



May 10, 2006

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 at 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 at 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.

[Financial Table Follows]

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