



**FOR IMMEDIATE RELEASE**

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## **CDON GROUP LAUNCHES ONLINE SHOE RETAILER**

**Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment broadcasting group, today announced that CDON Group AB ('CDON Group') has launched Heppo.com, which is a new online shoe retailing brand. Heppo was launched in Sweden today, and will be launched in Norway, Denmark and Finland during September. The online store will initially offer more than 1,000 individual footwear models from 100 different brands.**

Heppo.com will be part of CDON Group's Fashion business segment, which also includes fashion retailer Nelly.com and children's clothing retailer LinusLotta.com.

Heppo's initial range will include sneakers, high heels, pumps, boots, slippers, loafers, wedding shoes, boat shoes, desert and hiking boots from Scandinavian and international brands like Bobbie Burns, Clarks, Filippa K, Fred Perry, Friis & Company, Tiger, Vagabond, Whyred, Loake and Lloyd.

Hans-Holger Albrecht, President and CEO of MTG and Chairman of CDON Group, commented: "The launch of Heppo.com will complement CDON Group's current fashion retailing portfolio, and demonstrates CDON Group's ability to expand by utilising its existing infrastructure to launch new businesses in fast growing market segments."

"We continue to work towards the demerger of CDON Group by means of the distribution of the business to our shareholders, which we expect to complete in the fourth quarter. This new launch is further evidence of CDON Group's scale, ambition and clear growth strategy."

### **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 08.00 CET on 31 August 2010.*