

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): April 5, 2019

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.)

4400 Biscayne Boulevard, Miami, Florida

(Address of Principal Executive Offices)

33137

(Zip Code)

(305) 579-8000

(Registrant's Telephone Number, Including Area Code)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

Vector Group Ltd. has prepared materials for presentations to investors. The materials are furnished (not filed) as Exhibits 99.1, 99.2 and 99.3 to this Current Report on Form 8-K pursuant to Regulation FD.

Non-GAAP Financial Measures

Exhibits 99.1, 99.2 and 99.3 contain the Non-GAAP Financial Measures discussed below.

Please refer to Current Reports on Form 8-K dated February 28, 2019, September 28, 2018, June 14, 2018, March 1, 2018, and March 1, 2017 for reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures. Non-GAAP Financial Measures include adjustments for the one-time non-cash benefit from the Tax Cuts and Jobs Act of 2017 arising out of the remeasurement of certain tax assets and liabilities, purchase accounting associated with the Company's acquisition of its additional 20.59% interest in Douglas Elliman Realty, LLC, as well as the related purchase accounting adjustments. Non-GAAP Financial Measures also include adjustments for litigation settlement and judgment expenses in the Tobacco segment, settlements of long-standing disputes related to the Master Settlement Agreement ("MSA") in the Tobacco segment, restructuring and pension settlement expenses in the Tobacco segment, net interest expense capitalized to real estate ventures, non-cash stock compensation expenses (for purposes of Adjusted EBITDA only) and non-cash interest items associated with the Company's convertible debt.

Adjusted Revenues and Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Income, Tobacco Adjusted EBITDA, New Valley LLC Adjusted EBITDA and Douglas Elliman Realty, LLC Adjusted EBITDA (hereafter, along with the Non-GAAP Revenue Measures referred to as "the Non-GAAP Financial Measures") are financial measures not prepared in accordance with generally accepted accounting principles ("GAAP"). The Company believes that the Non-GAAP Financial Measures are important measures that supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance. The Company believes the Non-GAAP Financial Measures provide investors and analysts with a useful measure of operating results unaffected by differences in capital structures and ages of related assets among otherwise comparable companies. In the case of Adjusted Revenues, management believes revenue growth in its real estate segment is an important measure of growth because increased revenues generally result in increased gross margin as a result of absorption of fixed operating costs, which management believes will lead to increased future profitability as well as increased capacity to expand into new and existing markets. A key strategy of the Company is its ability to move into new markets and therefore gross revenues provide information with respect to the Company's ability to achieve its strategic objectives. Management also believes increased revenues generally indicate increased market share in existing markets as well as expansion into new markets. Consequently, management believes Adjusted Revenue is meaningful indicators of operating performance.

Management uses the Non-GAAP Financial Measures as measures to review and assess operating performance of the Company's business, and management and investors should review both the overall performance (GAAP net income) and the operating performance (the Non-GAAP Financial Measures) of the Company's business. While management considers the Non-GAAP Financial Measures to be important, they should be considered in addition to, but not as substitutes for or superior to, other measures of financial performance prepared in accordance with GAAP, such as operating income, net income and cash flows from operations. In addition, the Non-GAAP Financial Measures are susceptible to varying calculations and the Company's measurement of the Non-GAAP Financial Measures may not be comparable to those of other companies.

Adjusted Revenues is defined as revenues plus the additional revenues as a result of the consolidation of Douglas Elliman plus one-time purchase accounting adjustments to fair value for deferred revenues recorded in connection with the increase of the Company's ownership of Douglas Elliman. EBITDA is defined as net income before interest, taxes, depreciation and amortization. Adjusted EBITDA is EBITDA, as defined above, and as adjusted for changes in fair value of derivatives embedded with convertible debt, equity gains (losses) on long-term investments, gains (losses) on sale of investment securities available for sale, equity income from non-consolidated real estate businesses, loss on extinguishment of debt, acceleration of interest expense related to debt conversion, stock-based compensation expense (for purposes of Adjusted EBITDA only), litigation settlement and judgment expense, settlements of long-standing disputes related to the MSA, restructuring and pension settlement expense, and other charges.

New Valley LLC ("New Valley"), the real estate subsidiary of the Company, owns real estate and Douglas Elliman, the largest residential brokerage firm in the New York metropolitan area, as well as a minority stake in numerous real estate investments. New Valley LLC Adjusted EBITDA is defined as the portion of Adjusted EBITDA that relates to New Valley. New Valley's Adjusted EBITDA does not include an allocation of expenses from the Corporate and Other segment of Vector Group Ltd.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, which involve risk and uncertainties. The words "could", "believe," "expect," "estimate," "may," "will," "could," "plan," or "continue" and similar expressions are intended to identify forward-looking statements. The Company's actual results could differ significantly from the results discussed in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Current Report on Form 8-K. The Company undertakes no obligation to (and expressly disclaims any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibit

(d) Exhibit.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Investor presentation of Vector Group Ltd. dated April 2019 (furnished pursuant to Regulation FD).
99.2	Fact Sheet of Vector Group Ltd. dated April 2019 (furnished pursuant to Regulation FD).
99.3	Fact Sheet of New Valley LLC dated April 2019 pursuant to Regulation FD).

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

Senior Vice President, Treasurer and Chief Financial Officer

Date: April 5, 2019



INVESTOR PRESENTATION

April 2015

DISCLAIMER

This document and any related oral presentation does not constitute an offer or invitation to subscribe for, purchase or otherwise acquire any equity securities or debt securities instruments of Vector Group Ltd. ("Vector," "Vector Group Ltd." or "the Company") and nothing contained herein or its presentation shall form the basis of any contract or commitment whatsoever.

The distribution of this document and any related oral presentation in certain jurisdictions may be restricted by law and persons into whose possession this document or any related oral presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction.

The information contained herein does not constitute investment, legal, accounting, regulatory, taxation or other advice and the information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the information. You are solely responsible for seeking independent professional advice in relation to the information and any action taken on the basis of the information.

The following presentation may contain "forward-looking statements," including any statements that may be contained in the presentation that reflect Vector's expectations or beliefs with respect to future events and financial performance, such as the expectation that the tobacco transition payment program could yield substantial incremental free cash flow. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement made by or on behalf of the Company, including the risk that changes in Vector's capital expenditures impact its expected free cash flow and the other risk factors described in Vector's annual report on Form 10-K for the year ended December 31, 2018, as filed with the SEC. Please also refer to Vector's Current Reports on Forms 8-K, filed on October 2, 2015, November 15, 2016, November 24, 2017, June 14, 2018, September 28, 2018 and February 28, 2019 (Commission File Number 1-575) as filed with the SEC for information, including cautionary and explanatory language, relating to Non-GAAP Financial Measures in this Presentation labeled "Adjusted".

Results actually achieved may differ materially from expected results included in these forward-looking statements as a result of these or other factors. Due to such uncertainties and risks, potential investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date on which such statements are made. The Company disclaims any obligation to, and does not undertake to, update or revise and forward-looking statements in this presentation.

INVESTMENT HIGHLIGHTS & PORTFOLIO

Overview

- Diversified Holding Company with two unrelated, but complementary, businesses with iconic brand names: tobacco (Liggett Group) and real estate (Douglas Elliman)
- History of strong earnings, and Adjusted EBITDA has increased from \$178.3 million in 2011⁽¹⁾ to \$242.0 million in 2018⁽²⁾
 - Tobacco Adjusted EBITDA of \$249.2 million for the year ended December 31, 2018⁽³⁾
 - Douglas Elliman, which is now a wholly-owned subsidiary, produced Revenues of \$754.1 million and Adjusted EBITDA \$11.3 million for the year ended December 31, 2018⁽⁴⁾
- Diversified portfolio of consolidated and non-consolidated real estate investments at New Valley
- Maintains substantial liquidity with cash, marketable securities and long-term investments of \$828 million (\$598 million a retirement of \$230 million of the entire issuance of convertible notes in January 2019) as of December 31, 2018⁽⁵⁾
- Uninterrupted quarterly cash dividends since 1995 and an annual 5% stock dividend since 1999
- Seasoned management team with average tenure of 25 years with Vector Group
- Management team and directors beneficially own approximately 12% of Vector Group
- Perpetual cost advantage over the largest U.S. tobacco companies – annual cost advantage ranged between \$163 million and \$169 million from 2012 to 2018⁽⁶⁾

(1) Vector's Net income for the year ended December 31, 2011 was \$74.5M. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.2 of the Company's Current Report on Form 8-K, dated November 15, 2016 (Table 2) for a reconciliation of Net income to Adjusted EBITDA as well as the Disclaimer to this document on Page 2.

(2) Vector's Net income for the year ended December 31, 2018 was \$58.1 million. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed on February 28, 2019 (Table 2), for a reconciliation of Net income to Adjusted EBITDA as well as the Disclaimer to this document on Page 2.

(3) All "Liggett" and "Tobacco" financial information in this presentation includes the operations of Liggett Group LLC, Vector Tobacco Inc., and Liggett Vector Brands LLC unless otherwise noted. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 2 and 5 of Exhibit 99.1 to the Company's Current Report on Form 8-K, filed on February 28, 2019.

(4) Douglas Elliman's Net income was \$5.2 million for the year ended December 31, 2018. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed on February 28, 2019, for a reconciliation of Adjusted EBITDA to net income (Table 7) as well as the Disclaimer to this document.

(5) At December 31, 2018 the total amount (\$584.5 million) includes cash at Douglas Elliman, a wholly-owned subsidiary, of \$86 million and cash at Liggett, a wholly-owned subsidiary, of \$23 million. Excludes real estate investments.

(6) Cost advantage applies only to cigarettes sold below applicable market share exemption.

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TOBACCO OPERATIONS

LIGGETT GROUP OVERVIEW

- Fourth-largest U.S. tobacco company; founded in 1873
 - Core Discount Brands – *Eagle 20's*, *Pyramid*, *Grand Prix*, *Liggett Select* and *Eve*
 - Partner Brands – *USA*, *Bronson* and *Tourney*
- Consistent and strong cash flow
 - Tobacco Adjusted EBITDA of \$249.2 million for the year ended December 31, 2018⁽¹⁾
 - Low capital requirements with capital expenditures of \$4.6 million related to tobacco operations for the year ended December 31, 2018
- Current cost advantage of approximately \$0.74 per pack compared to the largest U.S. tobacco companies expected to maintain volume and drive profit in core brands
 - Pursuant to the MSA, Liggett has no payment obligations unless its market share exceeds a market share exemption of approximately 1.65% of total cigarettes sold in the United States, and Vector Tobacco has no payment obligations unless its market share exceeds a market share exemption of approximately 0.28% of total cigarettes sold in the United States
 - MSA exemption annual cost advantage ranged between \$163 million and \$169 million for Liggett and Vector Tobacco from 2012 to 2018.



⁽¹⁾ Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in the Company's Current Report on Forms 8-K, filed on February 28, 2019. Please also refer to the Disclaimer to this document on Page 2.

LIGGETT GROUP HISTORY

Signed the MSA as a Subsequent Participating Manufacturer, which established perpetual cost advantage over three largest U.S. tobacco companies

Relaunched deep discount brand *Grand Prix*

Repositioned Eagle 20's as a national deep discount brand

Liggett maintains its long-term focus by balancing market share and profit growth, which maximizes long-term Tobacco Adjusted EBITDA.

1998

1999

2005

2009

2013

Today

Introduced deep discount brand *Liggett Select* taking advantage of the Company's cost advantage resulting from the MSA

Repositioned *Pyramid* as a deep-discount brand in response to a large Federal Excise Tax increase

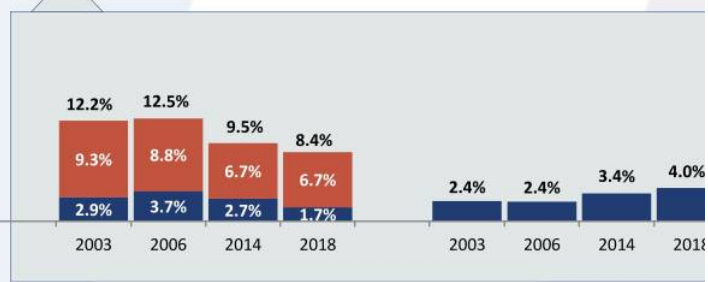
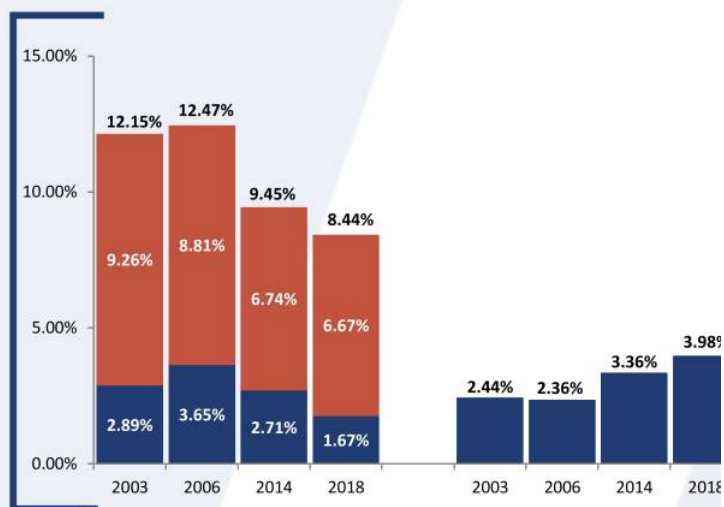
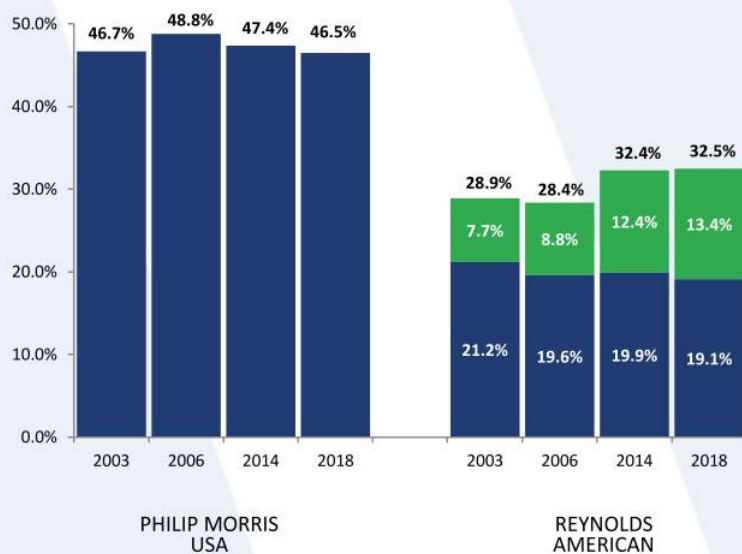


Source: MSA CRA wholesale shipment database.

Note: The Liggett and Vector Tobacco businesses have been combined into a single segment for all periods since 2007.

(1) Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 2 of Exhibit 99.1 of the Company's Current Reports on Form 8-K, filed on February 28, 2019 as well as Table 2 to Exhibit 99.2 of the Company's Current Report on Form 8-K, dated October 2, 2015, November 15, 2016, March 1, 2018, June 14, 2018, September 28, 2018 and February 28, 2019.

ADJUSTED U.S. TOBACCO INDUSTRY MARKET SHARE



Source: The Maxwell Report's sales estimates for the cigarette industry for the years ended 2003 (February 2004), 2006 (February 2007) and 2014 (March 2015) and internal estimates for 2018.

(1) All 2017 percentages are from internal company estimates. Actual Market Share in 2003, 2006 and 2014 reported in the Maxwell Report for Reynolds American was 29.6%, 27.6% and 23.1%, respectively, and, for ITG Brands, was 2.9%, 3.7% and 2.7%, respectively. Adjusted market share has been computed by Vector Group Ltd. by applying historical market share of each brand to the present owner of brand. Thus, the graph assumes each company owned its current brands on January 1, 2003. The legacy brands market share of Reynolds American in 2003 includes the market share of Brown & Williamson, which was acquired by Reynolds American in 2004. In 2015, Reynolds American acquired Lorillard Tobacco Company, which manufactured the Newport brand, and sold a portfolio of brands, including the Winston, Salem, Koal and Maverick brands to ITG Brands.

(2) Does not include smaller manufacturers, whose cumulative market shares were 9.8%, 7.9%, 8.8% and 8.6% in 2003, 2006, 2014 and 2018, respectively.

TOBACCO LITIGATION AND REGULATORY UPDATES

Litigation

- In 2013, Liggett reached a settlement with approximately 4,900 *Engle* progeny plaintiffs, which represented a substantial portion of Liggett's pending litigation
 - Liggett agreed to pay \$60 million in a lump sum in 2014 and the balance in installments of \$3.4 million in each of the following 14 years (2015 – 2028)
- In 2016 and 2017, Liggett settled an additional 163 *Engle* progeny cases for \$26.7 million
 - Approximately 70 *Engle* progeny plaintiffs remain as of December 31, 2018
- Liggett is also a defendant in 32 non-*Engle* smoking-related individual cases and three (3) smoking-related actions where either a class had been certified or plaintiffs were seeking class certification as of December 31, 2018
- In January 2016, the Mississippi Attorney General filed a motion to enforce Mississippi's 1996 settlement agreement with Liggett and alleged that Liggett owes Mississippi at least \$27 million in damages plus punitive damages and legal fees. Results of arbitration are pending

Regulatory

- Since 1998, the MSA has restricted the advertising and marketing of tobacco products
- In 2009, Family Smoking Prevention and Tobacco Control Act granted the FDA power to regulate the manufacture, sale, marketing and packaging of tobacco products
 - FDA is prohibited from issuing regulations that ban cigarettes.
 - In 2018, FDA issued a Notice of Proposed Rulemaking to consider reducing nicotine in tobacco
- Federal Excise Tax is \$1.01/pack (since April 1, 2009) and additional state and municipal excise taxes exist

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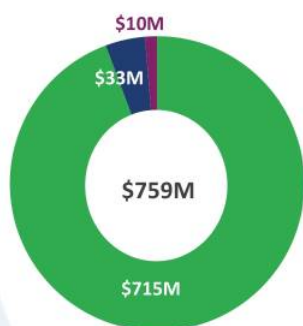
REAL ESTATE OPERATIONS

REAL ESTATE OVERVIEW

- New Valley, which now owns 100% of Douglas Elliman Realty, LLC, is a diversified real estate company that is seeking to acquire or invest in additional real estate properties or projects
 - In December 2018, New Valley acquired the remaining 29% ownership interest of Douglas Elliman.
- New Valley has invested approximately \$155 million⁽¹⁾, as of December 31, 2018, in a broad portfolio of real estate projects

New Valley Revenues – December 31, 2018

■ Real Estate Brokerage Commissions ■ Other
■ Property Management



New Valley Adjusted EBITDA⁽²⁾



⁽¹⁾ Net of cash returned.

⁽²⁾ New Valley's net income was \$11.7M, \$13.5M, \$37.6M and \$14.8M for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Net income to Adjusted EBITDA, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on March 1, 2017, June 14, 2018 and February 28, 2019, Form 10-K for the fiscal year ended December 31, 2018 (Commission File Number 1-5759) as well as the Disclaimer to this document on Page 2. New Valley's Adjusted EBITDA do not include an allocation of Vector Group Ltd.'s Corporate and Other Expenses (for purposes of computing Adjusted EBITDA) of \$12.0M, \$13.0M, \$14.1M and \$15.0M for the periods presented, respectively.

DOUGLAS ELLIMAN REALTY, LLC

- Largest residential real estate brokerage firm in the highly competitive New York metropolitan area and third-largest residential brokerage firm in the U.S.
- Approximately 7,200 affiliated agents and 115 offices in the U.S.
- Alliance with Knight Frank provides a network with 520 offices across 60 countries with 21,550 affiliated agents
- Also offers title and settlement services, relocation services, and residential property management services through various subsidiaries

Douglas Elliman Closed Sales – LTM December 31, 2018



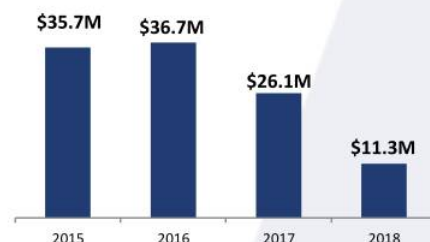
Douglas Elliman Closed Sales



Douglas Elliman Revenues – YTD December 31, 2018



Douglas Elliman Adjusted EBITDA⁽¹⁾



(1) Douglas Elliman's net income was \$22.2M, \$21.1M, \$21.4M and \$5.2M for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on March 1, 2017, June 14, 2018 and February 28, 2019, Form 10-K for the fiscal year ended December 31, 2018 (Commission File Number 1-5759) as well as the Disclaimer to this document on Page 2.

NEW VALLEY'S REAL ESTATE INVESTMENTS AT DECEMBER 31, 2018 ⁽¹⁾

Land Development/Real Estate Held for Sale, net

Apartments/Condominiums/Hotels

Commercial Retail/Office Assets



(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations of Vector Group Ltd.'s Form 10-K for the period ended December 31, 2018 (Commission File Number 1-5759).

NEW VALLEY'S REAL ESTATE INVESTMENTS IN NEW YORK CITY⁽¹⁾



1. **The Marquand** Upper East Side
2. **10 Madison Square West** Flatiron District/NoMad (in liquidation)
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square (in liquidation)
5. **111 Murray Street** TriBeCa
6. **160 Leroy Street** Greenwich Village
7. **215 Chrystie Street** Lower East Side
8. **The Dutch** Long Island City
9. **1 QPS Tower** Long Island City (in liquidation)
10. **Park Lane Hotel** Central Park South
11. **125 Greenwich Street** Financial District
12. **The XI (formerly "The Eleventh")** West Chelsea
13. **15 East 19th Street (formerly "New Brookland")** Brooklyn
14. **The Dime (Havemeyer Street)** Brooklyn

(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - of Vector Group Ltd.'s Form 10-K for the period ended December 31, 2018 (Commission File Number 1-5759).

NEW VALLEY'S REAL ESTATE SUMMARY AS OF DECEMBER 31, 2018 ⁽¹⁾

	Net cash invested	Cummulative earnings / (loss) ⁽²⁾	Carrying value ⁽²⁾⁽³⁾	Projected construction end date	Range of ownership	Number of investments
Land owned						
New York City SMSA	\$ 16,050	\$ -	\$ 16,050	N/A	100.0%	
All other U.S. areas	2,516	7,654	10,170	N/A	100.0%	
	<u>\$ 18,566</u>	<u>\$ 7,654</u>	<u>\$ 26,220</u>			
Condominium and Mixed Use Development (Minority interest owned)						
New York City SMSA	\$ (2,065)	\$ 70,797	\$ 68,732	2019 - 2020	3.1% - 49.5%	
All other U.S. areas	27,627	5,585	33,212	2019 - 2020	15% - 48.5%	
	<u>\$ 25,562</u>	<u>\$ 76,382</u>	<u>\$ 101,944</u>			
Apartments (Minority Interest owned)						
New York City SMSA	\$ -	\$ -	\$ -	N/A	N/A	
All other U.S. areas	(896)	896	-	N/A	7.6% - 16.3%	
	<u>\$ (896)</u>	<u>\$ 896</u>	<u>\$ -</u>			
Hotels (Minority interest owned)						
New York City SMSA	\$ 26,052	\$ (9,804)	\$ 16,248	N/A	5.2% - 18.4%	
All other U.S. areas	6,049	(3,714)	2,335	N/A	15%	
International	7,785	(653)	7,132	N/A	49%	
	<u>\$ 39,886</u>	<u>\$ (14,171)</u>	<u>\$ 25,715</u>			
Commercial and Other (Minority interest owned)						
New York City SMSA	\$ (7,106)	\$ 11,341	\$ 4,235	N/A	45.4-49%	
All other U.S. areas	5,099	1,953	7,052	N/A	1.6%	
	<u>\$ (2,007)</u>	<u>\$ 13,294</u>	<u>\$ 11,287</u>			
Total	\$ 81,111	\$ 84,055	\$ 165,166			
Summary						
New York City SMSA	\$ 32,931	\$ 72,334	\$ 105,265			
All other U.S. areas	40,395	12,374	52,769			
International	7,785	(653)	7,132			
	<u>\$ 81,111</u>	<u>\$ 84,055</u>	<u>\$ 165,166</u>			

(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations of Vector Group Ltd.'s Form 10-K for the period ended December 31, 2018 (Commission File Number 1-5759).

(2) Includes interest expense capitalized to real estate ventures of \$23,786.

(3) Carrying value includes non-controlling interest of \$693.



FINANCIAL DATA

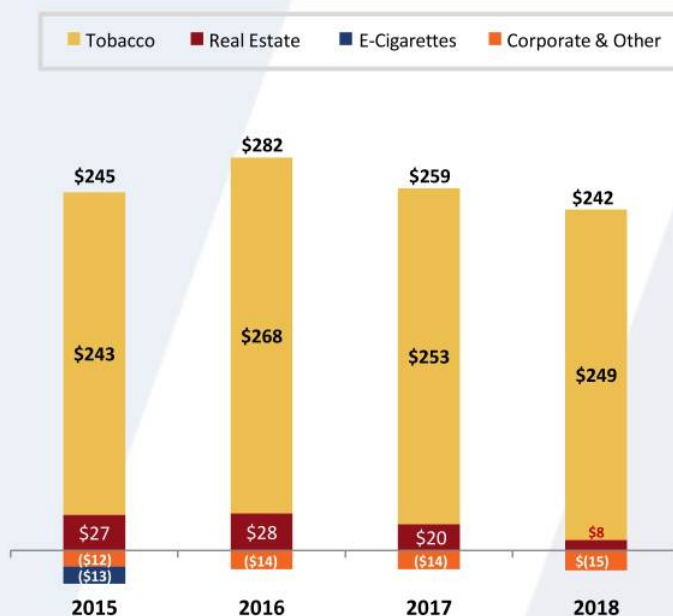
ADJUSTED HISTORICAL FINANCIAL DATA

(Dollars in millions)

Adjusted Revenues⁽¹⁾



Adjusted EBITDA⁽¹⁾



⁽¹⁾ Vector's revenues for the periods presented were \$1,657, \$1,691, \$1,807 and \$1,870, respectively. Vector's Net income for the periods presented was \$59.2, \$71.1, \$84.6 and \$58.1, respectively. Adjusted Revenues and Adjusted EBITDA are Non-GAAP Financial Measures. Please refer to the Company's Current Report on Forms 8-K, filed on March 1, 2017, March 1, 2018, June 14, 2018, September 30, 2018 and February 28, 2019 (Exhibit 99.1) for a reconciliation of Non-GAAP financial measures to GAAP as well as the Disclaimer to this document on Page 2.

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SUMMARY

SUMMARY

- Vector Group, a holding company, owning Tobacco and Real Estate businesses and holding consolidated cash, investment securities and long-term investments of **\$828 million at December 31, 2018 (\$598 after adjusting for the retirement of debt in January 2019)**

- Vector's management team has an average tenure of **25 years** with the Company and, along with directors, beneficially owns approximately **12% of Vector's common stock**

▪ Tobacco segment

- Liggett is the fourth-largest U.S. Cigarette company with **4.0%** wholesale market share and **4.1%** retail market share YTD December 31, 2018.
- Only major U.S. cigarette manufacturer to **increase both market share and unit volumes** over the last 10 years
- **\$249 million⁽¹⁾** of Adjusted EBITDA

▪ Real Estate segment

- New Valley owns a diversified portfolio of consolidated and non-consolidated real estate investments totaling **\$165 million** at December 31, 2018.
- Douglas Elliman Realty
 - Largest residential real estate brokerage firm in New York Metropolitan area and third-largest residential brokerage firm in the U.S.
 - Closed sales volume of **\$28.1 billion** YTD 12/31/18
 - Revenues have increased from **\$541 million** in 2014 to **\$754 million** in 2018

(1) Vector's operating income from the tobacco segment for the year ended December 31, 2018 was \$246.5 million. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed on February 28, 2019 (Table 5), for a reconciliation of Net income to Adjusted EBITDA as well as the Disclaimer to this document on Page 2.

Vector Group Ltd. owns Liggett Group, Vector Tobacco and New Valley.
New Valley now owns 100% of Douglas Elliman.

TOBACCO

- Fourth-largest cigarette manufacturer in the U.S. with a strong family of brands — *Pyramid*, *Grand Prix*, *Liggett Select*, *Eve* and *Eagle 20's* — representing 14% share of the discount market.
- Focused on brand strength and long-term profit growth, while continuing to evaluate opportunities to pursue incremental volume and margin growth.
- Annual cost advantage due to favorable treatment under the Master Settlement Agreement that ranged between \$163 million and \$169 million from 2012 to 2018.
- The only cigarette company to have reached a comprehensive settlement resolving substantially all of the individual *Engle* progeny product liability cases pending in Florida. The *Engle* progeny cases have represented a substantial portion of Liggett's pending litigation.



REAL ESTATE

- New Valley, which now owns Douglas Elliman Realty, LLC, is a diversified real estate company that is seeking to acquire or invest in additional real estate properties or projects.
- New Valley has invested approximately \$155 million, as of December 31, 2018, in a broad portfolio of real estate investments.
- Douglas Elliman is the largest residential real estate brokerage firm in the New York metropolitan area and the third-largest in the U.S.
- Douglas Elliman's closings totaled \$28.1 billion for the year ended December 31, 2018, and it has approximately 7,200 affiliated agents and 115 offices throughout the New York metropolitan area, South Florida, Southern California, Aspen, Greenwich, and Massachusetts.



EXECUTIVE MANAGEMENT

Howard M. Lorber
President and Chief Executive Officer

Richard J. Lampen
Executive Vice President

J. Bryant Kirkland III
Senior Vice President, Chief Financial Officer and Treasurer

Marc N. Bell
Senior Vice President, General Counsel and Secretary

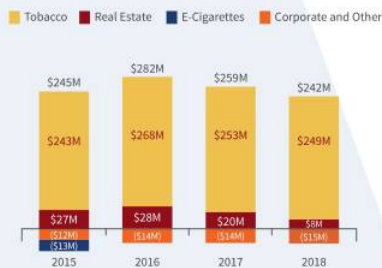
Ronald J. Bernstein
President and Chief Executive Officer of Liggett Vector Brands

COMPANY HIGHLIGHTS

- Headquartered in Miami with an executive office in Manhattan and tobacco operations in North Carolina
- Employs approximately 1,500 people
- Executive management and directors beneficially own 12% of the Company
- Reported cash of \$585² million (\$355 million after retirement of debt in January 2019) and investments with fair value of \$243 million at December 31, 2018.
- Recognized as one of America's Most Trustworthy Companies by *Forbes* in 2013



Adjusted EBITDA



2018 Revenues



¹ Net income attributable to Vector Group Ltd. for the periods presented was approximately \$59M, \$71M, \$85M and \$58M, respectively. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Net income to Adjusted EBITDA, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on March 8, 2016, March 1, 2017, March 1, 2018, June 14, 2018, September 28, 2018 and February 28, 2019 for the fiscal year ended December 31, 2018 (Commission File Number 1-5759)

² At December 31, 2018 this amount includes cash at Douglas Elliman, a wholly-owned subsidiary, of \$96 million and cash at Liggett, a wholly-owned subsidiary of \$23 million. Excludes real estate investments

This summary contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have identified these forward-looking statements using words such as "could" and similar expressions. These statements reflect our current beliefs. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements.



New Valley LLC, the real estate subsidiary of Vector Group Ltd. (NYSE: VGR), owns real estate and now owns 100% of Douglas Elliman, the largest residential brokerage firm in the New York metropolitan area, as well as a minority stake¹ in numerous real estate investments.

NEW VALLEY REAL ESTATE INVESTMENTS¹

New Valley has invested approximately \$155 million, as of December 31, 2018, in a broad portfolio of real estate projects.

New Valley's Real Estate Investment Portfolio



New Valley's New York Real Estate Investments¹

1. **The Marquand** Upper East Side
2. **10 Madison Square West** Flatiron District/NoMad (in liquidation)
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square (in liquidation)
5. **111 Murray Street** TriBeCa
6. **160 Leroy Street** Greenwich Village
7. **215 Chrystie Street** Lower East Side
8. **The Dutch** Long Island City
9. **1 QPS Tower** Long Island City
10. **Park Lane Hotel** Central Park South
11. **125 Greenwich Street** Financial District
12. **The XI (formerly "The Eleventh")** West Chelsea
13. **15 East 19th Street (formerly "New Brookland")** Flatbush
14. **The Dime (Havemeyer Street)** Brooklyn

International Investments¹

- Coral Beach and Tennis Club Bermuda

DOUGLAS ELLIMAN

- Largest residential real estate brokerage firm in New York metropolitan area and third-largest in the United States.
- Closings of \$28.1 billion for the year ended December 31, 2018; Douglas Elliman has approximately 7,200 affiliated agents and 115 offices throughout the New York metropolitan area, South Florida, Southern California, Aspen, Greenwich, and Massachusetts.
- Maintains an alliance with Knight Frank—the largest independent residential brokerage in the United Kingdom—to jointly market high-end properties, providing a network with 520 offices across 60 countries with 21,550 affiliated agents.
- Revenues and Adjusted EBITDA of Douglas Elliman of \$754 million and \$11.3 million,² respectively, for the year ended December 31, 2018.

EXECUTIVE MANAGEMENT

Howard M. Lorber
President and Chief Executive Officer

Richard J. Lampen
Executive Vice President

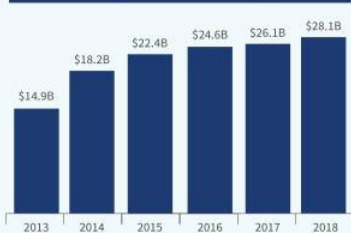
J. Bryant Kirkland III
Senior Vice President, Chief Financial Officer and Treasurer

Marc N. Bell
Senior Vice President, Secretary and General Counsel

COMPANY HIGHLIGHTS

- Executive offices in Manhattan and Miami
- Employs approximately 1,000 people

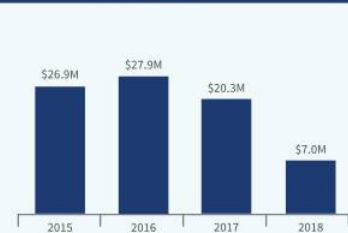
Douglas Elliman Closings



New Valley Revenues - YTD 12/31/18



New Valley Adjusted EBITDA²



¹ Please refer to Vector Group Ltd.'s Form 10-K (Commission File Number 1-5759) for the period ended December 31, 2019 in the section "Summary of Real Estate Investments" in Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations

² Douglas Elliman's net income was \$5.2M for the year ended December 31, 2018. New Valley's net income was \$12M, \$14M, \$38M and \$15M for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. New Valley's Adjusted EBITDA do not include an allocation of Vector Group Ltd.'s Corporate and Other Expenses (for purposes of computing Adjusted EBITDA) of approximately \$12M, \$13M, \$14M and \$15M for the periods presented, respectively. For a reconciliation of Net Income to Adjusted EBITDA, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on March 8, 2016, March 1, 2017, March 1, 2018, June 14, 2018 and February 28, 2019 for the fiscal year ended December 31, 2018 (Commission File Number 1-5759)

