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MTG ANNOUNCES INTENTION TO DISTRIBUTE INTERNET RETAILING BUSINESS TO MTG SHAREHOLDERS

Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment broadcasting group, today announced its intention to demerge its Internet Retailing business by means of the distribution of shares in CDON Group to MTG's shareholders over the next 6 to 9 months. CDON Group comprises all of the operations of MTG Internet Retailing Group AB. Further details about the demerger process will be announced in due course.

Handelsbanken Capital Markets has been appointed as advisor to MTG on the demerger of CDON Group. MTG has also received interest in CDON Group from third parties, which will be reviewed as part of the ongoing demerger process.

CDON Group comprises the Nordic market leading internet retailing brands in each of its divisions, which comprise Entertainment (CDON.COM, BookPlus.fi, Lekmer.se), Health & Sports (Gymgrossisten.com, Bodystore.com) and Fashion (Nelly.com, LinusLotta.com). Localised versions of CDON.COM, Nelly.com and LinusLotta.com are available across the Nordic region; Gymgrossisten.com in Sweden, Norway and Finland; and Bodystore.com and Lekmer.se in Sweden.

A total of 12.4 million products were sold in 2009 and delivered in 4.7 million individual packages.. CDON Group's sales grew by 36% year on year to SEK 1,746 (1,286) million in 2009, and the business generated SEK 125 (83) million of operating income with an increased operating margin of 8% (5%). The Entertainment business accounted for 76% of 2009 sales and reported 26% growth for the full year while the Health & Sports division accounted for 12% of 2009 sales and generated 45% growth for the full year, and the Fashion business accounted for 12% of sales and reported 157% growth for the year.

Hans-Holger Albrecht, President and CEO of MTG, commented: "We are very proud of the development of the CDON Group into a market leading internet retailer over the past 10 years. The business has primarily grown organically, but has also selectively acquired a number of complementary brands in recent years that create considerable synergies for the business and enable it to benefit from the ongoing shift of retail sales from the high street to the internet. The profitability of the business demonstrates the efficient structure and management of this growth, and compares favourably with the company's international peer group.

"The spin-off is a natural step considering the focus within MTG on our core broadcasting businesses, our focus on delivering shareholder returns, and the benefit for CDON Group of an independent profile as a high growth regional market leader. We will continue to work closely with CDON Group moving forward to support its further development.

"The proposed demerger does not reflect any change to our online digital broadcasting strategy. We will continue to expand our online broadcasting presence by the further development of our fast growing Viasat OnDemand online video streaming service. We already have the most competitive online TV content offering in the Nordic region, which combines the free catch-up services for our own and leading third party channels, as well as paid-for content including over 2,000 movies, live

coverage of major sports events such as UEFA Champions League football, Formula One motor-racing and NHL ice hockey.”

ABOUT CDON GROUP

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 including CDs, DVDs, computer games, books, electronic products, as well as music download and on-demand film streaming services. Finnish internet book retailer BookPlus.fi was then acquired in 2007 and Swedish online toy retailer Lekmer.se has just been acquired in April 2010.

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

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

Please visit www.mtg.se for further information about CDON Group and its businesses.

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

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Modern Times Group is a leading international entertainment broadcasting group with the second 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

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 19 April 2010.