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CDON Group launches recommended cash offer of SEK 67.25 per share for Tretti

Press release, Malmö – 28 April 2011.

CDON Group AB (publ.) (“CDON Group” or the “Group”) (Nasdaq OMX Stockholm Mid Cap: CDON), one of the leading e-commerce groups in the Nordic region, announces a recommended cash offer to the shareholders of Tretti AB (publ) (“Tretti” or the “Company”) to tender all shares in Tretti to CDON Group at a price of SEK 67.25 per share (the “Offer”). Tretti’s shares are listed on NASDAQ OMX First North (“First North”).

Summary:

- CDON Group offers SEK 67.25 in cash per share in Tretti, corresponding to a total Offer value of SEK 346 million
- The Offer represents a premium of approximately 28 percent to Tretti’s volume-weighted average share price on First North over the three month period up to and including 27 April 2011 of approximately SEK 53. The corresponding premium, when adjusted for Tretti’s net cash position, is approximately 31 percent¹
- The main shareholders in Tretti, La Briot AB, Jan Friedman, chairman, and Paul Fischbein, CEO, together holding approximately 39 percent of the shares and votes in the Company, have through agreements with CDON Group unconditionally committed to accept the Offer. Other shareholders of the Company, who together hold approximately 11 percent of the shares and votes in the Company, have committed to accept the Offer, subject to certain conditions
- An independent committee appointed by Tretti’s Board of Directors has unanimously recommended Tretti’s shareholders to accept the Offer
- The acceptance period for the Offer is scheduled to run from 6 May 2011 up to and including 26 May 2011. The anticipated settlement date for the Offer is 3 June 2011
- CDON Group will host an analyst and investor conference call for eligible participants at 14.00 CET today to present and discuss the Offer

¹ The premium adjusted for net cash is adjusted for Tretti’s adjusted net cash position of approximately SEK 29 million (based on the reported net cash of SEK 43 million as of 31 March 2011 adjusted for the dividend of SEK 2.75 per share paid on 27 April 2011) which has been subtracted from the total value of the Offer as well as from Tretti’s market value, and that the adjusted value of the Offer thereafter has been divided by Tretti’s adjusted market value.

Mikael Olander, President and CEO of CDON Group, commented:

“This recommended cash offer for Tretti is in line with our strategic focus on consolidating our position as a leading e-commerce business by expanding our position in key verticals in our home Nordic markets, both organically and through selected acquisitions. The acquisition of Tretti, which was established in 2004, would provide us with leadership in the fast growing white goods sector in Sweden, as well as exposure to the development of the segment in Norway and Denmark. We have already expanded into this sector and there are clear synergies with our existing operations. Like CDON Group, Tretti is a dynamic, entrepreneurial and growth oriented company that grew its sales by 30 percent in 2010 and delivered industry leading margins. Tretti’s management and employees have a proven and successful track record and we look forward to working with them to further develop the Tretti business.

“The integration of Tretti into CDON Group would benefit both businesses by creating a larger group with market leading positions and a broad product offering across a range of high growth categories. We would also benefit from the combination of our platforms, marketing capabilities and logistical infrastructure.

“Our offer to acquire all of Tretti’s shares has been recommended by Tretti’s independent Board committee and shareholders together representing 50 percent of Tretti’s shares have indicated their intention to accept the offer. Our intention is to complete the transaction and thereafter delist Tretti’s shares from First North and fully integrate the business into CDON Group. We have the required financing in place and the transaction would be accretive for CDON Group.”

Paul Fischbein, CEO of Tretti commented in the capacity as a shareholder supporting the Offer:²

“CDON Group, as a leading Nordic online retailer, is an ideal owner of Tretti. I am convinced that CDON Group will add several benefits to Tretti and create a solid foundation to continue to develop Tretti’s position and operations at an accelerated rate. “

² Paul Fischbein has through agreements with CDON Group unconditionally committed to accept the Offer and has therefore, up until his departure from the Board of Tretti, not taken part in the Tretti Boards’ administration and decisions concerning the Offer. Paul Fischbein thus acts in the capacity as a private individual and a shareholder of Tretti when commenting the Offer.

Background and reasons for the Offer

Strategic acquisitions are an important component of CDON Group's growth strategy. The Group's successful acquisition and integration of Gymgrossisten.com and Nelly.com are two examples of CDON Group's ability to achieve accelerated growth levels for acquired business by utilising its technology, logistics and brand management skills. Both acquired companies have benefited from the addition of new product areas and increased geographical presence following their integration into CDON Group, enabling them to lead the market development in their individual market sectors. CDON Group has acquired six companies since the beginning of 2007.

CDON Group has followed Tretti's development for some time, and is convinced that the Company would be an important addition to the Group's existing portfolio of e-retailing companies. Tretti has a strong position in the Swedish market, and began its geographical expansion into the other Nordic countries in 2010. As a part of CDON Group, Tretti's expansion process could be significantly accelerated, as it would gain access to CDON Group's financial resources, pan-Nordic platform and substantial customer database, as well as best practice marketing, brand development and logistics. Furthermore, CDON Group sees an opportunity for the merger to create additional value through economies of scale, synergies and knowledge sharing. CDON Group's past experience from the successful integration of acquired companies would ensure that Tretti's operations continue to thrive whilst being a part of the Group. CDON Group is convinced that Tretti's current management team has a successful track record in growing the Company, and views it as an important part of the Company's future development.

The Offer

CDON Group offers SEK 67.25 in cash per Tretti share. The Offer price is subject to adjustment should Tretti pay any dividend or makes any other value transfer prior to the settlement of the Offer and the Offer price will be reduced by the amount per share of any such dividend or value transfer.

No commission will be charged in connection with the Offer.

The Offer represents a premium of approximately 28 percent (the corresponding premium, adjusted for Tretti's net cash position is approximately 31 percent)³ to Tretti's volume-weighted average share price on First North over the three month

³ The premium adjusted for net cash is adjusted for Tretti's adjusted net cash position of approximately SEK 29 million (based on the reported net cash of SEK 43 million as of 31 March 2011 adjusted for the dividend of SEK 2.75 per share paid on 27 April 2011) which has been subtracted from the total value of the Offer as well as from Tretti's market value, and that the adjusted value of the Offer thereafter has been divided by Tretti's adjusted market value.

period up to and including 27 April 2011 of approximately SEK 53.⁴ The Offer represents a premium of approximately 25 percent (the corresponding premium, adjusted for Tretti's net cash position is approximately 27 percent) to the last closing price of SEK 54 per share on First North on 27 April 2011, being the last day of trading prior to the announcement of the Offer.⁵

The total value of the Offer amounts to approximately SEK 346 million.⁶

The Offer will be financed through a combination of existing funds and debt (please see "Financing of the Offer" below).

Recommendation from Tretti's independent committee

The independent committee⁷ appointed by Tretti's Board of Directors to consider the Offer has unanimously recommended Tretti's shareholders to accept the Offer. The independent committee has obtained a fairness opinion from Nordea, which has indicated that the Offer is fair from a financial point of view for Tretti shareholders as at the date of the opinion.

CDON Group's holding in Tretti

CDON Group does not currently own or control any shares in Tretti and has not acquired any shares in the Company during the six months prior to the announcement of this Offer.

Agreement with Tretti

CDON Group and Tretti have entered into an agreement whereby Tretti has undertaken not to solicit the making or submission by any other party than CDON Group of any offer to acquire shares in Tretti and not to engage in discussions or negotiations with any other party than CDON Group unless such third party has made an unsolicited offer to acquire Tretti's shares that the Tretti Board of Directors has

4 The shares in Tretti have since 18 April 2011 been trading excluding the dividend which was declared by the Annual General Meeting on 15 April 2011.

5 The premium adjusted for net cash is adjusted for Tretti's adjusted net cash position of approximately SEK 29 million (based on the reported net cash of SEK 43 million as of 31 March 2011 adjusted for the dividend of SEK 2.75 per share paid on 27 April 2011) which has been subtracted from the total value of the Offer as well as from Tretti's market value, and that the adjusted value of the Offer thereafter has been divided by Tretti's adjusted market value.

6 Based on 5,141,758 outstanding shares, which is the total number of shares in Tretti.

7 Jan Friedman, Victor Press and Paul Fischbein (up until his departure from Tretti's Board), have not taken part in Tretti's Board's administration and decisions concerning the Offer as they directly and indirectly have undertaken to accept the Offer and therefore are subject to a conflict of interest. Jan Friedman, Victor Press and Paul Fischbein each own a third of La Briot AB. In addition, Jan Friedman, owns shares through his ownership in Jan Friedman Holding AB and Paul Fischbein and Victor Press own shares privately.

determined to be more favorable to Tretti's shareholders than the Offer by CDON Group.

Commitments to accept the Offer

The main shareholders in Tretti, La Briot AB, Jan Friedman, chairman, and Paul Fischbein, CEO, who together⁸ hold 2,000,092 shares, equivalent to approximately 39 percent of the shares and votes in the Company, have, through agreements with CDON Group, unconditionally committed to accept the Offer and tender their shares to CDON Group in the Offer.

In addition, other Tretti shareholders, who together hold 576 491 shares, which is equivalent to approximately 11 percent of the shares and votes in the Company, have committed to accept the Offer and tender their shares to CDON Group in the Offer. These undertakings are conditional upon no other party announcing a competing offer to acquire the Tretti shares at a price exceeding SEK 67.25 per share and CDON Group deciding not to match such an offer (i.e. offering a price that at least corresponds to the price of the competing offer) within five business days.

Conditions to the Offer

Completion of the Offer is conditional upon:

(i) the Offer being accepted to such an extent that CDON Group becomes the owner of more than 90 per cent of the total number of Tretti shares;

(ii) with respect to the Offer and the acquisition of Tretti, the receipt of all necessary regulatory, governmental or similar clearances, approvals and decisions, including from competition authorities, in each case on terms which, in CDON Group's opinion, are acceptable;

(iii) that neither the Offer nor the acquisition of Tretti is wholly or partly prevented or materially adversely affected by any legislation or other regulation, court decision, public authority decision or similar circumstance, which is actual or could reasonably be anticipated, which is outside the control of CDON Group and which CDON Group could not reasonably have foreseen at the time of the announcement of the Offer;

⁸ La Briot AB is owned by Jan Friedman, Paul Fischbein and Victor Press. In addition, Jan Friedman, owns shares through his ownership in Jan Friedman Holding AB and Paul Fischbein owns shares privately.

(iv) that, other than as publicly announced by Tretti or as otherwise disclosed in writing by Tretti to CDON Group prior to the date on which the Offer was announced, CDON Group does not discover that any information publicly disclosed by Tretti or otherwise made available by Tretti to CDON Group is materially inaccurate or misleading, or that any material information that should have been publicly disclosed by Tretti has not been disclosed;

(v) there being no circumstances, which CDON Group did not have knowledge about at the time of the announcement of the Offer, that have occurred that would have a materially adverse effect, or could reasonably be expected to have such an effect, upon Tretti's sales, profits, assets, liquidity or equity;

(vi) that Tretti does not take any measures that are designed to impair the prerequisites for the implementation of the Offer; and

(vii) that CDON Group will receive the funds in accordance with the loan agreement that it has entered into with Nordea Bank AB (publ) (see the section "Financing of the Offer" below).

CDON Group reserves the right to withdraw the Offer in the event that it is clear that any of the above conditions are not fulfilled or cannot be fulfilled. However, with regard to conditions (ii) – (vii), such withdrawal will only be made provided that the non-fulfilment of such condition is of material importance to CDON Group's acquisition of Tretti.

CDON Group reserves the right to waive, in whole or in part, one or more of the conditions above in accordance with applicable laws and regulations, including with respect to condition (i) above, to complete the Offer at a lower level of acceptance.

Tretti employees

CDON Group attaches great importance to the work carried out by Tretti's management and employees, and intends to continue to safeguard the excellent relationship that CDON Group perceives Tretti to have with its employees. Following the completion of the Offer, CDON Group intends to analyse the optimal structure for the business moving forward and, to a large extent, maintain Tretti's corporate identity following the merger. According to CDON Group's current assessment, the Offer will not involve any material change for management and employees (including terms of employment) or the occupancy in the locations where the Company conducts business.

Financing of the Offer

The Offer will be financed through a combination of existing funds and debt. CDON Group had SEK 261 million of cash as of 31 March 2011 and has also entered into a SEK 200 million revolving credit facility agreement with Nordea Bank AB (publ). The drawing down of funds from the credit facility is subject to the conditions for the Offer being satisfied or waived (such waiver requires consent from the bank under certain circumstances). Besides the aforementioned, the loan agreement does not include any conditions that CDON Group in practice does not control (except for the condition that funding will not be provided if it is illegal for CDON Group to borrow or for the lender to effect payment of the loan, which is a customary condition for drawdown pursuant to a loan of this kind). The additional conditions for drawdown in accordance with the loan agreement that CDON Group in practice controls and thus cannot invoke in relation to the Offer essentially relate to:

- that CDON Group acts in compliance with the Offer and the laws and regulations relating to the Offer; and
- that CDON Group is not in breach of any of the certain limited key obligations in the loan documentation.

The credit facility provided by Nordea will be utilised to finance the Offer, and costs and expenses arising in conjunction with the Offer, but also for general corporate purposes such as the working capital financing requirements of the Group.

Due Diligence

CDON Group has, in connection with the preparation of the Offer, conducted a limited and confirmatory due diligence process and, in connection therewith, met with the management of the Company. During the due diligence CDON Group has, among other things, reviewed certain agreements and certain financial information. Tretti has informed CDON Group that, during this process, no information has been disclosed to CDON Group that has not previously been disclosed and that can reasonably be expected to affect the Tretti share price.

Financial effects for CDON Group

The total cash consideration pursuant to the Offer amounts to approximately SEK 346 million. Tretti reported a net cash position of approximately SEK 43 million as at 31 March 2011.

Summary financial information is provided below to indicate the effect of the completion of the Offer, assuming that 100 percent of the shares are tendered in the Offer. This financial information is derived from each company’s public financial reports and has not been adjusted to reflect differences in accounting standards or the amortization of any excess value that arises in connection with the acquisition.

<i>SEK million</i>	CDON Group	Tretti	CDON Group and Tretti combined⁹
Full Year 2010			
Net sales	2,210	453	2,663
Operating profit	135	25	160

Preliminary timetable

Preliminary date for publication of the Offer document: 5 May 2011

Preliminary dates for the acceptance period: 6 May – 26 May 2011

Preliminary settlement date: 3 June 2011

CDON Group reserves the right to extend the acceptance period for the Offer, as well as to postpone the date of settlement. The acquisition of Tretti is subject to the approval of the Swedish Competition Authority, which is expected to be obtained at or about the end of the acceptance period.

Compulsory acquisition and de-listing

As soon as possible following CDON Group’s acquisition of shares representing more than 90 percent of Tretti’s shares, CDON Group intends to call for the compulsory acquisition of the remaining Tretti shares. In connection hereto, CDON Group then intends to act to have Tretti’s shares delisted from First North.

Applicable law and disputes

Swedish law, the Swedish Industry and Commerce Stock Exchange Committee’s rules regarding public offers on certain multilateral trading facilities (the “MTF Takeover Rules”) and the Swedish Securities Council’s rulings regarding the interpretation and application of the MTF Takeover Rules are applicable to the Offer.

⁹ Not adjusted for amortization of any excess value that arises in connection with the acquisition.

Advisors

SEB Enskilda is acting as financial advisor and Ashurst as legal advisor to CDON Group in connection with the Offer.

28 April 2011

The Board of Directors
CDON Group AB (publ)
Bergsgatan 20
Box 385
SE-201 23 Malmö
Corporate identity number: 556035-6940

Telephone conference today at 14.00 (CET)

CDON Group will host a telephone conference call for eligible participants today, Thursday, 28 April 2011, at 14.00 (CET), to present and discuss the Offer.

To participate in the conference call, please dial +46 (0) 8 5051 3785. The pin code required to participate in the call is **1474860**.

A PDF presentation will be made available on CDON Group's website before the call starts. www.cdongroup.com/cashoffer

For further information, please visit www.cdongroup.com or contact:

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CDON Group in brief

CDON Group is one of the leading e-commerce groups in the Nordic region. Established in 1999, the Group has continuously expanded its product portfolio and is now a leading e-commerce player in the Entertainment (CDON.COM, BookPlus.fi, Lekmer.com), Fashion (Nelly.com, LinusLotta.com, Heppo.com, RUM21.se), and Sports & Health (Gymgrossisten.com, Bodystore.com) segments. CDON Group's nine online stores attract approximately 115 million site visits and two million unique customers a year and the Group reported revenues of SEK 2.2 billion for the full year 2010.

Tretti in brief

Tretti is an online retailing company active in the market for kitchen appliances and household appliances. With a clear low price profile, Tretti is marketing and selling a wide selection of kitchen appliances and household appliances from leading manufacturers via the Company's online store. In addition to kitchen appliances, the Company is offering additional services such as down payment solutions, doorstep delivery services including installation, as well as the disposal of old kitchen appliances.

Tretti's business concept is to sell kitchen appliances and household appliances at the most competitive prices in the market. Low prices are possible through high volumes as well as cost efficient sales and distribution, which is made possible through e-commerce.

Tretti's turnover amounted to approximately SEK 453 million in 2010 and operating profit amounted to approximately SEK 25 million. Tretti is listed on NASDAQ OMX First North.

Disclaimer

The Offer is not being made to persons whose participation in the Offer requires that any additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish law. This press release and any documentation relating to the Offer are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by CDON Group. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being made, directly or indirectly, in or into the United States of America, Australia, Japan, Canada, New Zealand or South Africa by use of mail or any other means or instrumentality (including, without limitation, facsimile transmission, electronic mail, telex, telephone and the Internet) of interstate or foreign commerce, or of any facility of national security exchange, of the United States of America, Australia, Japan, Canada, New Zealand or South Africa, and the Offer cannot be accepted by any such use, means, instrumentality or facility of, or from within, the United States of America, Australia, Japan, Canada, New Zealand or South Africa. Accordingly, this press release and any documentation relating to the Offer are not being and should not be mailed or otherwise distributed, forwarded or sent into the United States of America, Australia, Japan, Canada, New Zealand or South Africa. CDON Group will not deliver any consideration from the Offer into the United States of America, Australia, Japan, Canada, New Zealand or South Africa.

The information in this announcement is that which CDON Group AB is required to disclose under the Securities Markets Act. This information was released for publication at 08:00 CET on 28 April 2011.