



MODERN TIMES GROUP MTG AB (PUBL)

DOCUMENTS FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS –
1.00 P.M. CET, TUESDAY 8 MAY 2012

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1. The Nomination Committee of Modern Times Group MTG AB's motivated opinion regarding proposal of the Board of Directors and auditors at the Annual General Meeting in 2012

Background

In accordance with the procedure of the Nomination Committee that was adopted at the Annual General Meeting 2011 a Nomination Committee was convened by Cristina Stenbeck in October 2011 for the work of preparing proposals for the 2012 Annual General Meeting. The Nomination Committee is consisting of the largest shareholders in Modern Times Group MTG AB, Cristina Stenbeck as representative of Investment AB Kinnevik, Thomas Ehlin as representative of Nordea investment funds, Johan Ståhl as a representative of Lannebo fonder, and Kerstin Stenberg as a representative of Swedbank Robur Funds. The four shareholder representatives in the Nomination Committee jointly represented more than 50 percent of the votes in MTG.

The Nomination Committee has appointed Board member Cristina Stenbeck as Chairman of the Nomination Committee. This deviates from what the Swedish Code of Corporate Governance prescribes. The other members of the Nomination Committee have explained their decision regarding appointment of the Chairman of the Nomination Committee as being in the Company's and shareholders' best interest and a natural consequence of Cristina Stenbeck representing MTG's largest shareholder.

The Nomination Committee's proposal regarding the Board of Directors of MTG

The Nomination Committee proposes the following:

- The Board of Directors shall consist of eight members and no deputy members.
- Re-election of the following persons as members of the Board of Directors:

David Chance	Mia Brunell Livfors
Simon Duffy	Michael Lynton
Lorenzo Grabau	Cristina Stenbeck
Alexander Izosimov	

- Election of Blake Chandlee as a new member of the Board of Directors.
- Re-election of David Chance as Chairman of the Board of Directors.
- David Marcus has declined re-election.

Motivated Opinion

The Nomination Committee has held four meetings either in person or by telephone, with additional contact between meetings. As the basis for its work, the Nomination Committee has had, among other documents, an evaluation of the Board and its work. To assess the degree to which the present Board fulfils the requirements to be placed on the Board, given the Company's situation and future direction, discussion focused on the Board's overall composition with respect to experience and expertise. The existing Board of Directors maintains a good balance of financial and operational expertise as well as shareholder representation. This Board of Directors provides a strong sense of continuity as well as industry knowledge that will benefit the Board's continued agenda for the Company. However, the Nomination Committee believes that the election of Blake Chandlee would further strengthen the media, online, advertising and emerging market knowledge and experience of MTG's Board of Directors. Blake Chandlee has over 15 years' experience in the online media, social networking and related industries.

Blake Chandlee is Vice President of Global Agency Relations and Global Business Accounts at Facebook, and is responsible for the Company's partnerships and commercial relationships with key global accounts. Blake has worked at Facebook since 2007 and been a key part of building its international footprint through the establishment of 12 international offices and coverage of a further

23 countries across Europe, the Middle East, Africa, Latin America and the Asia Pacific region. Prior to joining Facebook, Mr. Chandlee worked in a number of senior roles at Yahoo! for five years including as Vice President and Commercial Director of the UK business where he was instrumental in setting strategy, leading agency and client sales teams and developing partnerships across Europe. He was also the founder and senior partner of consulting firm Kryptonite Ventures and a member of the founding teams of three further new ventures in the consumer and media sectors.

Mr. Chandlee is familiar with MTG following nine months of working with the Company as an adjunct and adviser to the Board of Directors.

No suggestions of Board members have been received by the Nomination Committee from persons other than from the members of the Nomination Committee.

In view of the evaluation made, and considering that one Member of the Board of Directors has declined re-election, the Nomination Committee proposes the election of Blake Chandlee as new Member of the Board of Directors of MTG and re-election of the remaining Board of Directors of MTG.

The Nomination Committee is of the opinion that the proposed composition of the Board of Directors reflects both strong individual credentials and suitable qualifications and relevant experience within the key strategic areas for MTG. These areas include, but are not limited to, the following: operational management of quoted and unquoted companies across a range of industries closely tied to MTG's core activities, established track records working within the media sector, experience and knowledge from content production and distribution across various platforms such as broadcast, digital, and telecommunications. Finally, the Directors' geographic expertise working within markets including the key MTG regions of Scandinavia, Eastern Europe, Russia and Africa provide a sound basis for continuing to evaluate and grow MTG's market share within its core markets as well as add on to its geographic footprint where returns are attractive.

The Nomination Committee continuously monitors and evaluates each Board member's independence. In the work of preparing its proposals for the Annual General Meeting 2012 the Nomination Committee has assessed that the relationship between MTG and Transcom Worldwide S.A. as a supplier of call centre services (CRM) to MTG can no longer be considered a significant business relationship. Accordingly, the Nomination Committee has assessed that Mia Brunell Livfors, who is also a member of the Board of Transcom Worldwide S.A., is independent in relation to the Company and its management. The proposal for the composition of MTG's Board of Directors meets the requirements of the Code for independent members of the Board of Directors. All of the members of the Board of Directors are independent in relation to both the Company and Company management and six are independent in relation to the Company's major shareholders.

Information with respect to the proposed Directors of the Board

Information with respect to the proposed Directors of the Board, including the Nomination Committee's assessment of each member's independence, may be found on the Company's website at www.mtg.se.

April 2012

MODERN TIMES GROUP MTG AB (PUBL)

THE NOMINATION COMMITTEE

2. Information on the proposed Directors of the Board

Board of Directors during 2011/2012

Name	Position	Born	Nationality	Elected	Independent to major shareholders	Independent to company and its management	Remuneration Committee	Audit Committee
David Chance	Chairman	1957	American and British	1998	Yes	Yes	Member	
Mia Brunell Livfors	Member	1965	Swedish	2007	No	Yes*	Member	
Simon Duffy	Member	1949	British	2008	Yes	Yes		Chairman
Lorenzo Grabau	Member	1965	Italian	2011	Yes	Yes		Member
Alexander Izosimov	Member	1964	Russian	2008	Yes	Yes		Member
Michael Lynton	Member	1960	American and British	2009	Yes	Yes		Member
David Marcus	Member	1965	American	2004	Yes	Yes	Chairman	
Cristina Stenbeck	Member	1977	American and Swedish	2003	No	Yes		

* Mia became independent of the Company and management as although she is a member of the Board of Directors of Transcom Worldwide S.A., MTG's relationship with Transcom Worldwide S.A. is no longer considered as significant.

Proposed Directors of the Board at the Annual General Meeting 2012

David Chance

Chairman

American and British

Born 1957. Chairman of the Board of Directors since May 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 has 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.

Member of the Remuneration Committee.

Direct or related person ownership: 1,000 Class B shares.

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



Mia Brunell Livfors

Non-Executive Director

Swedish

Born 1965. Member of the Board of Directors since 2007. Mia has been Chief Executive Officer of Investment AB Kinnevik since 2006. Mia previously worked for MTG in various managerial positions from 1992. She was appointed as Chief Financial Officer of Modern Times Group MTG AB in 2001. Mia has been Chairman of the Board of Directors of Metro International S.A. since 2008. She also 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 has been a member of the Board of H&M Hennes & Mauritz AB since 2008. Mia studied Business Administration at Stockholm University.

Member of the Remuneration Committee.

Direct or related person ownership: 5,505 Class B shares.

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



Blake Chandlee**Proposed Non-Executive Director****American**

Born in 1966. Proposed as a new Member of the Board of Directors at the Annual General Meeting 2012. Blake is Vice President of Global Agency Relations and Global Business Accounts at Facebook, where he has worked since 2007 and managed the expansion of Facebook's international footprint with the establishment of operations across Europe, the Middle East, Africa, Latin America and the Asia Pacific region. Blake previously worked at Yahoo for five years, including as Vice President and Commercial Director of the UK business. Blake graduated with a bachelor's degree in management from Gettysburg College in the United States.

Direct or related person ownership: 0

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

**Simon Duffy****Non-Executive Director****British**

Born 1949. Member of the Board of Directors since 2008. Simon was Executive Chairman of Tradus plc until the company's sale in March 2008. Simon is Non-Executive Chairman of bwin.party digital entertainment plc, Cell C (Pty) Limited and mBlox Inc., 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.

Chairman of the Audit Committee.

Direct or related person ownership: 1,750 Class B shares.

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

**Lorenzo Grabau****Non-Executive Director****Italian**

Born in 1965. Member of the Board of Directors since 2011. Lorenzo is a former Managing Director of Goldman Sachs, which he joined in 1994 after five years with Merrill Lynch. Lorenzo held a number of leadership positions within the Goldman Sachs Investment Banking division, including Head of Media and Head of Consumer Retail. Lorenzo is a graduate from Universita degli Studi di Roma, La Sapienza, Italy.

Member of the Audit Committee.

Direct or related person ownership: 0

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

**Alexander Izosimov****Non-Executive Director****Russian**

Born 1964. Member of the Board of Directors since 2008. Alexander served as Chief Executive Officer of the VimpelCom Group and, latterly, the enlarged VimpelCom Ltd, which is one of the world's largest emerging market telecommunications companies, between 2003 and 2011. Alexander is a Director of East Capital AB, EVRAZ Group S.A. and Dynasty Foundation. Alexander previously held several senior management 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.

Member of the Audit Committee.

Direct or related person ownership: 34 Class B shares.

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



Michael Lynton
Non-Executive Director
American and British

Born 1960. Member of the Board of Directors 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. He was Chairman and CEO of Pearson plc's Penguin Group from 1996 to 2000. Michael joined The Walt Disney Company in 1987 and was responsible for establishing Disney Publishing, and served as President of Disney's Hollywood Pictures division from 1992 to 1996. Michael is a graduate of Harvard College and Harvard Business School.

Member of the Audit Committee.

Direct or related person ownership: 0

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



Cristina Stenbeck
Non-Executive Director
American and Swedish

Born 1977. Member of the Board of Directors since 2003. Cristina has been Chairman of the Board of Directors of Investment AB Kinnevik since 2007 and has served as a Non-Executive Director of Metro International S.A. and Tele2 AB since 2003. Cristina graduated with a BSc from Georgetown University in Washington DC.

Direct or related person ownership: 279,683 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.

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



3. The Board of Directors reasoned statement pursuant to Ch 18 Sec 4 and Ch 19 Sec 22 of the Companies Act (2005:551)

The Board of Directors hereby presents the following statement in accordance with Ch 18 Sec 4 and Ch 19 Sec 22 of the Companies Act (2005:551). 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 Ch 17 Sec 3, paragraph 2 and 3 of the Companies Act (2005:551) are as follows:

The Company's objects, scope and risks

The Company's objects and scope of business operations are set out in the Articles of Association and the submitted Annual Reports. The Company's operations 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 2011 is stated in the Annual Report for 2011. 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 9 per share, which corresponds to an amount of approximately SEK 600 million. The proposed dividend constitutes approximately 6.8 per cent of the Parent Company's equity and approximately 14.5 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 2011 amounted to SEK 8,502 million and SEK 2,231 million respectively.

The Board of Directors proposes that the record day for the dividend is Friday 11 May 2012.

As of 31 December 2011 the Group's equity/assets ratio amounted to 39 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 is justified according to the provisions of Ch 17 Sec 3 paragraph 2 and 3 of the Companies Act (2005:551), 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 2012

MODERN TIMES GROUP MTG AB (PUBL)

THE BOARD OF DIRECTORS

Auditors' report in accordance with Chapter 8, § 54 of the Swedish Companies Act (2005:551) whether the guidelines for remuneration to Executive Management as approved by the Annual Meeting of the Shareholders has been complied with

To the annual meeting of the shareholders in Modern Times Group MTG AB (publ.)
Corporate identity number 556309-9158

We have audited whether the Board of Directors and the Chief Executive Officer of Modern Times Group MTG AB (publ.) during the financial year 2011 have complied with the guidelines for remuneration to Executive Management which were approved by the Annual Meeting of the Shareholders held 17 May 2010 respectively by the Annual Meeting of the Shareholders held on 18 May 2011.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the Chief Executive Officer determine is necessary to supervise that the guidelines are complied with.

Auditor's responsibility

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. 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 respects, been complied with.

Our audit has included a review of the organization for and the documentation supporting the remuneration to Executive Management, new decisions related to compliance with the guidelines and also a sample of payments made during the year to Executive Management. The auditor selects procedures, among other things by assessing the risk that the guidelines are not in all material respects complied with. In making this risk assessment, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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 2011 complied with the guidelines for remuneration to Executive Management which were approved by the Annual Meeting of the Shareholders held on 17 May 2010 respectively by the Annual Meeting of the Shareholders held on 18 May 2011. The Board of Directors has on one occasion used its right to deviate from the guidelines and has entered into an employment agreement with one senior executive with a potential award of a variable remuneration greater than 75 % of his annual salary.

Stockholm, 26 March 2012

KPMG AB

George Pettersson

Authorized Public Accountant

5. The Board of Directors' report of the results of the remuneration committee's monitoring and evaluation of (i) the programmes for variable remuneration to the CEO and other persons in the company's management, (ii) the application of guidelines for remuneration to the CEO and other persons in the company's management and information regarding deviation from the guidelines pursuant to Ch 8 Sec 51 of the Swedish Companies Act (2005:551) and (iii) the current remuneration structure and levels of remuneration in MTG.

Introduction

The Remuneration Committee of the Board of Directors of Modern Times Group MTG AB (publ) comprises the Chairman of the Board David Chance and the directors of the Board David Marcus and Mia Brunell Livfors. David Marcus is Chairman of the Remuneration Committee.

In accordance with rule 10 paragraph 3 and rule 9 paragraph 1 in the Code, the Remuneration Committee has monitored and evaluated programmes for variable remuneration (both ongoing and those that have ended during the year), the application of the guidelines for remuneration to the CEO and other persons in the Company's management (the "**Executives**") adopted at the Annual General Meeting and information pursuant to Ch 8 Sec 51 of the Swedish Companies Act (2005:551) regarding an exception from the guidelines as well as the current remuneration structure and levels of remuneration in MTG. The following is the Board's report of the results of the evaluation.

General description of the remuneration to the Executives

The remuneration to the Executives consists of fixed and variable salary, as well as the possibility to participate in long-term incentive programmes, other benefits and pension schemes. The objective of the remuneration is to attract, motivate and retain the Executives. The remuneration shall be market competitive within the context of MTG's international peer group and at the same time aligned with the shareholder's interests.

Variable remuneration

The variable remuneration paid in cash shall be based on an annual evaluation of the performance in relation to established goals and targets. The maximum outcome of the variable remuneration paid in cash is generally 75 percent of the fixed annual salary. Further information on the variable remuneration paid in cash is found in the Annual Report 2011.

There are long-term equity based incentive programmes for the Executives and other key employees in MTG. The long-term incentive programmes are performance based and require participants to own shares and remain in the employment of MTG. By tying the employee's remuneration and the development of MTG's result and value together, continuous loyalty with the Company is encouraged and contributes to the long-term value growth of MTG. Further information on the long-term incentive programmes such as outcome, participation ratio, number of issued and outstanding instruments etc. is found in the Annual Report 2011 and on MTG's website at www.mtg.se.

Evaluation of programmes for variable remuneration

The development of the programmes for variable remuneration is evaluated by the Remuneration Committee throughout the year and the programmes' expected outcome is discussed at Board meetings. The Remuneration Committee also monitors the extent to which the Executives and other key employees participate in the programmes. The evaluation of the programmes for variable remuneration has shown that:

- the programmes are well aligned with the shareholders' interests,
- the programmes are considered to help attract, motivate and retain the competence needed in the executive management,

- future long-term incentive programmes shall also be equity based and require an own investment in MTG's shares.

Evaluation of the guidelines for remuneration to the Executives and information regarding deviation from the guidelines pursuant to Ch 8 Sec 51 of the Swedish Companies Act (2005:551)

The evaluation has resulted in the conclusion that the guidelines for remuneration to the Executives that the Annual General Meeting established have generally been followed in the Company during 2011. However, the Board of Directors has considered it appropriate to make an exception from the guidelines and has entered into an employment agreement with one Executive providing for the potential award of variable remuneration greater than the 75% annual salary cap to a maximum of 150% of fixed annual salary in the event of significant financial over-performance in the Executive's business area. Following the guidelines the Board of Directors may, in special circumstances, deviate from the guidelines, for example on additional variable remuneration in the case of exceptional performance.

The external auditors have given a statement to the Board of Directors that MTG has complied with the guidelines on salary and other remuneration to the Executives adopted by the Annual General Meetings 17 May 2010 and 18 May 2011, however the auditor has stated that the Board has exercised its right to deviate from the guidelines at one occasion as set forth in the paragraph above.

Evaluation of the current remuneration structures and levels in MTG

The Board of Directors' view is that the remuneration to Executives strikes an appropriate balance between motivating the Executives and achieving a competitive compensation aligned with the shareholder's interests.

Stockholm, April 2012

MODERN TIMES GROUP MTG AB (PUBL)

THE BOARD OF DIRECTORS