



---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) : May 10, 2006

**VECTOR GROUP LTD.**

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**

(State or Other Jurisdiction of Incorporation)

**1-5759**

(Commission File Number)

**65-0949535**

(I.R.S. Employer Identification No.)

**100 S.E. Second Street, Miami, Florida**

(Address of Principal Executive Offices)

**33131**

(Zip Code)

**(305) 579-8000**

(Registrant's Telephone Number, Including Area Code)

**(Not Applicable)**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
- 
-

**Item 2.02. Results of Operations and Financial Condition**

On May 10, 2006, Vector Group Ltd. announced its financial results for the three months ended March 31, 2006. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K and the Exhibit attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibit**

(c) Exhibit.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press Release issued May 10, 2006

---

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VECTOR GROUP LTD.

By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III

Vice President and Chief Financial Officer

Date: May 10, 2006



## NEWS

FOR IMMEDIATE RELEASE

Contact: Paul Caminiti/Brandy Bergman/Carrie Bloom  
Citigate Sard Verbinen  
212/687 — 8080

### VECTOR GROUP REPORTS FIRST QUARTER 2006 FINANCIAL RESULTS

---

**MIAMI, FL, MAY 10, 2006** — Vector Group Ltd. (NYSE: VGR) today announced financial results for the first quarter ended March 31, 2006.

First quarter 2006 revenues were \$117.7 million, compared to revenues of \$104.2 million for the first quarter of 2005. The Company recorded operating income of \$20.2 million for the 2006 first quarter, compared to operating income of \$18.6 million for the first quarter of 2005. Income from continuing operations for the 2006 first quarter was \$9.3 million, or \$0.17 per diluted common share, compared to income from continuing operations of \$8.5 million, or \$0.18 per diluted common share, for the 2005 first quarter. Income from discontinued operations was \$3.0 million in the 2005 first quarter. Net income for the 2006 first quarter was \$9.3 million, or \$0.17 per diluted share, compared to \$11.5 million, or \$0.25 per diluted share, for the 2005 first quarter.

For the three months ended March 31, 2006, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$115.7 million, compared to \$101.6 million for the three months ended March 31, 2005. Operating income was \$30.4 million for the first quarter of 2006, compared to \$31.9 million for the first quarter of 2005.

#### **Conference Call To Discuss First Quarter 2006 Results**

As previously announced, the Company will host a conference call and webcast on Thursday, May 11, 2006 at 11:00 A.M. (EDT) to discuss first quarter 2006 results. Investors can access the call by dialing 888-802-8577 and entering 7365889 as the conference ID number. The call will also be available 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 May 11, 2006 through May 25, 2006. To access the replay, dial 877-519-4471 and enter 7365889 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 LLC, Vector Tobacco Inc. and New Valley LLC. Additional information concerning the company is available on the company's website, [www.VectorGroupLtd.com](http://www.VectorGroupLtd.com).

[Financial Table Follows]

###

---

**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Dollars in Thousands, Except Per Share Amounts)**  
Unaudited

	Three Months Ended	
	March 31, 2006	March 31, 2005
Revenues*	\$ 117,704	\$ 104,173
Expenses:		
Cost of goods sold*	73,341	58,998
Operating, selling, administrative and general expenses.	24,136	26,527
Operating income	<u>20,227</u>	<u>18,648</u>
Other income (expenses):		
Interest and dividend income	1,781	710
Interest expense	(8,266)	(6,647)
(Loss) gain on investments, net	(30)	1,430
Gain from conversion of LTS notes	—	9,461
Equity in loss on operations of LTS	—	(299)
Equity income (loss) from non-consolidated real estate businesses	3,735	(306)
Other, net	<u>46</u>	<u>(1)</u>
Income from continuing operations before provision for income taxes and minority interests	17,493	22,996
Income tax expense	8,200	12,518
Minority interests	—	(2,016)
Income from continuing operations	<u>9,293</u>	<u>8,462</u>
Discontinued operations:		
Income from discontinued operations, net of minority interest and taxes	—	82
Gain on disposal of discontinued operations, net of minority interest and taxes	—	2,952
Income from discontinued operations	<u>—</u>	<u>3,034</u>
Net income	<u>\$ 9,293</u>	<u>\$ 11,496</u>
Per basic common share:		
Income from continuing operations	<u>\$ 0.17</u>	<u>\$ 0.19</u>
Income from discontinued operations	<u>\$ —</u>	<u>\$ 0.07</u>
Net income applicable to common shares	<u>\$ 0.17</u>	<u>\$ 0.26</u>
Per diluted common share:		
Income from continuing operations	<u>\$ 0.17</u>	<u>\$ 0.18</u>
Income from discontinued operations	<u>\$ —</u>	<u>\$ 0.07</u>
Net income applicable to common shares	<u>\$ 0.17</u>	<u>\$ 0.25</u>

\* Revenues and Cost of goods sold include excise taxes of \$40,118 and \$33,432 for the three months ended March 31, 2006 and 2005, respectively.