



September 1, 2006

VECTOR GROUP FILES FOR REGISTRATION OF CONVERTIBLE DEBENTURES FOR RESALE

MIAMI, FL, September 1, 2006 -- Vector Group Ltd. (NYSE: VGR) announced today that it has filed with the Securities and Exchange Commission a registration statement on Form S-3. The registration statement relates to the resale by the holders of \$110 million principal amount of Vector Group's 3 7/8% Variable Interest Senior Convertible Debentures due 2026 (the "Debentures") and the common stock issuable upon conversion of the Debentures.

The Debentures were originally sold on July 12, 2006 in a private placement offering pursuant to Rule 144A of the Securities Act of 1933, as amended. The filing of this registration statement is required by the registration rights agreement entered into by Vector Group and the initial purchaser of the Debentures.

The registration statement has been filed with the Securities and Exchange Commission but has not yet become effective. The Debentures and the common stock issuable upon conversion thereof may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This press release does not constitute an offer to sell or the solicitation of an offer to buy the Debentures or the common stock issuable upon conversion thereof. There may be no sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state.

Vector Group is a holding company that indirectly owns Liggett Group LLC, Vector Tobacco Inc. and New Valley LLC. Additional information concerning the company is available on the company's website, www.VectorGroupLtd.com.

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