

Kinnevik Capital Markets Day

23 February 2011

Mikael Olander, President & CEO
CDON Group AB (NASDAQ OMX Stockholm: CDON)

Market leader in fast growing Nordic e-commerce market

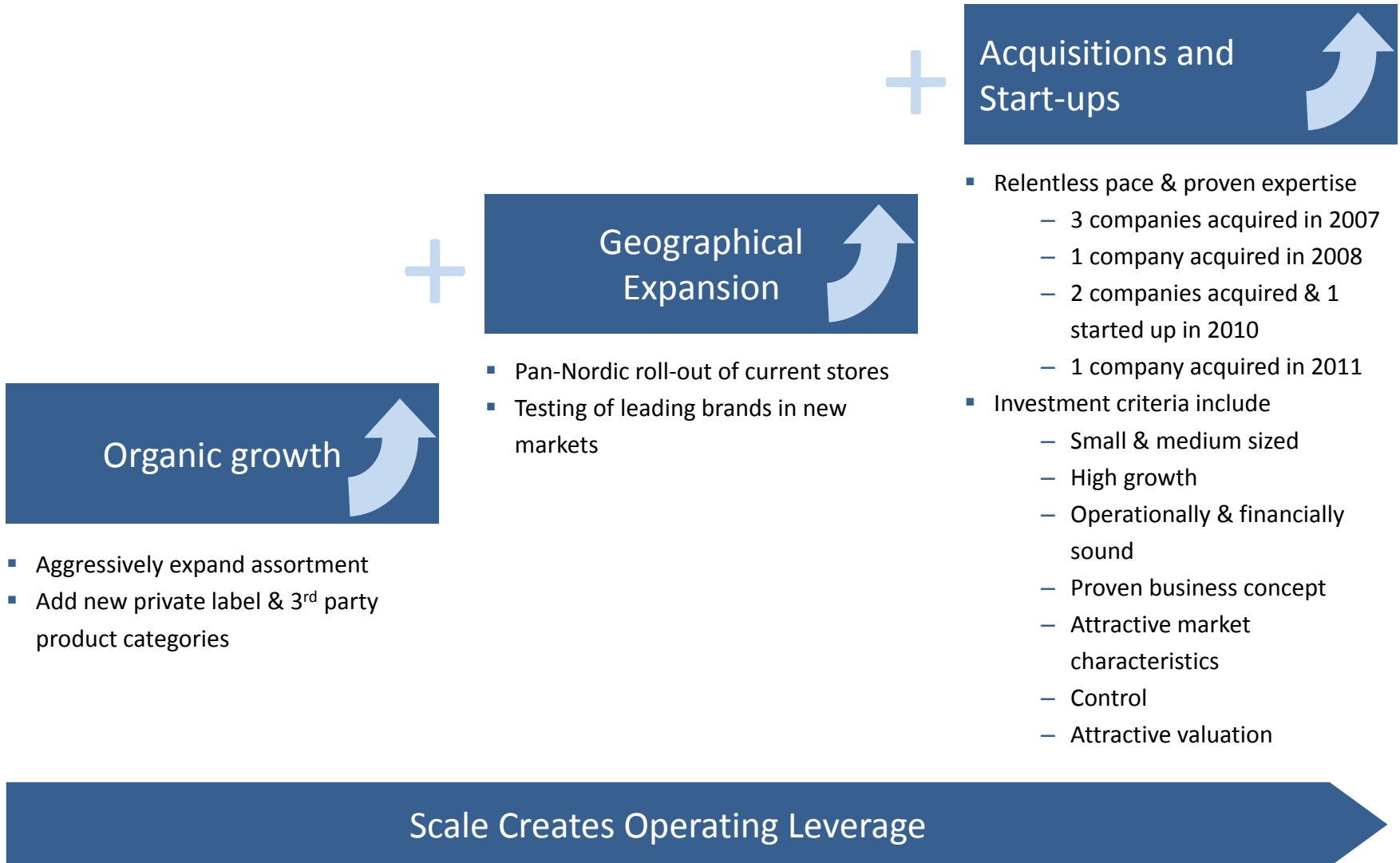


Entertainment

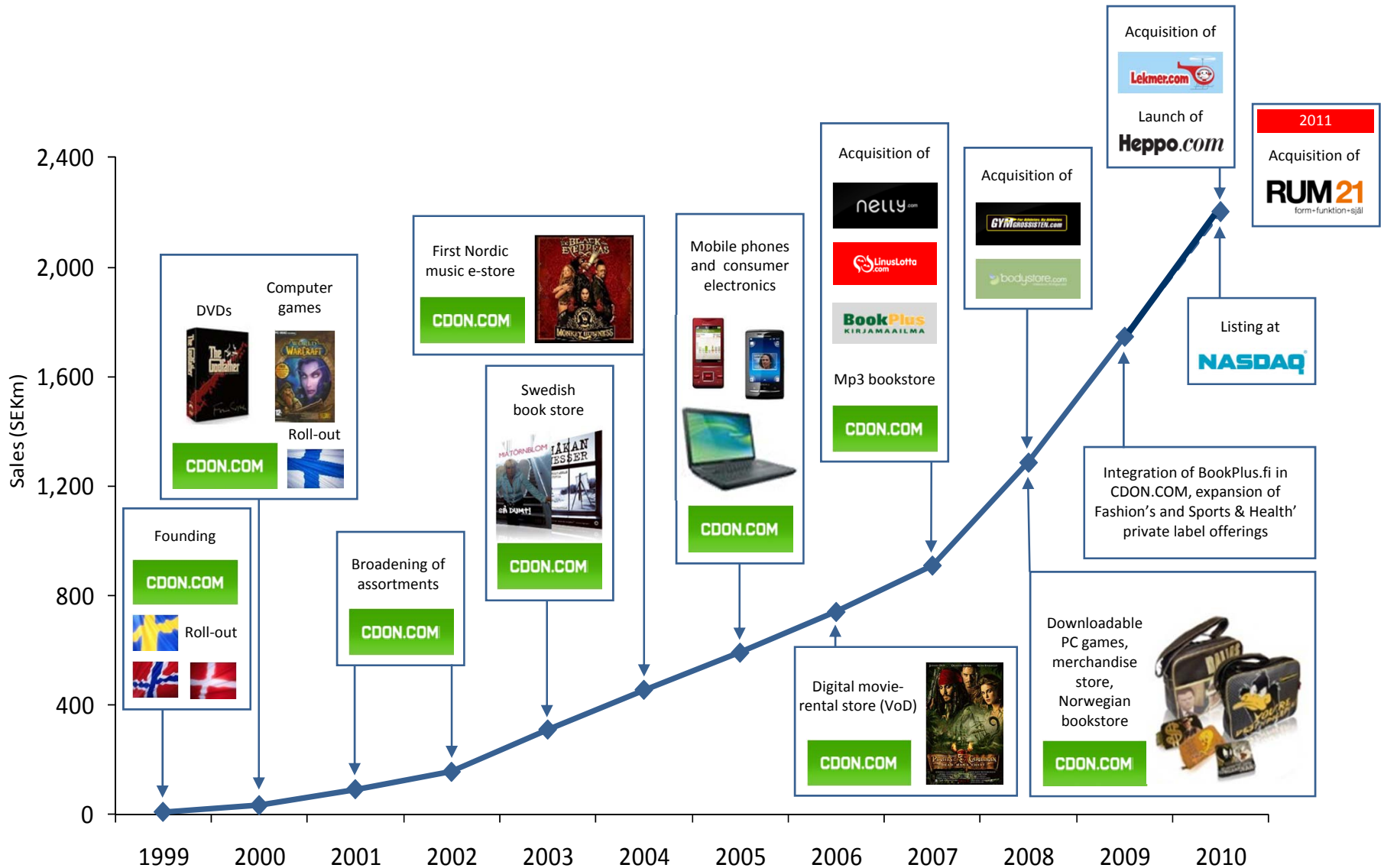
Fashion

Sports & Health







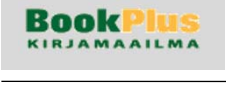


- CDON Group is the leading Nordic B2C e-commerce group with SEK 2.2 billion of sales and industry leading profit margins
- CDON Group operates 9 internet stores in the Entertainment, Fashion and Sports & Health segments - CDON, Nelly and Gymgrossisten brands account for +90% of sales



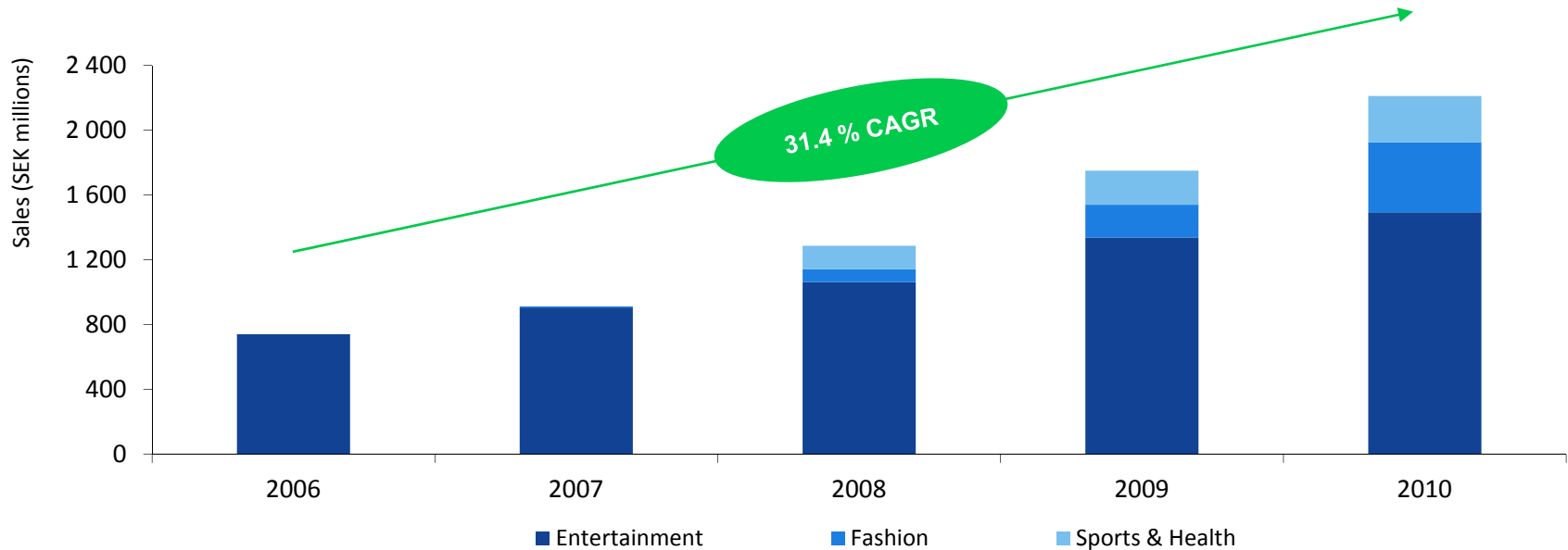
Timeline of Key Events



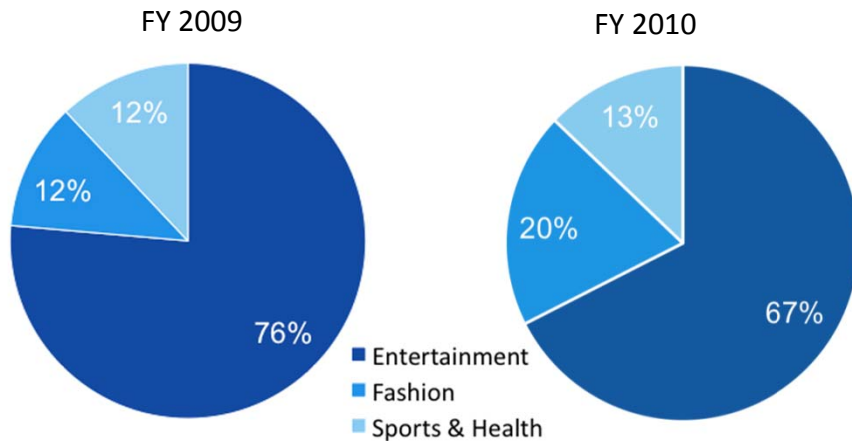
Nordic roll-outs with test launches in other European markets

	Sweden	Norway	Finland	Denmark	Germany	Netherlands
	Launch 1999	Launch 1999	Launch 2000	Launch 1999		
	Launch 2004	Launch 2008	Launch 2008	Launch 2008	Test Launch 2010	Test Launch 2010
	Launch 1996	Launch 2008	Launch 2007	Launch 2011		
	Launch 2006	Launch 2010	Launch 2010	Launch 2010		
	Launch 1998					
	Launch 1982	Launch 1982	Launch 1982	Launch 1982		
			Launch 1995			
	Launch 2010	Launch 2010	Launch 2010	Launch 2010		
	Launch 2006					

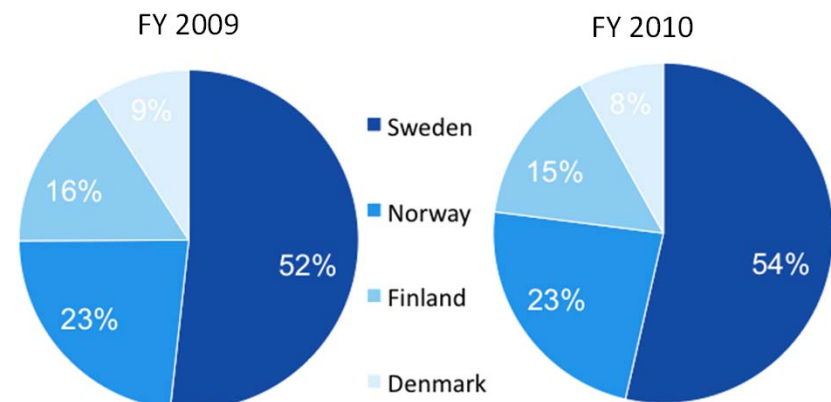
Track Record of Sustained Growth



Sales by segment

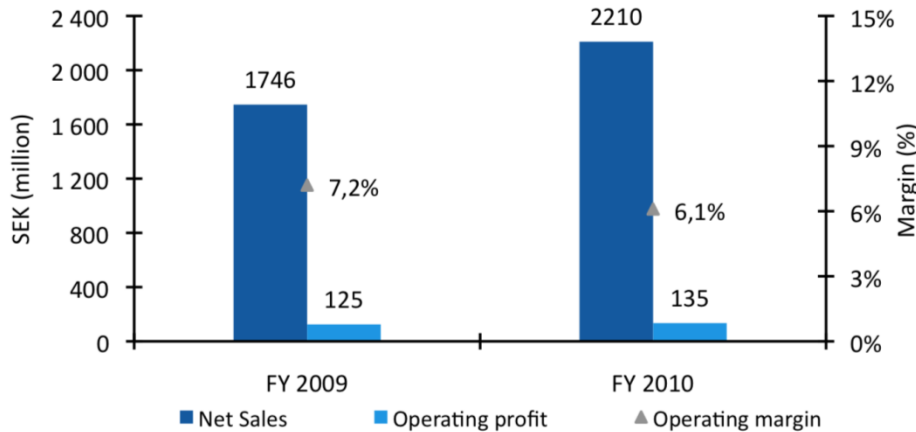


Sales by geography

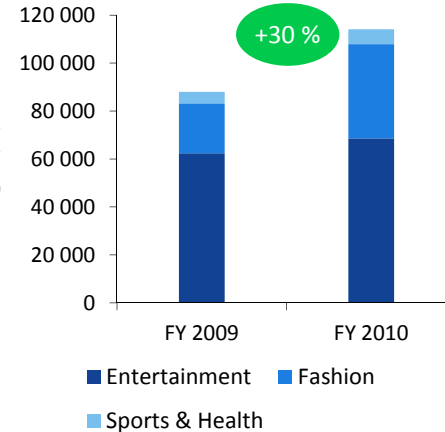


Sales of over SEK 2 billion for the first time

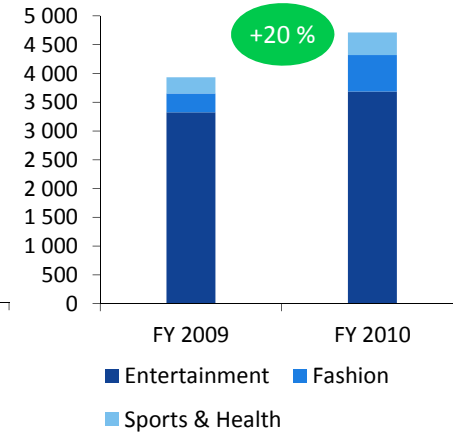
Operating Development



Website visits ('000)



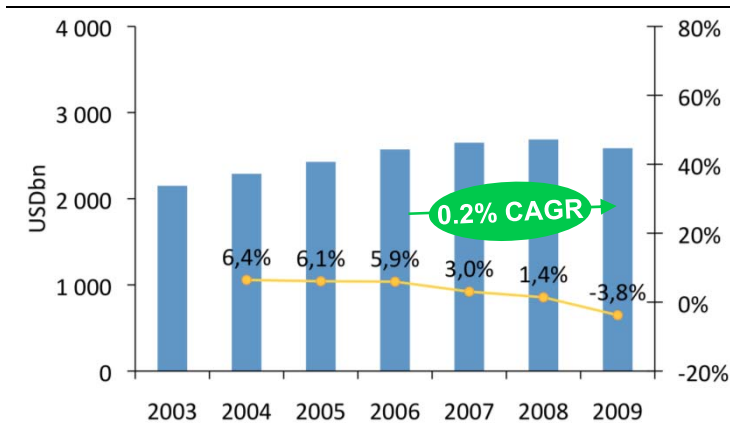
Orders ('000)



- Net sales up 27% y/y to SEK 2,210.0 mn
- Gross profit up 21% y/y to SEK 420.0 mn
 - Gross margin of 19.0%
- Operating profit up 18% y/y to SEK 147.3 mn when excluding non-recurring listing costs of SEK 12.6 mn
- Operating margin of 6.7% when excluding non-recurring listing costs
- SEK 431 (SEK 3) mn of cash & cash equivalents including proceeds of SEK 250 mn convertible bond issue
- Cash flows from operating activities, SEK 126.2 mn, plus changes in working capital, SEK -32.9 mn, = SEK 93.3 mn (SEK 218.9 mn)

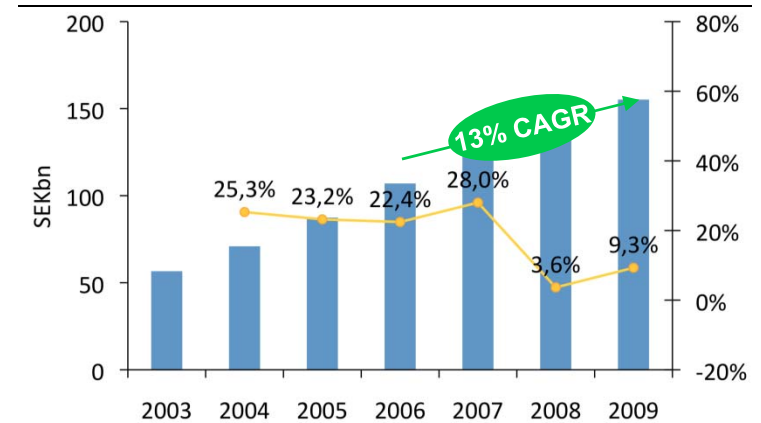
Migration of retail from traditional high street outlets to innovative online stores

The US Retail Market



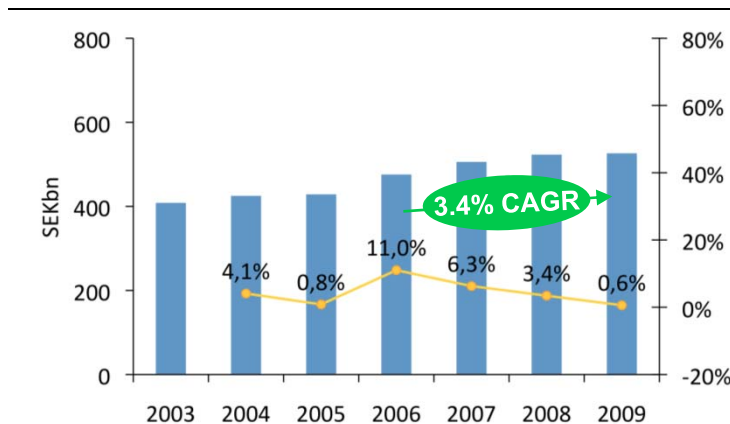
Source: US Census Bureau ■ Total Retail market ● Growth (%)

The US Online Retail Market



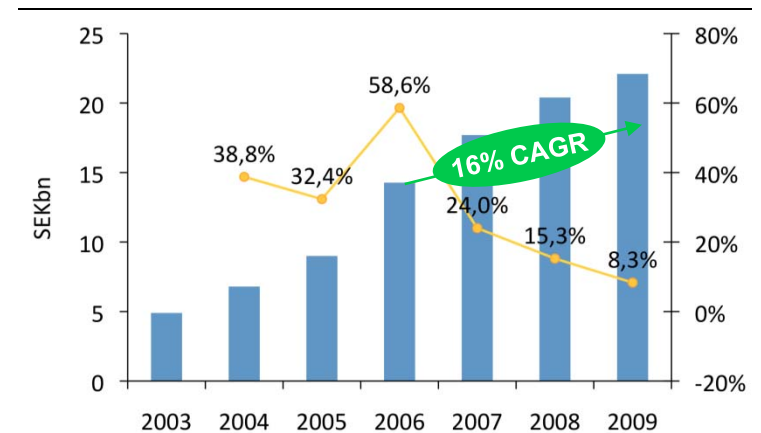
Source: US Census Bureau ■ Online retail market ● Growth (%)

The Swedish Retail Market



Source: HUI ■ Total Retail market ● Growth (%)

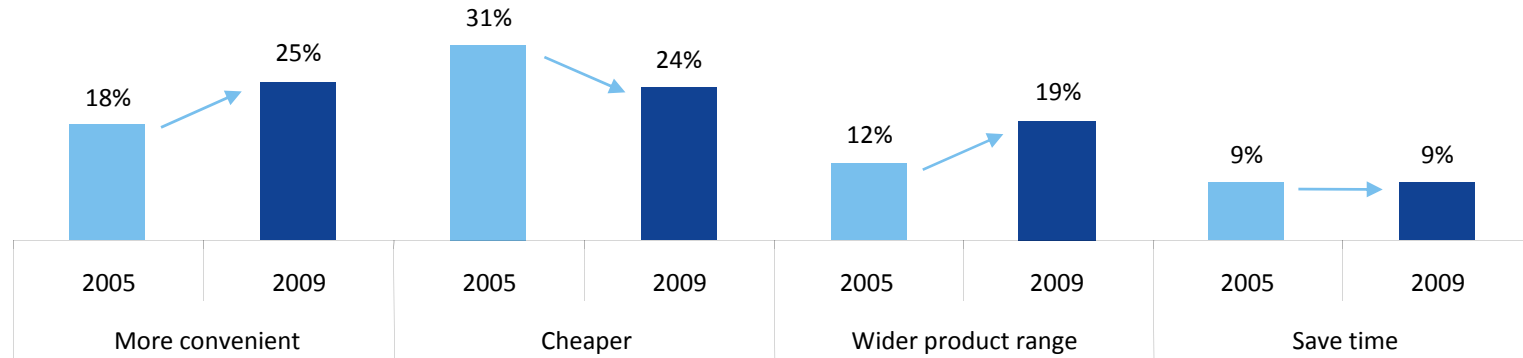
The Swedish Online Retail Market



Source: HUI ■ Online retail market (incl VAT) ● Growth (%)

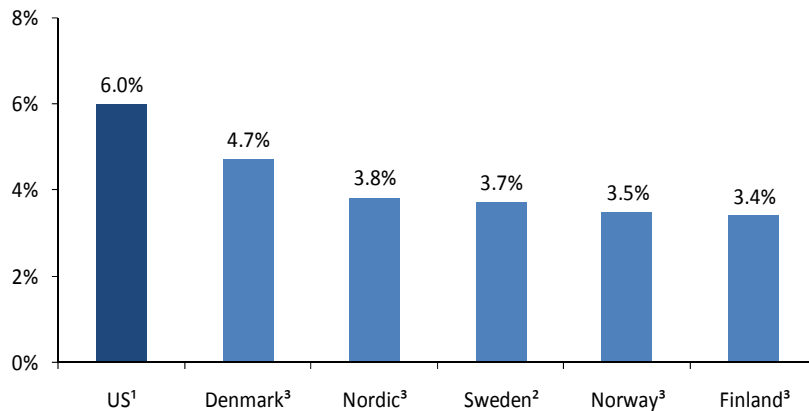
Convenience and broad assortment increasing in importance

Reasons for Distance Shopping in Sweden



Source: Posten Norden ("Distanshandeln idag")
 Note: Figures recalculated to be comparable for products purchased during last year

Online Retail Penetration (2009)

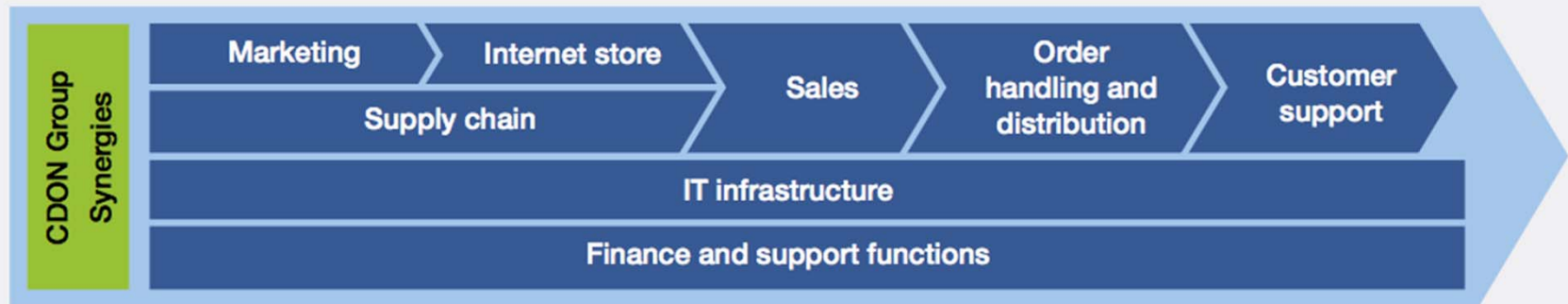


Source: (1) Forrester, (2) HUI, (3) HUI and CDON Group. **Note:** Total retail sales from Systembolaget and Apoteket have been included in the online penetration figures in the chart above

Nordic Online Retail Market Development

- Euromonitor and Forrester expect the internet retailing market to generate compound annual growth of 11% between 2009 and 2014
- Nordic countries have highest internet connection speeds in Europe with rising consumer spending

CDON Group's value chain



Growth platform has been developed over 12 years to enable rapid scaling of newly acquired or established brands – Heppo.com, Lekmer.com and RUM21.se to follow success of CDON.COM, Nelly.com and Gymgrossisten.com



CDON.COM central warehouse in Borås, Sweden

- Market development is accelerating with Europe gradually catching up with the US
- CDON Group has the required platform, financial resources, market knowledge & skills
- Need to be number 1 or 2 in each segment in each geography to have scale to maximize return on investment
- 3 – 5 year window of opportunity to establish market leading positions in selected verticals
- Speed & efficiency of execution will define level of success
- Clear objective to become a leading e-commerce player in each of the large and growing market segments across the Nordics & then to consider development of major brands outside the region



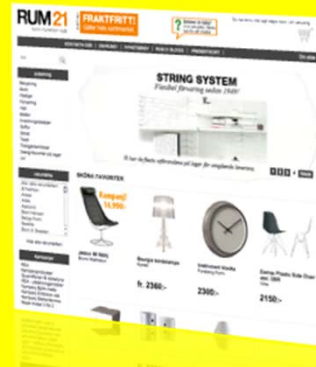
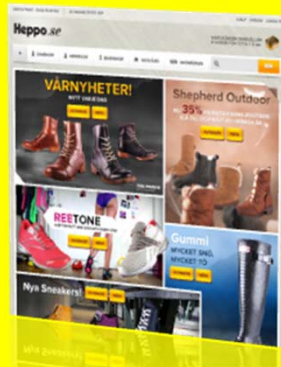
Nelly.com takes high-res photos of every item and most are also motion filmed for customer convenience

Major Brands



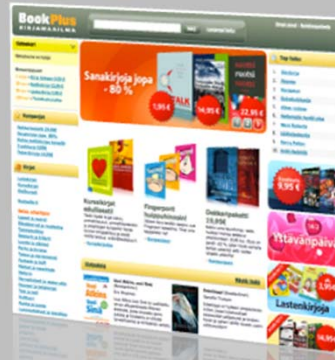
Low risk and high return investments in expansion of major current brands - CDON, Nelly and Gymgrossisten

Emerging brands



Ramping up investments in second tier of emerging new brands expected to be major brands of the future - Lekmer, Heppo and Rum21

Integrated brands



Third tier of minor assets already fully integrated into lead brands - Linus&Lotta, Bodystore and Bookplus

Objectives

- Generate sustainable and long term shareholder value
- Continue to grow organically at least in line with the growth of each of the Group's operating market segments in each operating territory
- Generate margins that are in line or above the average of the Group's competitors in each operating market segment, when excluding the impact of new start-ups & acquisitions
- Continue to start-up or acquire new brands

Key Investment Highlights

- 1 Uniquely well-positioned market-leading Nordic online retailer
- 2 Taking advantage of exponential development of e-commerce
- 3 Track record of profitable organic growth
- 4 Successfully entering new markets & integrating acquisitions
- 5 Clear strategy
- 6 Experienced management team

For further information, please visit
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