

COMPANY ANNOUNCEMENT

No. 37/2016

Copenhagen, 15 August 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 8 – 12 August 2016:

	Number of shares	Average purchase price, DKK	Transaction value, DKK
8 August 2016	6,463	119.15	770,094
9 August 2016	2,037	118.63	241,651
10 August 2016	3,500	117.23	410,300
11 August 2016	3,084	115.02	354,735
12 August 2016	890	115.48	102,778
Accumulated for the period	15,974	117.66	1,879,557
Accumulated under the programme	352,638	110.00	38,790,794

A detailed overview of transactions during the period 8 – 12 August 2016 is attached to this announcement.

Following the above transactions STG owns a total of 352,638 treasury shares, corresponding to 0.353 % 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.