

COMPANY ANNOUNCEMENT

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Copenhagen, 9 February 2016

**Early close of offering of shares
in Scandinavian Tobacco Group A/S**

Today, Scandinavian Tobacco Group A/S announces the close of its offering, including the early close of its offering to retail investors.

An offering circular was published on 28 January 2016 in connection with Scandinavian Tobacco Group's initial public offering and admission of its shares to trading and official listing on Nasdaq Copenhagen (the "Offering").

The Offering to retail investors, with orders up to and including DKK 3 million, will close on 9 February 2016 at 12:00 CET. The early close of the Offering is due to the aggregate demand from retail investors exceeding the expected allocation of offer shares to this investor group.

The expected timetable for the Offering will otherwise remain unchanged and the Offering to investors with orders exceeding DKK 3 million will thus close on 9 February 2016 at 4:00 p.m. CET.

Information about the result of the Offering, including final offer price and the allocation of shares, is expected to be announced on 10 February 2016. The admission to trading and official listing of the Scandinavian Tobacco Group shares on Nasdaq Copenhagen and the first day of trading will also be on 10 February 2016 under the symbol "STG" (ISIN DK0060696300).

The offer shares are expected to be delivered on or about 12 February 2016 against payment in immediately available funds in Danish kroner.

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About Scandinavian Tobacco Group

Scandinavian Tobacco Group A/S with its subsidiaries (the "**Group**") is a world leading producer of cigars and traditional pipe tobacco. The Group also produces fine-cut tobacco and sells tobacco-related accessories. The Group produces and sells 3 billion cigars and 5,000 tonnes of pipe and fine-cut tobacco annually. Scandinavian Tobacco Group believes it is the only company globally with a core strategic focus on production and distribution in all of these tobacco categories.

Scandinavian Tobacco Group holds market-leading positions in the machine-made cigar market in Europe, the handmade cigar market in the US, the online and catalogue retail sales of cigars in the US, the traditional pipe tobacco market globally and in selected fine-cut tobacco markets.

Scandinavian Tobacco Group has a diversified portfolio of more than 200 brands providing a complementary range of established global brands and local champions. In the cigar segment, the brand portfolio comprises Café Crème, La Paz, Macanudo, CAO, Partagas (US) and Cohiba (US). Pipe tobacco brands include Captain Black, Erinmore, Borkum Riff and W.Ø. Larsen, while leading fine-cut tobacco brands include Bugler, Break, Escort, Bali Shag and Tiedemanns.

As at 31 December 2015, the Group employed approx. 8,100 people in the Dominican Republic, Honduras, Nicaragua, Indonesia, Europe, New Zealand, Australia, Canada and the US.

For more information please visit www.st-group.com.

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Stabilisation/FCA

In connection with the offering, Nordea Bank Danmark A/S (the "Stabilising Manager") (or agents acting on behalf of the Stabilising Manager) may over-allot securities or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or agents acting on behalf of the Stabilising Manager) will undertake stabilisation actions. Any stabilisation action may begin on or after the date of commencement of trading and official listing of the securities on Nasdaq Copenhagen and, if begun, may be ended at any time, but must end no later than 30 days after the date of commencement of trading and official listing of the securities.

Matters discussed in this communication may constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and anticipated or planned financial and operational performance and can be identified by words such as "targets," "believes," "expects," "aims," "intends," "plans," "seeks," "will," "may," "might," "anticipates," "would," "could," "should," "continues," "estimate" or similar expressions. The forward-looking statements in this communication are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Scandinavian Tobacco Group A/S believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this communication by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice.