



FOR IMMEDIATE RELEASE

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ANNUAL GENERAL MEETING OF SHAREHOLDERS

Modern Times Group MTG AB, the international entertainment-broadcasting group, today announced that the Annual General Meeting (AGM) of MTG shareholders, which was held today in Stockholm, resolved to re-elect Asger Aamund, David Chance, Nick Humby, Lars-Johan Jarnheimer, David Marcus, Cristina Stenbeck and Pelle Törnberg as members of the Board of Directors. Vigo Carlund was elected as a new member of the Board of Directors.

Vigo Carlund, born in 1946, is the President and Chief Executive Officer of Investment AB Kinnevik, which is one of MTG's major shareholders. Mr Carlund is non-executive Chairman of the Board of Directors of Metro International S.A., Transcom WorldWide S.A. and Korsnäs AB, as well as a non-executive member of the Board of Directors of Tele2 AB and Millicom International Cellular S.A.

The meeting approved the implementation of an Incentive Programme for allocation to senior executives and other key employees, in accordance with the Board's proposals. Shareholders resolved to offer stock options and warrants to a group of approximately 25 senior executives, which would entitle them to acquire up to 400,000 class B shares. The warrants and options are not exercisable for three years and, if granted and exercised in full, would give rise to a 0.6% dilution of the current outstanding share capital and a 0.2% dilution of the current voting rights in MTG.

In accordance therewith, the Meeting resolved to issue 133,333 warrants and to grant a maximum of 266,666 stock options. The subscription price of the warrants and the acquisition price of the stock options shall be equal to 115 per cent of the average last trading price of the company's Class B share during the ten trading days immediately following the day of the Annual General Meeting. The warrants are proposed to run during approximately three years and the stock options are proposed to run during approximately five years.

The Board has also proposed that a maximum of the same number of warrants and options be offered to a similar-sized group of executives in each of the next two years under the same terms and conditions, and subject to shareholder approval in each year. The total Programme, if granted and exercised in full, would therefore give rise to a 1.8% dilution of the current outstanding share capital and a 0.6% dilution of the current voting rights in MTG.

The objective of the Incentive Programme is to create conditions for the recruitment and retention of senior executives to the MTG group. The Incentive Programme has been structured to reward the participants for the increase in shareholder value by offering an allocation of warrants and stock options, based on the fulfilment of certain performance conditions, which are both result-oriented as well as business-oriented performance targets. Moreover, participation in the program requires a personal investment by each participant since the participant must pay the market price of the warrants. By linking the employees' rewards with the development of the company's profits and value, long-term growth is rewarded.

Shareholders voted to support all of the other resolutions before the meeting, except the proposal from a shareholder that holders of class A shares should be offered the opportunity to reclassify their shares as class B shares. The resolutions included, inter alia, the proposal from the Board of Directors that no dividend be distributed to shareholders for the year ended 31 December 2004, and that the AGM approve the procedure for the nomination of members of the Board Directors to the 2006 AGM. The Nomination Group will be convened by Cristina Stenbeck and will be formed during the Autumn of 2005 in consultation with at least three major shareholders. The composition of the group will be communicated in MTG's financial report for the third quarter of 2005.

The meeting also heard that Erik Åström of Ernst & Young has replaced Lars Träff of Ernst & Young as co-Auditor to MTG, with effect from the end of today's AGM. Erik Åström has served as Deputy Auditor to MTG since the Listing of the company's shares in 1997, and was re-elected in 2003 for a four-year term. Lars Träff has served as co-Auditor to MTG since 1997 and was also re-elected in 2003. Carl Lindgren of KPMG continues to serve as MTG's Auditor and Björn Flink of KPMG is his Deputy.

At a statutory meeting of the Board of Directors following the AGM, David Chance was elected as Chairman of the Board of Directors. The statutory Board meeting also appointed an Audit Committee and a Remuneration Committee. Nick Humby was appointed as Chairman of the Audit Committee and David Marcus and Asger Aamund were appointed as members of the committee. Asger Aamund was appointed as Chairman of the Remuneration Committee and David Chance, Cristina Stenbeck and David Marcus were appointed as members of the committee.

For further information, please visit www.mtg.se, email info@mtg.se, or contact:

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Modern Times Group is an international entertainment-broadcasting group with operations in more than 30 countries around the world. MTG is the largest Free-to-air and Pay-TV operator in Scandinavia and the Baltics, the largest shareholder in Russia's fourth largest television network, and the number one commercial radio operator in the Nordic region. The Viasat DTH satellite TV platform offers digital multi-channel TV packages of 50 own-produced and third party entertainment channels to viewers in 15 countries across Europe and Viasat TV channels now reach over 60 million people every day.

Modern Times Group MTG AB class A and B shares are listed on the Stockholmsbörsen O-list under the symbols 'MTGA' and 'MTGB'.