

COMPANY ANNOUNCEMENT

No. 33/2016

Copenhagen, 25 July 2016

Change in Employee Representation on the Board of Directors

With deep regret Scandinavian Tobacco Group A/S hereby announces that Hermod Hvid, company-appointed employee representative on the Board of Directors since March 2015, passed away on 18 July 2016 following several months of serious illness. Mr. Hvid joined the Group in 1999 and was International Business Manager.

Lindy Larsen, since March 2015 alternate employee representative elected by the company's employees, has succeeded Mr. Hvid as member of the Board of Directors. Mr. Larsen was from 2010 to 2015 a company-appointed employee representative on the Board of Directors. He joined the Group in 1992 and has served as Finance Manager since then. Lindy Larsen was born in 1955 and is of Danish nationality.

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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.