



May 3, 2012

VECTOR GROUP REPORTS FIRST QUARTER 2012 FINANCIAL RESULTS

MIAMI, FL, May 3, 2012 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the three months ended March 31, 2012.

First quarter 2012 revenues were \$257.6 million, compared to \$260.4 million in the first quarter of 2011. The decline in revenues in 2012 was primarily due to decreased unit sales of approximately 4.5% in the 2012 period compared to the 2011 period, which were partially offset by price increases. The Company recorded operating income of \$33.4 million in the 2012 first quarter, compared to operating income of \$31.5 million in the first quarter of 2011. Net loss for the 2012 first quarter was \$7.7 million, or \$(0.10) per diluted common share, compared to net income of \$19.4 million, or \$0.24 per diluted common share, in the 2011 first quarter.

The results for the three months ended March 31, 2012 included pre-tax losses from changes in the fair value of derivatives embedded within convertible debt of \$21.1 million. Adjusting for the pre-tax losses, first quarter 2012 net income was \$5.4 million or \$0.07 per diluted share.

The results for the three months ended March 31, 2011 included pre-tax gains of \$4.1 million from the liquidation of long-term investments and \$3.1 million from the sale of a townhome that were offset by pre-tax losses from changes in the fair value of derivatives embedded within convertible debt of \$575,000. Adjusting for these items, first quarter 2011 net income was \$15.3 million or \$0.20 per diluted share.

For the three months ended March 31, 2012, the Company's tobacco business had revenues of \$257.6 million compared to \$260.4 million for the three months ended March 31, 2011. Operating income was \$37.5 million for the first quarter of 2012, compared to \$36.4 million for the first quarter of 2011.

Conference Call to Discuss First Quarter 2012 Results

As previously announced, the Company will host a conference call and webcast on Friday, May 4, 2012 at 11:30 A.M. (ET) to discuss first quarter 2012 results. Investors can access the call by dialing 800-859-8150 and entering 50225765 as the conference ID number. The call will also be available via live webcast at www.investorcalendar.com.

A replay of the call will be available shortly after the call ends on May 4, 2012 through May 18, 2012. To access the replay, dial 877-656-8905 and enter 50225765 as the conference ID number. The archived webcast will also be available at www.investorcalendar.com for 30 days.

Vector Group is a holding company that indirectly owns Liggett Group LLC and Vector Tobacco Inc. and directly owns 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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