



January 14, 2005

VECTOR GROUP CONVERTIBLE NOTES RESALE REGISTRATION STATEMENT DECLARED EFFECTIVE

MIAMI, FL, January 14, 2005 -- Vector Group Ltd. (NYSE: VGR) today announced that the Securities and Exchange Commission has declared effective Vector Group's registration statement on Form S-3. The registration statement relates to resales by the holders of up to \$81.875 million principal amount of Vector Group's 5% Variable Interest Senior Convertible Notes due 2011 and the common stock issuable upon conversion of the notes.

The initial \$65.5 million of notes and rights to purchase \$16.375 million of additional notes were originally sold on November 18, 2004 in a private placement to qualified institutional buyers. The filing of this registration statement was required by the registration rights agreement entered into by Vector Group in connection with the sale of such notes and rights to purchase.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any 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 any such state.

A written prospectus meeting the requirements of Section 10 of the Securities Act of 1933 may be obtained from Vector Group Ltd., 100 S.E. Second Street, Miami, Florida 33131, Attention: Investor Relations.

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