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22nd Century Group Files First Quarter Report, Engages Redington, Inc. as Investor Relations Firm

WILLIAMSVILLE, N.Y.--(BUSINESS WIRE)-- 22nd Century Group, Inc. (OTCBB: [XXII.ob](#)) filed its first-quarter 2011 report on Form 10-Q on Friday with the Securities and Exchange Commission (SEC). The company reported first-quarter revenue totaling approximately \$167 thousand, including net sales of \$117 thousand, compared with zero revenue for the same quarter in 2010. Revenue related to the sale of SPECTRUM^(TM), a research cigarette under production for the U.S. government containing 8 different nicotine levels with 22 brand styles, contributed 67% of first-quarter revenue.

This report is the company's first quarterly report to the SEC incorporating the operations of its subsidiary, 22nd Century Limited, LLC, a company focused on the development of X-22^(TM), a smoking-cessation aid, and tobacco harm reduction products. 22nd Century Limited, LLC became a wholly-owned subsidiary of 22nd Century Group as a result of a merger on January 25, 2011. Under the accounting for the merger, the assets and liabilities and the historical operations reflected in financial statements for periods prior to the merger are those of 22nd Century Limited, LLC and are recorded at the historical cost basis of 22nd Century Limited, LLC.

The company reported a first-quarter net loss of approximately \$652 thousand or 3 cents per diluted common share, compared to a net loss of \$305 thousand for first quarter 2010 or 4 cents per diluted common share. The 114% increase in the net loss was mainly due to expenses for the upcoming X-22 phase II-B clinical trial and expenses related to the development of SPECTRUM and the commercialization of the RED SUN^(TM) specialty cigarette brand. The first quarter per-share losses are based on the weighted average shares outstanding of 23,890,407 for 2011 and 7,089,940 for 2010 (before the January 25, 2011 merger). 22nd Century Group has 27,909,646 shares of common stock issued and outstanding as of May 16, 2011.

X-22, the company's prescription smoking cessation aid in development, is a kit containing very low nicotine (VLN) cigarettes made from the company's proprietary VLN tobacco, which has approximately 95% less nicotine compared to tobacco in existing "light" cigarettes. The therapy protocol allows the patient to smoke VLN cigarettes without restriction over the six-week treatment period to facilitate the goal of the patient quitting smoking by the end of the treatment period. Independent studies, including Phase II clinical trials, have demonstrated that VLN cigarettes made from 22nd Century's proprietary tobacco facilitate quitting by satisfying smokers' cravings for cigarettes while (i) greatly reducing nicotine exposure and nicotine dependence and (ii) extinguishing the association between the act of smoking and the rapid delivery of nicotine.

Separately, Joseph Pandolfino, 22nd Century Group CEO, is pleased to announce that the company has retained Redington, Inc. to develop an investor relations program to raise 22nd Century's visibility and to strengthen 22nd Century's relationships with the investment community.

Thomas Redington, president of Redington, Inc., explained, "We are very excited about 22nd Century's products, technology and international patent portfolio, which address the number one cause of preventable death in the world: smoking. This is a huge, under-served market. We really like 22nd Century's business strategy." Mr. Pandolfino stated, "After management evaluated more than 10 IR firms, we were introduced to Redington, Inc. and quickly realized Redington was a perfect fit for our company.

Redington Inc., an East Coast-based consulting firm, has broad expertise in financial communications for emerging life sciences companies. Providing advisory services for dozens of micro-and small-cap biotech companies, Redington specializes in communicating directly to qualified decision makers within the professional investment community.

About 22nd Century Group, Inc.

Founded in 1998, 22nd Century Limited, LLC (22nd Century) is a plant biotechnology company whose proprietary technology allows for the level of nicotine (and other nicotinic alkaloids) in the tobacco plant to be decreased or increased through genetic engineering and breeding. The company owns or exclusively controls 98 issued patents in 79 countries where at least 75% of the world's smokers reside. 22nd Century is committed to developing and commercializing (i) the world's most effective and acceptable smoking cessation aid and (ii) for those smokers who refuse to quit smoking, consumer-acceptable modified risk tobacco products that reduce exposure to smoke toxins, as compared to conventional cigarettes. Through a merger on January 25, 2011, 22nd Century became a wholly-owned subsidiary of 22nd Century Group, Inc.

For additional information, please visit: www.xxiicentury.com

Source: 22nd Century Group, Inc.