

COMPANY ANNOUNCEMENT

No. 31/2016

Copenhagen, 18 July 2016

**Transactions in Connection
with Share Buy-back Programme**

On 30 May 2016 Scandinavian Tobacco Group A/S (“STG”) announced that a share buy-back programme of up to 412,462 shares and a maximum consideration of DKK 55m was launched with the purpose of hedging obligations arising from STG’s share based incentive schemes.

The buy-back programme is executed in accordance with Commission Regulation (EC) no 2273/2003 of 22 December 2003 and from 3 July 2016 in accordance with Article 5 of Regulation (EU) no 596/2014 of 16 April 2014 (the so-called Safe Harbour method). The share buy-back programme will end no later than 30 September 2016.

The following transactions have been executed in the period 11- 15 July 2016:

	Number of shares	Average purchase price, DKK	Transaction value, DKK
11 July 2016	2,500	114.50	286,242
12 July 2016	4,265	116.42	496,528
13 July 2016	6,564	115.95	761,128
14 July 2016	17,337	115.22	1,997,526
15 July 2016	2,660	113.80	302,707
Accumulated for the period	33,326	115.35	3,844,131
Accumulated under the programme	278,166	108.09	30,066,021

A detailed overview of transactions during the period 11-15 July 2016 is attached to this announcement.

Following the above transactions STG owns a total of 278,166 treasury shares, corresponding to 0.278 % of the total share capital.

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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.