



May 31, 2001

VECTOR GROUP COMPLETES \$50 MILLION PRIVATE EQUITY PLACEMENT

Vector Group Ltd. (NYSE: VGR) today announced that it has completed the previously announced \$50 million sale of 1,639,344 shares of Vector Group common stock to High River Limited Partnership, an investment entity owned by Carl Icahn. High River has agreed not to sell or transfer the shares in the public markets for a one-year period.

Vector Group intends to use the proceeds from this offering and the approximately \$50 million of proceeds from its previously announced debt placement, to fund the advertising and promotion of Vector Tobacco's new Omni™ and Omni Free™ cigar products and for general corporate purposes.

Vector Group is a holding company that indirectly owns Liggett Group Inc., Vector Tobacco and a controlling interest in New Valley Corporation.