social security costs and equivalent taxes which may be incurred due to the plan.

Resolution regarding the adoption of a share option plan (item 8)

The Board of Directors proposes that the General Meeting adopts a share option plan pursuant to which current and future employees of the Group will receive call options entitling the option holder to acquire shares in the company. The exercise price for the options shall in all material respect correspond to the market value of the shares in the company at the time of grant. The right to acquire shares pursuant to options may be exercised not earlier than three years and not later than eight years from the time the options were granted and provided that the option holder is still employed in the Group at the time of exercise. Applying the above-stated guidelines, the Board of Directors shall be entitled to determine the detailed terms and conditions governing the share option plan. The objective of the share option plan is to create favourable conditions for keeping and recruiting competent people to the Group.

In accordance with the above-stated guidelines it is proposed that the General Meeting approve that the company is granting not more than 1,632,176 options to the top management and key employees of the Group, whereby members of the executive management may be granted not more than 110,000 options each and other senior managers and key employees not more than 55,000 options each. The allocation of options shall be decided by the Board of Directors, whereby, *inter alia*, the employee's performance and his or her position within and importance for the Group will be taken into consideration. In the event all options are fully exercised, employees will acquire shares in the company equal to approx. 0.6 per cent of the votes and approx. 2.4 per cent of the total share capital.

By virtue of the share option plan, employees in the group will receive call options, which give the employees a right to acquire shares in the company. Such transfers of shares are subject to the 1987 Act on Directed Placements in Stock Market Companies, which means that a resolution to adopt the share option plan is valid only where supported by shareholders representing not less than nine-tenths of the votes cast as well as nine-tenths of all shares represented at the meeting.

ELECTION OF NEW BOARD MEMBERS

The Board of Directors is proposed to consist of six ordinary board members with one deputy member. Mr Pelle Törnberg is proposed as a new member of the Board. These proposals are supported by shareholders together representing not less than 50 per cent of the votes in the company.

MISCELLANEOUS

The complete text of the Board of Directors' proposals in accordance with the above, in addition to documents in accordance with Chapter 4, section 4 of the Companies Act, will be held available at the company's office at Skeppsbron 18 in Stockholm as from 9 February 2001. Shareholders wishing to obtain the documents shall notify the company, upon which the material will be sent by post.

Stockholm, February 2001

The Board of Directors