



**FOR IMMEDIATE RELEASE**

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## **MTG ANNOUNCES APPOINTMENTS TO CDON GROUP BOARD OF DIRECTORS**

**Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment broadcasting group, today announced a number of new appointments to the Board of Directors of wholly-owned MTG subsidiary CDON Group AB ('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. Lars-Johan Jarnheimer, Mia Brunell Livfors and Henrik Persson have been appointed to the CDON Group Board of Directors as Non-Executive Directors. Hans-Holger Albrecht, Anders Nilsson and Mathias Hermansson are already members of the Board, and Hans-Holger Albrecht is Chairman of the CDON Group Board.**

Hans-Holger Albrecht has served as President and Chief Executive Officer of MTG since 2000, prior to which he served as Head of the Group's Pay-TV operations, as President of Viasat Broadcasting and as Chief Operating Officer of MTG. Hans-Holger is co-chairman of CTC Media, Inc., which is Russia's biggest independent TV broadcaster and in which MTG is the largest shareholder with a 38.9% equity interest. Hans-Holger has also been a member of the Board of Directors of Millicom International Cellular S.A. since May 2010 and is a member of the Board of the International Emmy Association in New York.

Lars-Johan Jarnheimer is independent of MTG, and the management and shareholders of CDON Group. Lars-Johan is currently a member of the Board of Directors of INGKA Holding B.V. (the parent company of the IKEA Group of Companies), Apoteket AB, Seamless Distribution AB, Arvid Nordquist Handels AB and Chairman of the Non Governmental Organisation BRIS (Children's Rights in Society). Lars-Johan served as Chief Executive Officer of Tele2 AB from 1999 to 2008, and previously held various positions at IKEA, Hennes & Mauritz, SARA Hotels, SAAB Opel Sverige AB, ZTV and Comviq.

Mia Brunell Livfors and Henrik Persson represent Investment AB Kinnevik, which is MTG's largest shareholder and will therefore become CDON Group's largest shareholder following the planned demerger from MTG.

Mia Brunell Livfors has served as Chief Executive Officer of Investment AB Kinnevik since 2006, prior to which Mia served as Chief Financial Officer of MTG between 2001 and 2006 and in various financial management positions between 1992 and 2001. Mia has been Chairman of the Board of Directors of Metro International S.A. since 2008, and is also a Non-Executive Director of Millicom International Cellular S.A., Tele2 AB, Transcom Worldwide S.A. and H & M Hennes & Mauritz AB.

Henrik Persson has been Head of Investments at Investment AB Kinnevik since 2007 and was previously Kinnevik's Director of Corporate Communications between 2004 and 2007. Henrik has been a member of the Board of Directors of Black Earth Farming Ltd since 2006, of Kontakt East Holding AB since 2006, of Mellersta Sveriges Lantbruks AB since 2007 and of Relevant Traffic Europe AB since 2006.

Anders Nilsson has served as Chief Operating Officer of MTG and Chief Executive Officer of MTG's Online business area since January 2008. Anders has also been Head of MTG's Bulgarian TV operations since October 2008, Head of the Group's Baltic free-TV operations since February 2009, and Head of the Group's free-TV operations in Slovenia since March 2010. Anders has also held senior management positions within MTG Radio and MTG's former Publishing business, was Chief Operating Officer of MTG between 2000 and 2003 and was Head of MTG Sweden between 2003 and 2007. He serves as Chairman of the Board of Directors in the search engine optimisation and search engine marketing company Relevant Traffic AB. Anders joined MTG in 1992.

Mathias Hermansson has served as Chief Financial Officer of MTG since March 2006, prior to which he was MTG Group Financial Controller between 2001 and 2006 and also held various financial positions at Viasat Broadcasting, MTG Radio and MTG Internet Retailing. Mathias has also served as Finance Director of former MTG subsidiary Metro International S.A.'s North American operations. He joined MTG in 1999 and previously worked for Unilever Sweden. Mathias has been a member of the Board of Directors of CTC Media, Inc. since 2009.

The appointment of an additional independent and Non-Executive Director to the CDON Group Board will be announced in due course.

Hans-Holger Albrecht, President and CEO of MTG and Chairman of CDON Group, commented: "We are delighted to have been able to strengthen the Board of CDON Group by adding a number of new Board members who represent the current or future shareholders, have the relevant industry sector knowledge, have experience of managing growth companies, or have complementary industry backgrounds that will add invaluable insight and guidance to the ongoing strategic development of this market leading business. The process to demerge CDON Group from MTG and distribute its shares to MTG shareholders is ongoing and expected to be completed in the fourth quarter of 2010."

## 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 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 a 26% year on year sales growth to SEK 927 (733) million in the first half of 2010. Operating income increased 55% year on year to SEK 66 (43) million in the first half of 2010, and the business therefore generated an increased operating margin of 7% (6%).

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 businesses.

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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 08.00 CET on 9 August 2010.*