



FOR IMMEDIATE RELEASE

21 October 2010

**CDON GROUP EXPANDS ONLINE TOY RETAILER ACROSS NORDICS,
INTRODUCES ONLINE FASHION RETAILER IN GERMANY AND LAUNCHES
CDONGROUP.COM**

Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment broadcasting group, today announced that wholly-owned subsidiary CDON Group AB ('CDON Group') has launched online toy retailer Lekmer.com in Norway, and will launch it in Denmark and Finland in the near future. Lekmer's full product offering and customer support will be made available in local languages across the Nordic region to correspond with the local launches of the toy retailer. The Group also announced that it has introduced a German version of pan-Nordic fashion retailer Nelly.com, which now also offers German speaking customer care. CDON Group has also launched its corporate web site www.cdongroup.com, as part of the proposed demerger and public listing of the company. The web site offers information on CDON Group, and makes available the 2009 Annual Report and CDON Group's financial results for the second quarter and first six months of 2010. Further information on CDON Group and on the demerger process will be made available in due course.

CDON Group acquired 90.1% of Swedish online toy retailer Lekmer on 31 March 2010. The online store offers a wide range of toys from leading brands including Alga, Mattel, Brio, Micki, Babybjörn, Disney, Hasbro, Lego and Playmobil. Swedish fashion retailer Nelly.com was acquired by CDON Group in August 2007, and expanded into Norway in June 2008, and into Denmark and Finland in October 2008.

The pan-Nordic roll-out of Lekmer.com follows similar successful expansions by the Group's other brands – CDON.COM, Gymgrossisten and Nelly.com, whilst the introduction of Nelly.com in Germany marks the first expansion outside the Nordic region. A beta version of Nelly.com in Germany was launched in May, and the initial marketing through affiliate programmes and online social media has now been extended to include TV advertising campaigns to drive up brand awareness levels. The fulfilment for all of Nelly.com's operations is handled from the company's centralised warehouse in Borås (Sweden).

Hans-Holger Albrecht, President and CEO of MTG and Chairman of CDON Group, commented: "These expansions are in line with our growth strategy and demonstrate the scalability of CDON Group's operations and brands. They can be achieved cost-effectively and rapidly precisely because of the Group's integrated marketing and logistics infrastructure. We look forward to further developing the Group's market presence, brands and product offerings moving forward."

"The launch of CDON Group's web page is part of the ongoing demerger process, and will raise the profile of CDON Group as a leading independent Nordic internet retailing group."

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 a 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 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, whilst shoe retailer Heppo.com was launched on 31 August 2010. 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 a 27% year on year sales growth to SEK 1.441 (1,131) million in the first nine months of 2010. Operating income increased by 31% year on year to SEK 97 (75) million in the first nine months of 2010, with a stable operating margin of 7% (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 or www.cdongroup.com for further information about CDON Group and its businesses.

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

Hans Holger Albrecht, Chief Executive Officer
Tel: +46 (0) 8 562 000 50

Investor & Analyst Enquiries:
Matthew Hooper
Tel: +44 (0) 7768 440 414
Email: investor.relations@mtg.se

Media Enquiries:
Bert Willborg
Tel: +44 (0) 791 2280 850
Email: bert.willborg@mtg.se

Modern Times Group MTG AB

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 08.00 CET on 21 October 2010.