



August 27, 2014

22nd Century Group Comments on Misleading and Inaccurate Article

CLARENCE, N.Y.--(BUSINESS WIRE)-- 22nd Century Group, Inc. (NYSE MKT:[XXII](#)) noted there was unusual trading volume today in its common stock. The activity appears to be related to an inaccurate article published today by a short seller of the Company's stock recommending that stockholders sell 22nd Century Group stock.

The author disclosed on the front page that he is "short" the Company's stock, meaning that the short seller author stands to realize significant profit in the event that the share price of 22nd Century declines.

Although 22nd Century does not normally respond to false information written about the Company, 22nd Century Group management believes the degree of false information contained in the subject article warranted a Company response.

22nd Century strongly disagrees with the article's incorrect assumptions and false conclusions. Although the misleading and inaccurate statements are too numerous to address, the following are a few examples:

1. "They have quadrupled the stock's share count to roughly 59 million." In fact, 22nd Century Group went public in January 2011 with approximately 27 million shares. Currently the Company has approximately 59 million shares outstanding, not the 108 million alleged by the author.

2. The author asserts that 22nd Century is in default of a license agreement with a major university. This is patently false. Further, just today, 22nd Century signed a new license agreement with the same university that the author falsely alleges that the Company is in default with.

3. Contrary to the author's assertions regarding stock promotion and sales, officers and insiders have never engaged in stock promotion and have made minimal sales of 22nd Century Group common stock; in fact, management and insiders retain more than 95% of their Company common stock. Collectively, officers of the Company directly and beneficially own approximately 28% of the total outstanding shares.

4. Contrary to the author's assertions, 22nd Century has never abandoned any of its products. The Company is continuing its efforts to develop X-22, a cigarette intended for use as a prescription smoking cessation aid, and has an active investigational new drug application with the FDA. Various *independent* clinical studies continue to validate the efficacy of the Company's products for harm reduction and smoking cessation.

Henry Sicignano III, the Company's President, explained, "22nd Century's commercial prospects have never been stronger. MSA authorization is imminent. Hundreds of tobacco retailers have expressed interest in carrying the Company's super-premium RED SUN[®] brand. The Company is launching MAGIC ZERO at the Dortmund (Germany) International Tobacco Fair in September. And, as previously announced, the Company is exploring important joint venture opportunities in Asia."

"The 22nd Century management team operates our Company with the absolute highest integrity," said Joseph Pandolfino, Founder and Chief Executive Officer. "I have devoted the last 15 years of my life and essentially my entire net worth to 22nd Century. The issue I had with the SEC 23 years ago, when I was a kid in college, has given me the highest sense of awareness for securities laws and regulations. I would hope that the SEC investigates the author of the disparaging article on 22nd Century and other 'short and distort' authors. It is unfortunate that malicious articles by short sellers dupe and scare investors into selling."

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

About 22nd Century Group, Inc.

22nd Century is a plant biotechnology company whose proprietary technology allows for the levels of nicotine and other nicotinic alkaloids (e.g., nornicotine, anatabine and anabasine) in the tobacco plant to be decreased or increased through genetic engineering and plant breeding. 22nd Century owns or is the exclusive licensee of 129 issued patents in 78 countries plus an additional 44 pending patent applications. Goodrich Tobacco Company, LLC and Hercules Pharmaceuticals, LLC are wholly-owned subsidiaries of 22nd Century. Goodrich Tobacco is focused on commercial tobacco products and potential less harmful cigarettes. Hercules Pharmaceuticals is focused on X-22, a prescription smoking cessation aid in development.

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 fiscal year ended December 31, 2013, filed on January 30, 2014, 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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