



March 15, 2004

## **VECTOR GROUP REPORTS FOURTH QUARTER AND FULL YEAR 2003 FINANCIAL RESULTS**

MIAMI, FL, March 15, 2004 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the fourth quarter and full year ended December 31, 2003.

For the full year ended December 31, 2003, revenues were \$536.7 million, compared to \$503.4 million for 2002. The Company recorded operating income of \$4.3 million for 2003, compared to an operating loss of \$18.7 million for 2002. The results for the year ended December 31, 2003 included pre-tax restructuring and impairment charges of \$21.3 million relating to the closing of Vector Tobacco's Timberlake, North Carolina facility and the results for the year ended December 31, 2002 included a pre-tax restructuring charge of \$3.5 million. Adjusting for the 2003 and 2002 restructuring and impairment charges, operating income for 2003 was \$25.6 million, compared to an operating loss for 2002 of \$15.2 million. Net loss for 2003 was \$15.6 million, or \$0.40 per diluted common share, compared to net loss of \$31.8 million, or \$0.87 per diluted common share, for 2002.

Fourth quarter 2003 revenues were \$129.5 million, compared to revenues of \$124.5 million in the fourth quarter of 2002. The Company recorded operating income of \$11.9 million in the 2003 fourth quarter compared to operating income of \$0.9 million in the fourth quarter of 2002. Net income for the 2003 fourth quarter was \$3.5 million, or \$0.09 per diluted common share, compared to net loss of \$8.4 million, or \$0.23 per diluted common share, in the 2002 fourth quarter.

For the three months and year ended December 31, 2003, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$121.8 million and \$503.2 million, respectively, compared to \$122.3 million and \$495.0 million for the three months and full year ended December 31, 2002, respectively. Operating income was \$30.6 million for the fourth quarter of 2003 and \$119.7 million for 2003, compared to \$32.1 million for the fourth quarter of 2002 and \$102.7 million for the full year 2002. The 2002 results included a pre-tax restructuring charge of \$3.5 million.

### **Conference Call To Discuss Fourth Quarter and Full Year 2003 Results**

As previously announced, the Company will host a conference call and webcast on Tuesday, March 16, 2004 at 10:00 A.M. (EST) to discuss fourth quarter and full year 2003 results. Investors can access the call by dialing 877-692-2590 or via live webcast at [www.vcall.com](http://www.vcall.com).

A replay of the call will also be available shortly after the call ends on March 16, 2004 through March 23, 2004. To access the replay, dial 877-519-4471 and enter 4577681 as the conference ID number. The archived webcast will also be available at [www.vcall.com](http://www.vcall.com) for 30 days.

Vector Group is a holding company that indirectly owns Liggett Group Inc., Vector Tobacco Inc. and a controlling interest in New Valley Corporation. Additional information concerning the company is available on the company's website, [www.VectorGroupLtd.com](http://www.VectorGroupLtd.com).