



THE SHAREHOLDERS OF MODERN TIMES GROUP MTG AB (publ) are hereby invited to the Annual General Meeting on Wednesday 9 May 2007 at 9.30 a.m. CET at the Skandia cinema, Drottninggatan 82 in Stockholm.

NOTIFICATION

Shareholders who wish to participate at the Annual General Meeting shall:

- have their names entered in the register of shareholders maintained by VPC AB (the Swedish Central Securities Depository) on Thursday 3 May 2007, and
- notify the company of their intention to participate by no later than 3.00 p.m. on Thursday 3 May 2007. The notification can be made on the company's website, www.mtg.se, by telephone +46-433-747 56 or in writing to the company at:

Modern Times Group MTG AB
P.O. Box 2094
SE-103 13 Stockholm, Sweden

When giving notice of participation, the shareholders should state their name, personal identification number (or company registration number), address, telephone number, shareholdings and any advisors attending. If participation is by way of proxy, such document should be submitted in connection with the notice of participation of the Meeting. Written notifications made by post should be marked "AGM".

Shareholders whose shares are registered in the names of nominees must temporarily re-register the shares in their own name in order to be entitled to participate in the Meeting. Shareholders wishing to re-register must inform the nominee well in advance of Thursday 3 May 2007.

PROPOSED AGENDA

1. Election of Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to check and verify the minutes.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of the annual report and auditors' report and of the consolidated financial statements and the auditors' report on the consolidated financial statements.
7. Resolution on the adoption of the income statement and balance sheet and of the consolidated income statement and the consolidated balance sheet.

8. Resolution on the proposed treatment of the company's unappropriated earnings or accumulated loss as stated in the adopted balance sheet.
9. Resolution on the discharge of liability of the directors of the Board and the Chief Executive Officer.
10. Determination of the number of directors of the Board.
11. Determination of the remuneration to the Board of Directors and the auditors.
12. Election of the directors of the Board.
13. Determination of the number of auditors and election of auditors.
14. Approval of the procedure of the Nomination Committee.
15. Resolution on guidelines on remuneration for senior executives.
16. Resolution to amend the articles of association by inserting a provision on reclassification.
17. Resolution on reduction of the company's equity reserves.
18. Resolution to authorise the Board of Directors to resolve on the purchase of the company's own shares.
19. Resolution to reduce the share capital by way of redemption of repurchased shares.
20. Resolution on implementation of an incentive programme comprising the following resolutions:
 - (a) Adoption of an incentive programme.
 - (b) Issue of warrants.
 - (c) Granting of stock options and issue of warrants.
21. Resolution to authorise the Board of Directors to raise certain loan financing.
22. Closing of the Meeting.

NOMINATION COMMITTEE PROPOSALS (items 1 and 10-14)

The Nomination Committee hereby submits the following proposals for resolution which are supported by shareholders representing more than 50 percent of the votes in the company including, among others, Emesco AB, Investment AB Kinnevik, Swedbank Robur Fonder, SEB Fonder and SEB Trygg Liv.

The Nomination Committee proposes that the lawyer Martin Börresen is appointed to be the Chairman of the Meeting.

The Nomination Committee proposes that the Board of Directors shall consist of 8 directors without alternate directors. The Nomination Committee proposes, for the period until the close of the next Annual General Meeting, the re-election of Asger Aamund, David Chance, Nick Humby, Lars-Johan Jarnheimer, David Marcus, Cristina Stenbeck and Pelle Törnberg and the election of Mia Brunell as directors of the Board. The Nomination Committee proposes that the Meeting shall appoint David Chance to be Chairman of the Board of Directors. Furthermore, it is proposed that the Board of Directors at the Constituent Board Meeting appoint a Remuneration Committee and an Audit Committee.

The Nomination Committee proposes that Ernst & Young shall be appointed as auditor with the authorised public accountant Erik Åström as main responsible auditor, for a period of four years. At the Annual General Meeting in 2006, KPMG Bohlins AB, with the authorised public accountant Carl Lindgren as main responsible auditor, was appointed as auditor for a period of four years.

The Nomination Committee proposes that the Meeting resolves that the remuneration to the Board of Directors (including remuneration for the work in the committees of the Board of Directors) for the period until the close of the next Annual General Meeting shall be a total of SEK 3,825,000, of which SEK 1,000,000 shall be allocated to the Chairman of the Board and SEK 350,000 to each of the other directors. The Nomination Committee proposes that for work within the Audit Committee SEK 150,000 shall be allocated to the chairman and SEK 50,000 to each of the members and for work within the Remuneration Committee SEK 50,000 shall be allocated to the chairman and SEK 25,000 to each of the members. Furthermore, remuneration to the auditors shall be paid upon approval of their invoice.

The Nomination Committee proposes that the 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 case auditor should be elected, and their remuneration as well as the proposal on the Chairman of the Annual General Meeting of 2008 shall be performed by a Nomination Committee. The Nomination Committee, which will consist of at least three members (including Cristina Stenbeck) representing the shareholders of the company, will be formed during the autumn of 2007 in consultation with the largest shareholders in the company at that time. The Nomination Committee is elected for a term of office of one year. The majority of the members of the Committee may not be members 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 is to be appointed in the corresponding manner. Cristina Stenbeck will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Chairman among themselves. The composition of the Committee will be communicated in the company's interim report for the third quarter of 2007.

A report on the Nomination Committee's work will be available at the company's website, www.mtg.se.

DIVIDENDS (item 8)

The Board of Directors proposes a dividend of SEK 7.50 per share. The record date is proposed to be Monday 14 May 2007.

GUIDELINES ON REMUNERATION FOR SENIOR EXECUTIVES (item 15)

The Board of Directors will not later than two weeks prior to the Meeting propose guidelines for remuneration and other terms of employment for senior executives. The proposal will be available at the company's website, www.mtg.se, and will be sent to shareholders upon request.

RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION BY INSERTING A PROVISION ON RECLASSIFICATION (item 16)

With the purpose to enable Class A shareholders to reclassify their holdings of Class A shares into Class B shares, the Board of Directors proposes that a provision on reclassification shall be inserted in the articles of association meaning that, upon request from a shareholder, each Class A share may be reclassified into a Class B share under the calendar months of January and July each year. The reclassification request may include some or all of the shareholder's Class A

shares and should either state the number of Class A shares that shall be reclassified, or the percentage of the total number of votes in the company that the Class A shareholder wants to hold after the reclassification. The reclassification request shall be made in writing to the Board of Directors, which thereafter shall address the question of reclassification.

REDUCTION OF THE COMPANY'S EQUITY RESERVES (item 17)

The Board of Directors proposes that the Meeting decides on a reduction of the company's equity reserves with SEK 1,000 million from SEK 1,523 million to SEK 523 million. The reduction amount shall be transferred to the company's non-restricted equity. The objective of the reduction is to create a capital structure that facilitates the proposed dividend under item 8 and the buy-back of the company's own shares according to the proposal under item 18.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO REPURCHASE THE COMPANY'S OWN SHARES (item 18)

The Board of Directors proposes that the Meeting authorises the Board of Directors to pass a resolution on one or more occasions for the period up until the next Annual General Meeting on repurchasing so many Class A and/or Class B shares that the company's holding does not at any time exceed 10 percent of the total number of shares in the company. The repurchase of shares shall take place on the Stockholm Stock Exchange and may only 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.

The purpose of the authorisation is so that the Board of Directors obtains increased ability to continuously adapt the company's capital structure and thereby contribute to increased shareholder value.

RESOLUTION TO REDUCE THE SHARE CAPITAL BY WAY OF REDEMPTION OF REPURCHASED SHARES (item 19)

The Board of Directors proposes that the Meeting resolves to reduce the company's share capital by a maximum of SEK 33,535,770 by redemption without repayment of Class A and/or Class B shares which the company has repurchased by utilizing the authorisation according to the proposal in item 18 above. Furthermore, the Board of Directors proposes that the redemption amount should be reserved to non-restricted equity.

INCENTIVE PROGRAMME (item 20)

The Annual General Meeting of 2005 resolved to adopt an incentive programme for senior executives and other key employees in the MTG Group based on a combination of warrants and stock options. Grants of options under the incentive programme have been performance related. Further, it was stated that the Board of Directors intended to return in 2006 and 2007 with additional grants under the incentive programme provided the fulfilment of certain result-oriented and business-oriented performance conditions that had been adopted. The Annual General Meeting of 2006 resolved to adopt an incentive programme to the same effect as for the year 2005. The Board of Directors verifies that the established performance conditions for 2006 have been fulfilled, and, against this background, the Board of Directors proposes that the Meeting resolves on the performance based incentive programme for senior executives and other key employees in the MTG Group mentioned below.

The above described proposal entails that the Board of Directors proposes that the following adjustments are made in the 2007 year programme compared to the 2005 and 2006 year programmes. The Board of Directors proposes that the ratio of purchased warrants to allocated stock options is changed from 1:2 to 1:6 and that the subscription/strike price per warrant and stock option respectively is changed from 115 percent of the average market price of the company's Class B shares to 110 percent of the average market price. The Board of Directors considers that these adjustments will enhance the attractiveness of the programme and provide for an increased adherence to the programme.

In order to implement the proposed incentive programme, the Board of Directors proposes that the Meeting resolves in accordance with items a-c below. All resolutions are proposed to be conditional upon each other. For the resolutions to be valid they must be supported by shareholders representing at least 90 percent of the shares and the numbers of votes represented at the Meeting. The above proposal is supported by shareholders representing more than 70 percent of the votes in the company including, among others, Emesco AB, Investment AB Kinnevik, Swedbank Robur Fonder, SEB Fonder and SEB Trygg Liv.

Adoption of the Incentive Programme (item 20 a)

The Board of Directors proposes that the Meeting in accordance with the resolutions passed at the Annual General Meetings held in 2005 and in 2006 resolves to adopt an incentive programme for senior executives and other key employees within the MTG Group in accordance with the principles set out below.

The incentive programme entails that employees are offered a combination of warrants and stock options, which entitle them to Class B shares in the company. The participants in the incentive programme will be offered to purchase warrants on market terms. For each warrant purchased, the participant will be offered a maximum of six stock options, each carrying the right to purchase one Class B share. The subscription price of the warrants and the exercise price of the stock options shall be equal to 110 percent of the average of the last trading prices of the company's Class B shares during the ten trading days immediately following the day of the resolution of the Annual General Meeting. The warrants are proposed to run for approximately three years and the stock options are proposed to run for approximately five years. The stock options are not transferable and the right to exercise the stock options normally requires that the holder is still employed within the MTG Group at the time of exercise.

The scope of the incentive programme for 2007 is proposed to amount to a maximum of 57,142 warrants and a maximum of 342,852 stock options. The Chief Executive Officer will be offered to purchase a maximum of 14,285 warrants and will be offered a maximum of 85,710 stock options, and other senior executives (approximately 40 individuals) will be offered to purchase a maximum of 4,286 warrants each and will be offered a maximum of 25,716 stock options each.

The maximum dilution effect for 2007 is estimated to be a maximum of 0.6 percent of share capital and a maximum of 0.2 percent of the number of votes, provided full subscription and full exercise of all warrants and stock options. Further, the stock options may incur costs for the MTG Group in the form of social security expenses on exercise and accounting costs during the duration of the stock options.

The Board of Directors shall be entitled to decide on the details of the terms and conditions of the incentive program in accordance with the general terms and guidelines above. In connection with this, the Board of Directors shall be entitled to make adjustments in order to fulfil special regulations and market conditions abroad. The Board of Directors also reserves the right to make

other adjustments provided that significant changes take place in the MTG Group or environment which would mean that the terms and conditions for allocation under the incentive programme become inappropriate.

The objective of the proposed incentive programme is to create conditions for retaining and recruiting competent employees for the Group. The incentive programme has been structured to reward the participants for an increase in shareholder value by offering an allocation of warrants and stock options based on the fulfilment of result-oriented and business-oriented performance conditions that have been adopted. Participation in the programme requires a personal investment by each participant since the participant must pay the market price of the warrants. By linking the employee's reward with the development of the company's profits and increase in value, long-term growth in the company is rewarded. Against this background, the Board of Directors is of the opinion that the adoption of an incentive programme as set out above will have a positive effect on the MTG Group's future development and thus be beneficial for both the company and its shareholders.

For the information of shareholders, the Board of Directors is considering encouraging participation in the incentive programme by committing to a cash bonus that may be paid three years following each participant's acquisition of the options. The cash bonus will only be paid provided that the warrants, stock options and/or Class B shares acquired by way of warrants and stock options are still held by the participant and provided that the participant is still employed within the MTG Group. The cash bonus may amount to a maximum of the difference between the total price paid by the participant and 2 percent of the total value of the underlying Class B shares at the time of the acquisition of the warrants and stock options.

Issue of warrants (item 20 b)

The Board of Directors proposes that the Meeting resolves to issue without payment a maximum of 57,142 warrants, each entitling the holder to subscribe for one new Class B share. The wholly-owned subsidiary MTG Holding AB shall be entitled to subscribe for the warrants and transfer them to the participants in the incentive programme on market terms. Subscription for Class B shares by way of the warrants may take place during the period from 15 May 2010 to 15 August 2010 and the subscription price for one Class B share shall amount to 110 percent of the average of the last trading prices of the company's Class B share during the ten trading days immediately following the day of the Annual General Meeting.

Granting stock options and issue of warrants (item 20 c)

The Board of Directors proposes that the Meeting approves that the Board of Directors, following the offer to participants in the incentive programme, grants a maximum of 342,852 stock options, each entitling the holder to purchase one Class B share during the period from 15 May 2010 to 15 May 2012. The minimum exercise price shall amount to 110 percent of the average of the last trading prices of the company's Class B share during the ten trading days immediately following the day of the Annual General Meeting. The stock options shall be offered to the participants free of charge, whereby each warrant acquired in accordance with item 20 b above gives the right to the allocation of a maximum of six stock options.

In order to ensure the company's undertaking to deliver Class B shares upon exercise of the stock options, the Board of Directors proposes that the Meeting resolves to issue without payment a maximum of 342,852 warrants, each entitling the holder to subscribe for one Class B share. The wholly-owned subsidiary MTG Holding AB shall be entitled to subscribe for the warrants and, upon exercising the stock options, transfer the warrants to the participants, provided that these are

immediately used for the subscription for new Class B shares. Subscription for Class B shares by way of the warrants may take place during the period from 15 May 2007 to 15 May 2012. The subscription price for one Class B share shall amount to 110 percent of the average of the last trading prices of the company's Class B share during the ten trading days immediately following the day of the Annual General Meeting less SEK one (1). Upon exercise of one stock option, an exercise price of no less than SEK one (1) will be paid by the stock option holder, whereby the cost of acquiring one Class B share by way of the stock option will amount to no less than 110 percent of the average of the last trading prices of the company's Class B shares during the ten trading days immediately following the day of the Annual General Meeting.

RESOLUTION TO AUTHORISE THE BOARD OF DIRECTORS TO RAISE CERTAIN LOAN FINANCING (item 21)

According to the provisions of the new Companies Act, which entered into force on 1 January 2006, loan financing, where the interest rate is dependent upon the company's profits or financial position, is covered by the same resolution requirements as apply to participating debentures. This means that such loan financing must be resolved on by the General Meeting or by the Board of Directors with the support of an authorisation from the General Meeting. The Board of Directors proposes that the Meeting resolves to authorise the Board of Directors to resolve on one or several occasions during the period up until the next Annual General Meeting to raise certain loan financing on market terms that are subject to the provisions in Chapter 11 Section 11 of the Swedish Companies Act (2005:551), where the interest rate is dependent upon the company's profits or financial position. The authorisation may only be used if the Board of Directors assesses that this type of interest rate provision is the most marketable and favourable for the company in each individual case. The background to the authorisation is that the company is to have the ability at all times to raise loan financing on attractive terms for the company and thereby contribute to increased value for the shareholders.

OTHER INFORMATION

Valid resolutions under items 16, 18 and 19 above require approval of shareholders representing at least two-thirds of the shares and the numbers of votes represented at the Meeting. A valid resolution under item 20 above requires approval of shareholders representing at least 90 percent of the shares and the numbers of votes represented at the Meeting. From Wednesday 25 April 2007 at the latest, the complete text of the proposals of the Board of Directors will be made available at the company's website at www.mtg.se and at the company's premises at Skeppsbron 18 in Stockholm. Shareholders who wish to receive those documents may notify the company, whereupon the documents will be sent by post or by e-mail.

Stockholm April, 2007

THE BOARD OF DIRECTORS