

COMPANY ANNOUNCEMENT

No. 27/2017

Copenhagen, 9 November 2017

Major Shareholder's Announcement

With reference to Section 29 of the Danish Securities Trading Act (*værdipapirhandelsloven*) Swedish Match Treasury Switzerland AG today informed Scandinavian Tobacco Group A/S (the "Company") that on 9 November 2017, in connection with an accelerated book building offering, Swedish Match Treasury Switzerland AG has disposed of 9,069,906 shares of nominally DKK 1 each (aggregate nominal value of DKK 9,069,906) in the Company to certain institutional investors, and following settlement Swedish Match Treasury Switzerland AG will thus cross the threshold of 5% of the share capital in the Company.

Following settlement, Swedish Match Treasury Switzerland AG will no longer hold shares in the Company.

Swedish Match Treasury Switzerland AG, is a wholly owned subsidiary of Svenska tändsticksbolaget försäljningsbolag, which is a wholly owned subsidiary of Swedish Match AB, which is listed on Nasdaq Stockholm.

For further information, please contact:

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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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