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If you have sold or otherwise transferred all of your Ordinary Shares in the share capital of MAMA Group Plc, please send this document, together with the Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



(Incorporated in England and Wales under the Companies Act 1985 with Registered No. 4254431)

**Approval of proposed purchase of shares in subsidiary company from directors
Notice of Extraordinary General Meeting**

A notice of an Extraordinary General Meeting of MAMA Group Plc, to be held at the offices of Seymour Pierce at Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL at 11.00 a.m. on 22 June 2006, accompanies this document. To be valid, the enclosed Form of Proxy must be completed in accordance with the instructions set out thereon and returned so as to be received by Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH by no later than 11.00 a.m. on 20 June 2006.

PART 1

DIRECTORS, SECRETARY AND ADVISERS

Directors	Adam Driscoll (Co-Chief Executive) Dean James (Co-Chief Executive) Philip Murphy (Chief Operating Officer) Charles McIntyre (Non-Executive Director) all of Zeppelin Building, 59-61 Farringdon Road, London EC1M 3JB
Company Secretary	Philip Murphy
Registered Office	Zeppelin Building, 59-61 Farringdon Road, London EC1M 3JB
Nominated Adviser and Broker	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL
Solicitors to the Company	Harbottle & Lewis LLP Hanover House, 14 Hanover Square, London W1S 1HP
Auditors	PKF (UK) LLP Farringdon Place, 20 Farringdon Road, London EC1M 3AP
Registrars and Receiving Agents	Computershare Investor Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Act"	the Companies Act 1985, as amended;
"Admission Document"	the document issued by MAMA Group to Shareholders on 22 November 2005;
"AIM"	the Alternative Investment Market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules of the London Stock Exchange;
"Board" or "Directors"	the directors of the Company whose names appear on page 1 of this document;
"Cancellation Offer"	the offer made by the Company to Stonesthrow Option holders on 6 January 2006 to pay cash and issue new Ordinary Shares in consideration of their agreement to cancel their Stonesthrow Options;
"Channelfly"	Channelfly plc, a subsidiary of the Company;
"Channelfly Shares"	6,549,998 Ordinary Shares in the Company held by Channelfly;
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at 11 a.m. on 22 June 2006, notice of which accompanies this document;
"Form of Proxy"	the form of proxy for use by Shareholders for the Extraordinary General Meeting;
"Independent Director"	Dean James;
"London Stock Exchange"	London Stock Exchange plc;
"MAMA Group" or "the Company"	MAMA Group Plc;

"New Ordinary Shares"	the 26,500,000 new Ordinary Shares to be issued to the Relevant Directors by the Company in part consideration of the Purchase, subject to the passing of the Resolution at the EGM;
"Notice"	the notice of EGM accompanying this document;
"Ordinary Shares"	ordinary shares of 5p each in the capital of the Company;
"Proposals"	the amendment of the Relevant Stonestrow Options, the Purchase and the sale of the Channelfly Shares;
"Purchase"	the purchase of the 212,000 Stonestrow Shares resulting from the exercise of the Relevant Stonestrow Options;
"Relevant Directors"	Adam Driscoll, Philip Murphy and Charles McIntyre;
"Relevant Stonestrow Options"	the Stonestrow Options held by the Relevant Directors as detailed in Part 3 of this document;
"Resolution"	the composite resolution set out in the Notice;
"Schroder"	Schroder Investment Management;
"Seymour Pierce"	Seymour Pierce Limited;
"Shareholders"	holders of Ordinary Shares;
"Stonestrow"	Stonestrow Media Limited, a subsidiary of the Company;
"Stonestrow Options"	the options and warrants in existence at 22 November 2005 which gave their holders the right to subscribe for Stonestrow Shares; and
"Stonestrow Shares"	the ordinary shares of £1 each in the capital of Stonestrow.

PART 2

Letter from the Independent Director



(Incorporated in England and Wales with Registered Number 4254431)

Directors:

Adam Driscoll (Co-Chief Executive)
Dean James (Co-Chief Executive)
Philip Murphy (Chief Operating Officer)
Charles McIntyre (Non-Executive Director)

Registered and Head Office:

Zeppelin Building,
59-61 Farringdon Road,
London
EC1M 3JB

7 June 2006

To Shareholders and, for information only, to holders of warrants and options relating to Ordinary Shares

Dear Shareholder,

Notice of Extraordinary General Meeting

Introduction

On 22 November 2005, MAMA Group announced an offer to acquire the entire issued share capital of Stonestrow, the holding company of the Channelfly group of music businesses. An institutional share placing to raise £7 million was announced at the same time. The offer valued Stonestrow at approximately £12.2 million and constituted a reverse takeover for the purposes of the AIM Rules.

The offer and the placing were declared unconditional on 14 December 2005 and the first stage of the acquisition was completed on 15 December 2005.

The offer remained open until 12 April 2006 when MAMA Group completed the statutory procedure to acquire the interests of the minority shareholders of Stonestrow who did not respond to the offer and the offer was closed.

In the Admission Document, MAMA Group stated that it intended to make an offer to all of the Stonestrow Option holders (including the Relevant Directors) whereby the Company would make a payment of cash and issue new Ordinary Shares to the Relevant Directors in consideration of their agreement to cancel the Stonestrow Options. Details of this Cancellation Offer were set out in the Admission Document and are summarised in Part 5 of this document. The making of the Cancellation Offer to the Relevant Directors was approved by the Shareholders at the extraordinary general meeting of the Company held on 14 December 2005.

The Cancellation Offer was made by the Company on 6 January 2006 and has been accepted by all of the Stonestrow Option holders apart from the Relevant Directors. The Company has been advised that, were the Cancellation Offer to be accepted by the Relevant Directors, a significant income tax and national insurance charge would arise for which the Company would be liable.

The Stonestrow Option Proposals

In the light of this, the Company has considered alternative routes to give effect to the terms of the Cancellation Offer which will not have an adverse impact upon its earnings and cash reserves. Having taken appropriate advice, the Company proposes, subject to the approval of the Resolution by the Shareholders at the EGM, to implement the following:

- Stonestrow will amend the terms of the Relevant Stonestrow Options by reducing the exercise price of each of the Relevant Stonestrow Options to £1.00 per Stonestrow Share in return for the agreement of the Relevant Directors to reimburse the Company in full for income tax and national insurance arising as a liability of MAMA Group as a result of the exercise of such options; and
- the Company will acquire all of the Stonestrow Shares which result from the exercise of the Relevant Stonestrow Options. Such acquisition will take place upon terms slightly different to the terms upon which the other Stonestrow Shares were acquired following the Offer, with a larger amount of cash per Stonestrow Share being payable by the Company. However, following the reimbursement to the Company by the Relevant Directors of tax and national insurance arising as a result of the exercise of the Relevant Stonestrow Options, the Relevant Directors will each be left with the same amount of cash as they would have received under the terms of the Cancellation Offer. The Purchase terms are set out in Part 4 A of this document.

To enable the Relevant Directors to reimburse the Company for the income tax and national insurance arising as result of the exercise of the Relevant Stonestrow Options, the Relevant Directors have provisionally agreed, subject to contract, to sell a proportion of the New Ordinary Shares resulting from the Purchase to Schroder, a leading institutional investor. Schroder is not currently a shareholder in the Company. This sale requires the permission of Seymour Pierce under the lock-in agreements entered into at the acquisition of Stonestrow. Seymour Pierce has given this permission, conditional upon the approval of the Resolution by the Shareholders at the EGM. The lock-in agreements will be otherwise unaffected by the Proposals.

A summary of the effect of the Proposals upon the issued share capital of the Company is set out in Part 6 of this document. No changes to the authorised share capital are necessary and the issue of the New Ordinary Shares by the Company is permitted under the scope of existing powers and authorities granted to the Directors by Shareholders at previous general meetings of the Company.

Following the Purchase and the subsequent sale to Schroder, none of the Relevant Directors will have a greater number of Ordinary Shares than would have been the case had they accepted the Cancellation Offer. Two of the Relevant Directors, Adam Driscoll and Charles McIntyre, will have a smaller number of Ordinary Shares than would have been the case had they accepted the Cancellation Offer. The resulting shareholdings of each of the Relevant Directors upon completion of the Proposals are set out in part 4 B of this document.

Overall, the Company's net cash outflow from the Proposals is materially less than would have been the case if the Relevant Directors had accepted the Cancellation Offer, as detailed in Part 4 A of this document.

The Channelfly Shares

In the Admission Document, the Company stated that, following the completion of the acquisition of Stonestrow, Channelfly would hold 6,549,998 Ordinary Shares in the Company and that, whilst this was permitted by s23(5) of the Act, it was the intention of Stonestrow to procure the sale of those shares. The Admission Document stated that it was proposed to sell the majority of the Channelfly Shares to Dean James, the Co-Chief Executive of the Company, and that the balance would be sold to a third party. The intention had been to sell the Channelfly shares at a discount to the current share price to provide an incentive for Mr James to provide him with a greater equity stake in the Company. The discounted price reflected the value attributed to the Channelfly Shares in the accounts of Stonestrow at the time of the Offer and was approved by the board of Stonestrow. However, the Company has been advised that, were Stonestrow to proceed with the proposed sale, a significant income tax and national insurance charge would arise for which the Company would be liable. Accordingly, the proposed sale to Mr James will not now be taking place and the Board will seek an appropriate alternative method of providing an

incentive to Mr James. Channelfly has provisionally agreed that, following the passing of the Resolution by the Shareholders at the EGM and subject to contract, it will sell the Channelfly Shares to Schroder.

Extraordinary General Meeting

You will find accompanying this document a notice convening an extraordinary general meeting of the Company to be held at the offices of Seymour Pierce at Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL at 11.00 a.m. on 22 June 2006. At this meeting, there will be proposed a composite ordinary resolution pursuant to Section 320 of the Act to authorise the Company to purchase from each of the Relevant Directors the Stonestrow Shares resulting from the exercise of the Relevant Stonestrow Options and to pay as consideration the relevant cash sum and allot the New Ordinary Shares.

Action to be Taken

Extraordinary General Meeting - Form of Proxy

You will find enclosed with this document a Form of Proxy in respect of the EGM. Whether or not you propose to attend the EGM in person, you are asked to complete the Form of Proxy and return it to the Company's registrars, Computershare Services PLC, PO Box 859, The Pavilions, Bridgwater Road, Bristol BS99 7LF so as to arrive as soon as possible, but in any event, so as not to be received any later than 11.00 am on 20 June 2006. Completion and return of the Form of Proxy will not preclude you from attending and voting at the EGM in person if you wish.

Recommendation

The Independent Director, who has been so advised by Seymour Pierce, believes that the terms of the Proposals are fair and reasonable insofar as the Shareholders are concerned. In providing advice to the Independent Director, Seymour Pierce has taken into account the Independent Director's commercial assessments. Accordingly, the Independent Director recommends all Shareholders to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting as he intends to do in respect of his own beneficial holdings which amount to 2,000,000 Ordinary Shares, representing 0.55 per cent. of the current issued ordinary share capital of the Company.

Yours faithfully

Dean James
Co-Chief Executive

PART 3

Details of the Relevant Stonesthrow Options - current and proposed

1. Adam Driscoll

1.1 Options:

Number of Stonesthrow Shares	Exercise Price - current		Exercise price - proposed	
	(each)	(total)	(each)	(total)
10,000	£1.00	£10,000	£1.00	£10,000
30,000	£2.31	£69,300	£1.00	£30,000
40,000	£5.00	£200,000	£1.00	£40,000
80,000	-	£279,300	-	£80,000

1.2 Warrants:

Number of Stonesthrow Shares	Exercise Price - current		Exercise price - proposed	
	(each)	(total)	(each)	(total)
40,000	£2.31	£92,400	£1.00	£40,000

1.3 Total:

Number of Stonesthrow Shares	Exercise Price - current		Exercise price - proposed	
	(each)	(total)	(each)	(total)
120,000	-	£371,700	-	£120,000

2. Philip Murphy

2.1 Options:

Number of Stonesthrow Shares	Exercise Price - current		Exercise price - proposed	
	(each)	(total)	(each)	(total)
10,000	£1.00	£10,000	£1.00	£10,000
30,000	£2.31	£69,300	£1.00	£30,000
40,000	£5.00	£200,000	£1.00	£40,000
80,000		£279,300	-	£80,000

3. Charles McIntyre

3.1 Warrants:

Number of Stonesthrow Shares	Exercise Price - current		Exercise price - proposed	
	(each)	(total)	(each)	(total)
12,000	£2.31	£27,720	£1.00	£12,000

PART 4

A. Terms of the Proposed Purchase

Under the terms of the proposed Purchase, the total consideration payable to each of the Relevant Directors will be as follows:

	Number of Stonesthrow Shares	Exercise Cost payable by the Relevant Directors	Purchase Consideration payable by the Company Total	
			per Stonesthrow Share	
			Cash	New Ordinary shares
Adam Driscoll:				
Options:	80,000	£80,000	£1.29	125
Warrants:	£40,000	40,000	£1.16	125
Total:	120,000	£120,000		-
Philip Murphy:				
Options:	80,000	£80,000	£1.29	125
Warrants:	Nil	-	-	-
Total:	80,000	£80,000	£103,577.00	10,000,000
Charles McIntyre:				
Options:	Nil	-	-	-
Warrants:	12,000	£12,000	£1.16	125
Total:	12,000	£12,000	£13,898.00	1,500,000
Total:	212,000	£212,000	£267,898.00	26,500,000

The total cash consideration presented here is the gross amount payable to the Relevant Directors and is therefore stated without deduction of tax and national insurance; it is also the gross amount without taking account of the exercise price payable by the Relevant Directors. The net cash outflow to the Group resulting from the Proposals as against the outflow under the Cancellation Offer will be:

	Under the Proposals	Under the Cancellation Offer	Difference
Adam Driscoll:	£29,906.00	£107,200	£77,294.00
Philip Murphy:	£23,577.00	£80,000	£56,423.00
Charles McIntyre:	£1,898.00	£8,160	£6,262.00
Total	£55,381.00	£195,360.00	£139,979.00

Accordingly the Proposals involve a net reduction in cash outflow from the Group as against the basic outflow from the Company under the Cancellation Offer totalling £139,979,00. This saving results in part from the smaller number of Ordinary Shares which will be held by Mr Driscoll and Mr McIntyre and from the agreement of the Relevant Directors to reimburse the Company for employer's national insurance contributions resulting from the exercise of their Stonestrow Options. This saving is calculated only upon the difference in the net outflow to the Relevant Directors. If the Relevant Directors had accepted the Cancellation Offer then, as noted in Part 2 of this document, an additional liability for income tax and national insurance would have arisen for which the Company would have been liable.

B. Details of the current shareholdings of the Relevant Directors and their shareholdings assuming completion of the Proposals

As detailed in Part 1 of this document, each of the Relevant Directors has agreed that they will sell a proportion of the Ordinary Shares to be issued to him pursuant to the Purchase to enable him to reimburse the income tax and national insurance which arises as a liability of the Company on the exercise of the Relevant Stonestrow Options. The number of New Ordinary Shares to be sold, and the effect of this upon the Relevant Directors' respective shareholdings, is as follows:

	Current holding ¹ including beneficial interests		Additional shareholding assuming completion of the Proposals	Amount to be sold to fund reimbursement of tax and NI chargeable to the Company	Total additional shareholding after sale	Total holding assuming completion of the Proposals ²	
	Number	%				Number	%
Adam Driscoll	36,387,145	10.06%	15,000,000	8,276,000	6,724,000	43,111,145	11.11%
Philip Murphy	4,846,625	1.34%	10,000,000	5,586,000	4,414,000	9,260,625	2.39%
Charles McIntyre	19,302,500	5.34%	1,500,000	807,000	693,000	19,995,500	5.15%

¹ Including beneficial holdings but not MAMA Group warrants or options relating to Ordinary Shares.

² Assuming that no MAMA Group warrants or options relating to Ordinary Shares are exercised and the Company issues no additional Ordinary Shares.

PART 5

Summary of the Cancellation Offer

Seymour Pierce, acting on behalf of the Company, made an offer to the Stonestrow Option holders on 6 January 2006 as follows:

In return for agreeing to the cancellation of the warrants, warrant holders will receive 68p in cash and 85.2 Ordinary Shares per warrant held.

In return for agreeing to the cancellation of the options, option holders will receive £1 in cash and 55.175 Ordinary Shares per option held.

In each case, accepting holders of warrants and options will be issued with whole numbers of Ordinary Shares, with any fractional entitlements rounded down to the nearest whole Ordinary Share.

There were a total of 80,000 Stonestrow Shares under warrants. Acceptances were received by the Company for 28,000 of these. The balance is held by the Relevant Directors as set out in Part 3 of this document.

There were a total of 160,000 Stonestrow Shares under options. No acceptances were received by the Company for these. The options are held by the Relevant Directors as set out in Part 3 of this document.

PART 6
SHARE CAPITAL STATISTICS

Ordinary Shares in issue on the date of this document:	361,589,864
Number of New Ordinary Shares to be issued upon completion of the Proposals:	26,500,000
Enlarged share capital upon completion of the Proposals:	388,089,864
Percentage of enlarged issued ordinary share capital being issued under the Proposals:	6.83%
Outstanding MAMA Group warrants exercisable at 5p each:	35,000,000
Enlarged ordinary share capital assuming completion of the Proposals and exercise of all of the outstanding MAMA Group warrants exercisable at 5p each:	423,089,864



(Incorporated in England and Wales under the Companies Act 1985 with Registered No. 4254431)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of MAMA Group Plc ("the Company") will be held at the offices of Seymour Pierce at Bucklersbury House, 3 Queen Victoria Street, London EC4N 8EL at 11.00 a.m. on 22 June 2006 for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

That:

- (a) In accordance with section 320 of the Companies Act 1985 (as amended) ("the Act"), the Company be authorised to enter into an agreement with Adam Driscoll pursuant to which the Company will purchase 120,000 ordinary shares of £1 each in the capital of Stonestrow Media Limited ("the Stonestrow Shares") which are held by him (or which shall be held by him following his exercise of the options and warrants he holds in respect of Stonestrow Shares) on the terms and conditions set out in the Circular dated 7 June 2006 accompanying this notice ("the Circular").
- (b) In accordance with section 320 of the Act, the Company be authorised to enter into an agreement with Philip Murphy pursuant to which the Company will purchase 80,000 Stonestrow Shares which are held by him (or which shall be held by him following his exercise of the options he holds in respect of Stonestrow Shares) on the terms and conditions set out in the Circular.
- (c) In accordance with section 320 of the Act, the Company be authorised to enter into an agreement with Charles McIntyre pursuant to which the Company will purchase 12,000 Stonestrow Shares which are held by him (or which shall be held by him following his exercise of the warrants he holds in respect of Stonestrow Shares) on the terms and conditions set out in the Circular.

By order of the Board

Philip Murphy
Company Secretary
7 June 2006

Notes:

1. A member of the Company entitled to attend and vote at the above Meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a Form of Proxy, and, if applicable, any authority under which it is signed, or a certified copy of such authority, must be lodged at the offices of the Company's Registrars, Computershare Investor Services PLC, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH not less than 48 hours before the time appointed for holding the Meeting. Completion and return of the enclosed Form of Proxy will not prevent a member attending and voting at the Meeting should he wish.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those persons entered on the register of members of the Company at 11.00 a.m. on 20 June 2006 (or 48 hours before any adjourned meeting) shall be entitled to attend or vote at the above meeting in respect of the number of shares registered in their name at that time. Changes in the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Meeting.

Registered Office:

Zeppelin Building,
59-61 Farringdon Road,
London
EC1M 3JB

