



FOR IMMEDIATE RELEASE

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## **MTG TO CONVENE EGM TO APPROVE DISTRIBUTION OF CDON GROUP**

**Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment broadcasting group, announces that its Board of Directors resolved at a meeting held today that it will convene an Extraordinary General Meeting of MTG shareholders. The Board of Directors will propose to the EGM that all of the shares in MTG subsidiary CDON Group AB be distributed to MTG shareholders before the end of the year.**

The notices to the EGM will be published at least two weeks prior to the Meeting and will contain further information regarding the distribution process. Subject to the approval of the distribution by the EGM, MTG intends to submit an application to Nasdaq OMX Stockholm for the listing of CDON Group's shares on the stock exchange.

Hans-Holger Albrecht, President and CEO of MTG and Chairman of CDON Group, commented: "The EGM is the next step in the demerger process and we expect CDON Group to be spun-off to our shareholders in the fourth quarter. MTG and the wider Kinnevik sphere have a long track record of generating additional shareholder value by distributing and listing successfully established businesses to shareholders. MTG itself was established within Kinnevik and then distributed to Kinnevik shareholders in 1997."

### ABOUT CDON GROUP

CDON Group comprises all of MTG's internet retailing operations and is expected to be spun-off from MTG by means of the demerger and distribution of CDON Group shares to MTG shareholders in the fourth quarter of 2010.

MTG's internet retailing business was launched in February 1999 with the introduction of CDON.COM, which initially sold music CDs via internet sites in Sweden, Norway and Denmark. CDON.COM is now the number one online retailer of entertainment products in the Nordic region, with a broad offering of CDs, DVDs, computer games, books and electronic products, as well as music downloads and on-demand film streaming services. Finnish internet book retailer BookPlus.fi was acquired in 2007 and Swedish online toy retailer Lekmer.se was acquired recently in April 2010.

CDON Group's Fashion business was established in 2007 with the acquisition of fashion retailer Nelly.com and children's clothing retailer LinusLotta.com, and the Sports & Health business was established in 2008 with the acquisition of nutritional supplement retailer Gymgrossisten.com and dietary and health supplement retailer Bodystore.com.

CDON Group reported 26% year on year sales growth to SEK 927 (733) million in the first six months of 2010, and a 55% year on year increase in operating income to SEK 66 (43) million, with an increased operating margin of 7%.

Mikael Olander has been President and Chief Executive Officer of CDON since 2000 and of CDON Group (previously MTG Internet Retailing) since it was established in 2007.

Please visit [www.mtg.se](http://www.mtg.se) for further information about CDON Group and its operations.

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For further information, please visit [www.mtg.se](http://www.mtg.se) or contact:

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*Modern Times Group is a leading international entertainment broadcasting group with the largest geographical broadcast footprint in Europe. MTG's Viasat Broadcasting is the leading free-TV and pay-TV operator in Scandinavia and the Baltics, and has broadcasting operations in Bulgaria, Czech Republic, Hungary, Slovenia, Russia, Ukraine and Ghana. Viasat's free-TV and pay-TV channels and pay-TV platforms attract a total of 125 million viewers in 31 countries. MTG is also the major shareholder in Russia's largest independent television broadcaster (CTC Media – Nasdaq: CTCM), and the number one commercial radio operator and internet retailer of entertainment products in the Nordic region.*

*Modern Times Group MTG AB Class A and B shares are listed on Nasdaq OMX Stockholm's Large Cap market ('MTGA' and 'MTGB').*

*The information in this announcement is that which Modern Times Group MTG AB is required to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 19.00 CET on 24 August 2010.*