



May 10, 2004

VECTOR GROUP REPORTS FIRST QUARTER 2004 FINANCIAL RESULTS

MIAMI, FL, MAY 10, 2004 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the first quarter ended March 31, 2004.

First quarter 2004 revenues were \$128.4 million, compared to revenues of \$133.1 million for the first quarter of 2003. The Company recorded operating income of \$13.8 million for the 2004 first quarter, compared to an operating loss of \$0.2 million for the first quarter of 2003. Net income for the 2004 first quarter was \$4.6 million, or \$0.11 per diluted common share, compared to a net loss of \$4.8 million, or \$0.13 per diluted common share, for the 2003 first quarter.

For the three months ended March 31, 2004, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$122.2 million, compared to \$124.9 million for the three months ended March 31, 2003. Operating income was \$27.8 million for the first quarter of 2004, compared to \$30.3 million for the first quarter of 2003. The 2004 results for the conventional cigarette business included a pre-tax restructuring charge of \$0.4 million.

Conference Call To Discuss First Quarter 2004 Results

As previously announced, the Company will host a conference call and webcast on Tuesday, May 11, 2004 at 11:00 A.M. (EDT) to discuss first quarter 2004 results. Investors can access the call by dialing 877-692-2590 or via live webcast at 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.

[Financial Table Follows]

