

COMPANY ANNOUNCEMENT

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Change in Employee Representation on the Board of Directors

Charlotte Lückstadt Nielsen, employee-elected member of the Board of Directors of Scandinavian Tobacco Group A/S, has resigned from the Board of Directors as a result of the termination of her employment with the Group upon the closing of the Group's factory in Nykøbing Falster, Denmark.

Mogens Olsen, since April 2011 an alternate employee-elected member of the Board of Directors, has succeeded Ms. Nielsen as member of the Board of Directors. Mr. Olsen joined the Group in 2000 and has served as an operator in the tobacco production since then. Mogens Olsen was born in 1967 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 2016, the Group employed 7,600 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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