



June 15, 2015

22nd Century Group Obtains Cigarette Distribution Licenses in New York State

RED SUN Approval Secured in All 50 States

CLARENCE, N.Y.--(BUSINESS WIRE)-- 22nd Century Group, Inc. (NYSE MKT:[XXII](#)), a leader in tobacco harm reduction, announced today that its wholly-owned subsidiary, Goodrich Tobacco Company, LLC, has been granted both a New York State Cigarette Stamping Agent license and a New York State Wholesale Cigarette Dealer license. With these licenses, the Company gains the ability to distribute its RED SUN cigarettes across New York State without the need to use a middle-man distributor.

In addition, 22nd Century has secured approval for RED SUN to be sold in all 50 states plus the District of Columbia. Few of the nation's small, independent cigarette makers – commonly referred to as “microsmokes” – can claim to have such complete coverage. Gaining nationwide approval is especially impressive given that it has been only 10 months since 22nd Century became the first company in more than six years to be approved as a new signatory to the Master Settlement Agreement between the tobacco industry and the 46 Settling States (as a result of the Company's strategic acquisition of NASCO Products, LLC).

“The New York State Stamping Agent and Wholesale Dealer licenses give us the flexibility to supply New York retail stores directly,” said Karen Delaney, 22nd Century Group's Tax Compliance Manager. “Though we consider our relationships with other New York distributors very important, by securing our own licenses in New York, we gain control over distribution of our products in a key strategic region for our Company.”

The acquisition of licenses and state directory listings highlights the rapid expansion of RED SUN availability across the United States. After launching RED SUN in January 2015, 22nd Century has grown its retail store count to well over 300, including hundreds of stores specifically listed on its www.redsuncigarettes.com website. Retail stores in the Portland, Oregon region – a part of the Rich & Rhine distribution network – are also coming online quickly and should increase the store count to more than 500. Other distributors, currently ramping up stock and training their sales representatives, could double the RED SUN store count to more than 1,000 retail locations by the end of the third quarter.

“Securing approval for RED SUN in all 50 states is an important milestone for the Company,” remarked Henry Sicignano III, President and Chief Executive Officer. “I am extremely pleased with the rapid growth of our retail network and look forward to achieving 1,000 RED SUN retail stores very soon.”

About 22nd Century Group, Inc.

22nd Century Group is a plant biotechnology company focused on technology which allows it to increase or decrease the level of nicotine in tobacco plants through genetic engineering and plant breeding. The Company's mission is to reduce the harm caused by smoking. 22nd Century owns or exclusively controls 128 issued patents and 52 pending patent applications in 96 countries. The Company's strong IP position led to a licensing agreement with British American Tobacco (“BAT”), the world's second largest tobacco company. Visit www.xxiicentury.com for more information.

Cautionary Note Regarding Forward-Looking Statements: This press release contains forward-looking information, including all statements that are not statements of historical fact regarding the intent, belief or current expectations of 22nd Century Group, Inc., its directors or its officers with respect to the contents of this press release. The words “may,” “would,” “will,” “expect,” “estimate,” “anticipate,” “believe,” “intend” and similar expressions and variations thereof are intended to identify forward-looking statements. We cannot guarantee future results, levels of activity or performance. You should not place undue reliance on these forward-looking statements, which speak only as of the date that they were made. These cautionary statements should be considered with any written or oral forward-looking statements that we may issue in the future. Except as required

by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to reflect actual results, later events or circumstances, or to reflect the occurrence of unanticipated events. You should carefully review and consider the various disclosures made by us in our annual report on Form 10-K for the year ended December 31, 2014, filed on February 6, 2015, including the section entitled "Risk Factors," and our other reports filed with the U.S. Securities and Exchange Commission which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected.

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