
**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): May 2, 2016

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))
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Item 7.01. Regulation FD Disclosure.

Vector Group Ltd. has prepared materials for presentations to investors updated for the three months ended March 31, 2016. 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.

Non-GAAP Financial Measures include adjustments for purchase accounting associated with the Company's acquisition of its additional 20.59% interest in Douglas Elliman Realty, LLC, and the related purchase accounting adjustments, occurred prior to the beginning of each period presented. 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 in the Tobacco segment, restructuring and pension settlement expense in the Tobacco segment, non-cash stock compensation expense (for purposes of Pro-forma Adjusted EBITDA only) and non-cash interest items associated with the Company's convertible debt.

Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income, Pro-forma Adjusted Operating Income, Tobacco Adjusted Operating Income, New Valley LLC Pro-forma Adjusted Revenues, New Valley LLC Pro-forma Adjusted EBITDA, Douglas Elliman Realty, LLC Adjusted Revenues, and Douglas Elliman Realty, LLC Adjusted EBITDA (hereafter referred to as "the Non-GAAP Financial Measures") are financial measures not prepared in accordance with 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, capital investment cycles and ages of related assets among otherwise comparable companies. 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.

Pro-forma 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. Pro-forma 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 Pro-Forma Adjusted EBITDA only), litigation settlement and judgment expense, settlements of long-standing disputes related to the Master Settlement Agreement ("MSA"), restructuring and pension settlement expense, gains on acquisition of Douglas Elliman, changes to EBITDA as a result of the consolidation of Douglas Elliman and other charges.

New Valley LLC ("New Valley"), the real estate subsidiary of the Company, owns real estate and 70.59% of 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 Pro-forma Adjusted Revenues and New Valley LLC Pro-forma Adjusted EBITDA are defined as the portion of Pro-forma Adjusted Revenues and Pro-forma Adjusted EBITDA that relate to New Valley. New Valley's Pro-forma 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, 2015 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016. 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 May 2016 (furnished pursuant to Regulation FD). |
| 99.2 | Fact Sheet of Vector Group Ltd. dated May 1, 2016 (furnished pursuant to Regulation FD). |
| 99.3 | Fact Sheet of New Valley LLC dated May 1, 2016 (furnished 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

Vice President, Treasurer and Chief Financial Officer

Date: May 2, 2016



INVESTOR PRESENTATION

May 2016

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, 2015, as filed with the SEC. Please also refer to Vector's Current Reports on Forms 8-K, filed on October 2, 2015, March 8, 2016, April 1, 2016 and April 28, 2016 (Commission File Number 1-5759) as filed with the SEC for information, including cautionary and explanatory language, relating to Non-GAAP Financial Measures in this Presentation labeled "Pro-forma Adjusted" or "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 Pro-Forma Adjusted EBITDA has increased from \$175.6 million in 2010⁽¹⁾ to \$264.3 million for the twelve months ended March 31, 2016⁽²⁾
 - Tobacco Adjusted EBITDA of \$258.2 million for the twelve months ended March 31, 2016⁽³⁾
 - Douglas Elliman, which is a 70.59%-owned subsidiary, produces Pro-Forma Adjusted Revenues of \$664.4 million and Pro-Forma Adjusted EBITDA of \$41.1 million for the twelve months ended March 31, 2016⁽⁴⁾
- Diversified New Valley portfolio of consolidated and non-consolidated real estate investments
- Maintains substantial liquidity with cash, marketable securities and long-term investments of \$462 million as of March 31, 2016⁽⁵⁾ and has no significant debt maturities until February 2019
- Uninterrupted quarterly cash dividends since 1995 and an annual 5% stock dividend since 1999
- Seasoned management team with average tenure of 23 years with Vector Group
- Management team and directors beneficially own approximately 13% of Vector Group
- Perpetual cost advantage over the largest U.S. tobacco companies – annual cost advantage ranged from \$163 million to \$168 million from 2011 to 2015⁽⁶⁾

(1) Vector's Net income for the year ended December 31, 2010 was \$54.1M. Pro-Forma Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 of the Company's Current Report on Form 8-K, dated October 2, 2015 (Table 1) for a reconciliation of Net income to Pro-Forma Adjusted EBITDA as well as the Disclaimer to this document on Page 2.

(2) Vector's Net income for the twelve months ended March 31, 2016 was \$57M. Pro-Forma 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 April 28, 2016, for a reconciliation of Net income to Pro-Forma 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 3 of Exhibit 99.1 to the Company's Current Report on Form 8-K, dated April 28, 2016.

(4) Douglas Elliman's revenues were \$662.9M and its Net income was \$28.4M for the twelve months ended March 31, 2016. Pro-Forma Adjusted Revenues and Pro-Forma Adjusted EBITDA are Non-GAAP Financial Measures. Please refer to Exhibit 99.1 of the Company's Current Report on Form 8-K, dated April 28, 2016, for a reconciliation to Revenues of Non-GAAP financial measures and Net Income to Pro-Forma Adjusted Revenues and Pro-Forma Adjusted EBITDA (Tables 9 and 10) as well as the Disclaimer to this document on Page 2.

(5) Excludes real estate investments.

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

TOBACCO OPERATIONS

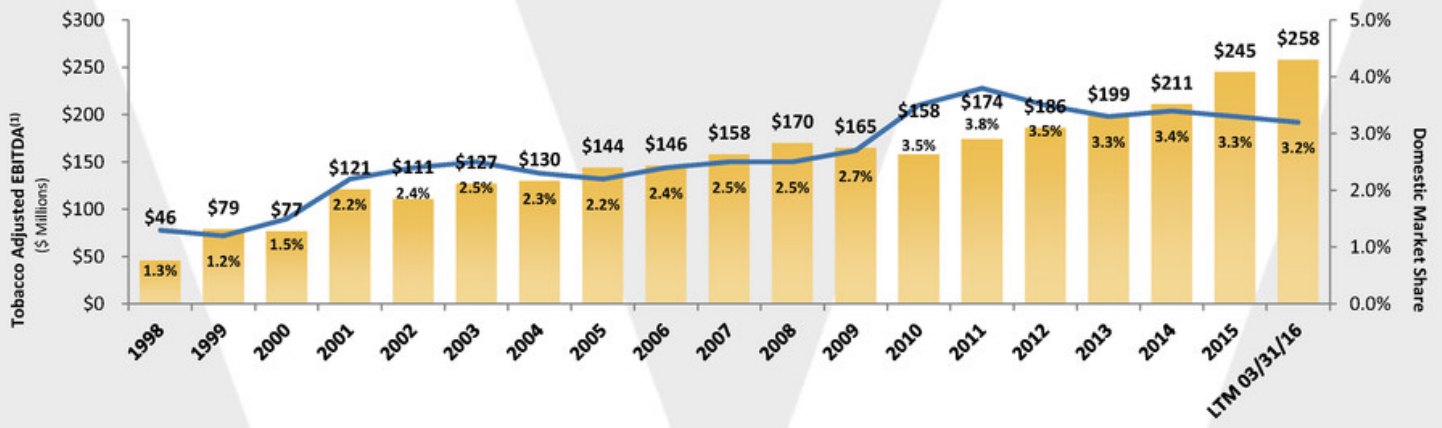
LIGGETT GROUP OVERVIEW

- Fourth-largest U.S. tobacco company; founded in 1873
 - Core Discount Brands – *Pyramid, Grand Prix, Liggett Select, Eve and Eagle 20's*
 - Partner Brands – *USA, Bronson and Tourney*
- Consistent and strong cash flow
 - Tobacco Adjusted EBITDA of \$258.2 million for the twelve months ended March 31, 2016⁽¹⁾
 - Low capital requirements with capital expenditures of \$5.3 million related to tobacco operations for the twelve months ended March 31, 2016
- Current cost advantage of 68 cents 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 has ranged from \$163 million to \$168 million for Liggett and Vector Tobacco since 2011.



⁽¹⁾ Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 3 of Exhibit 99.1 of the Company's Current Report on Form 8-K, dated March 8, 2016. Please also refer to the Disclaimer to this document on Page 2.

LIGETT GROUP HISTORY



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 3 of Exhibit 99.1 of the Company's Current Reports on Form 8-K, dated March 8, 2016, and April 28, 2016 as well as Table 2 to Exhibit 99.2 of the Company's Current Report on Form 8-K, dated October 2, 2015.

TOBACCO LITIGATION AND REGULATORY UPDATES

Litigation

- Liggett led the industry in acknowledging the addictive properties of nicotine while seeking a legislated settlement of litigation
- In 2013, Liggett reached a settlement with approximately 4,900 *Engle* progeny plaintiffs, which represented substantially all 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 the following 14 years (2015 – 2028)
 - Approximately 255 *Engle* progeny plaintiffs remain
 - As of March 31, 2016, Liggett has accrued \$4.3 for one case and there were presently another eight cases under appeal. The current range of loss in the cases under appeal is \$0 to \$4.8 million (plus attorneys' fees and interest).
 - Liggett has secured approximately \$15.8 million in outstanding bonds related to these cases.

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
- Federal Excise Tax is \$1.01/pack (since April 1, 2009) and additional state and municipal excise taxes exist.



REAL ESTATE OPERATIONS

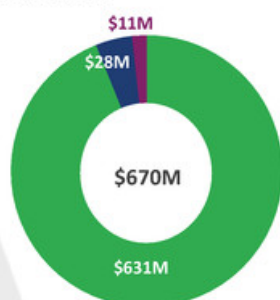
REAL ESTATE OVERVIEW

- New Valley, which owns 70.59% of Douglas Elliman Realty, LLC, is a diversified real estate company that is seeking to acquire additional operating companies and real estate properties
- New Valley has invested approximately \$222 million, as of March 31, 2016, in a broad portfolio of 23 real estate investments

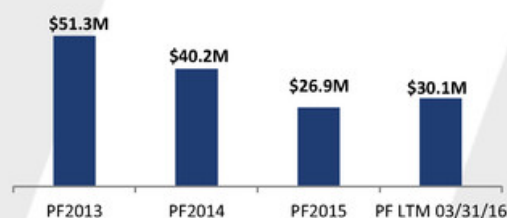
New Valley Pro-Forma Adjusted Revenues – LTM December 31, 2015⁽¹⁾

■ Real Estate Brokerage Commissions
 ■ Other

■ Property Management



New Valley Pro-Forma Adjusted EBITDA⁽¹⁾

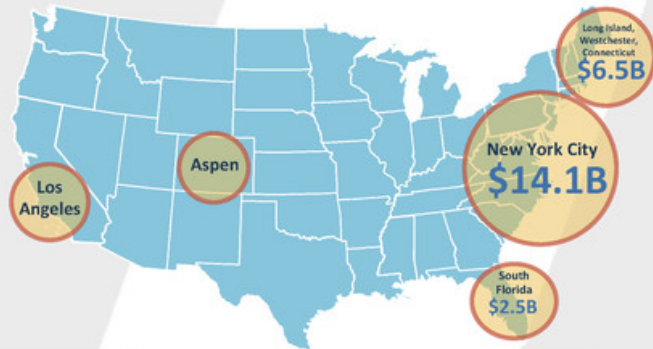


(1) New Valley's revenues were \$668.9M and New Valley's net income was \$59.4M, \$21.4M, \$11.7M and \$13.3M for the periods presented. Pro-Forma Adjusted EBITDA and Pro-Forma Adjusted Revenues are non-GAAP financial measures. For a reconciliation of Revenues to Pro-Forma Adjusted Revenues and Net income to Pro-Forma Adjusted EBITDA, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on October 2, 2015 (Exhibit 99.2), March 8, 2016 (Exhibit 99.1) and April 28, 2016, as well as Form 10-K for the fiscal year ended December 31, 2015 (Commission File Number 1-5759) as well as the Disclaimer to this document on Page 2. New Valley's Pro-Forma Adjusted EBITDA do not include an allocation of Vector Group Ltd.'s Corporate and Other Expenses (for purposes of computing Pro-Forma Adjusted EBITDA) of \$ \$13.5M, \$11.4M, \$13.2M and \$14.0M for the periods presented, respectively.

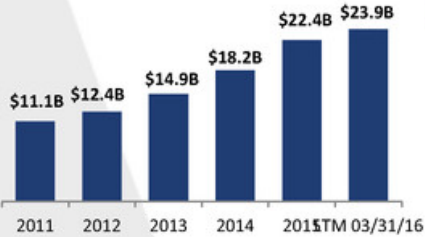
DOUGLAS ELLIMAN REALTY, LLC

- Largest residential real estate brokerage firm in the highly competitive New York metropolitan area and fourth-largest residential brokerage firm in the U.S.
- Approximately 6,000 affiliated agents and 80 offices in the U.S.
- Alliance with Knight Frank provides a network with 400 offices across 55 countries with 22,000 affiliated agents
- Also offers title and settlement services, relocation services, and residential property management services through various subsidiaries
- Became a consolidated subsidiary in December 2013

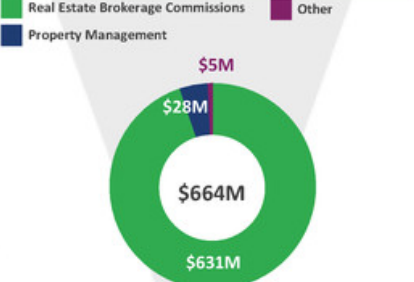
Douglas Elliman Closed Sales – LTM March 31, 2016



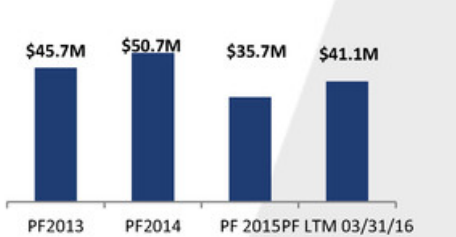
Douglas Elliman Closed Sales – LTM March 31, 2016



Douglas Elliman Pro-Forma Adjusted Revenues – LTM March 31, 2016⁽¹⁾



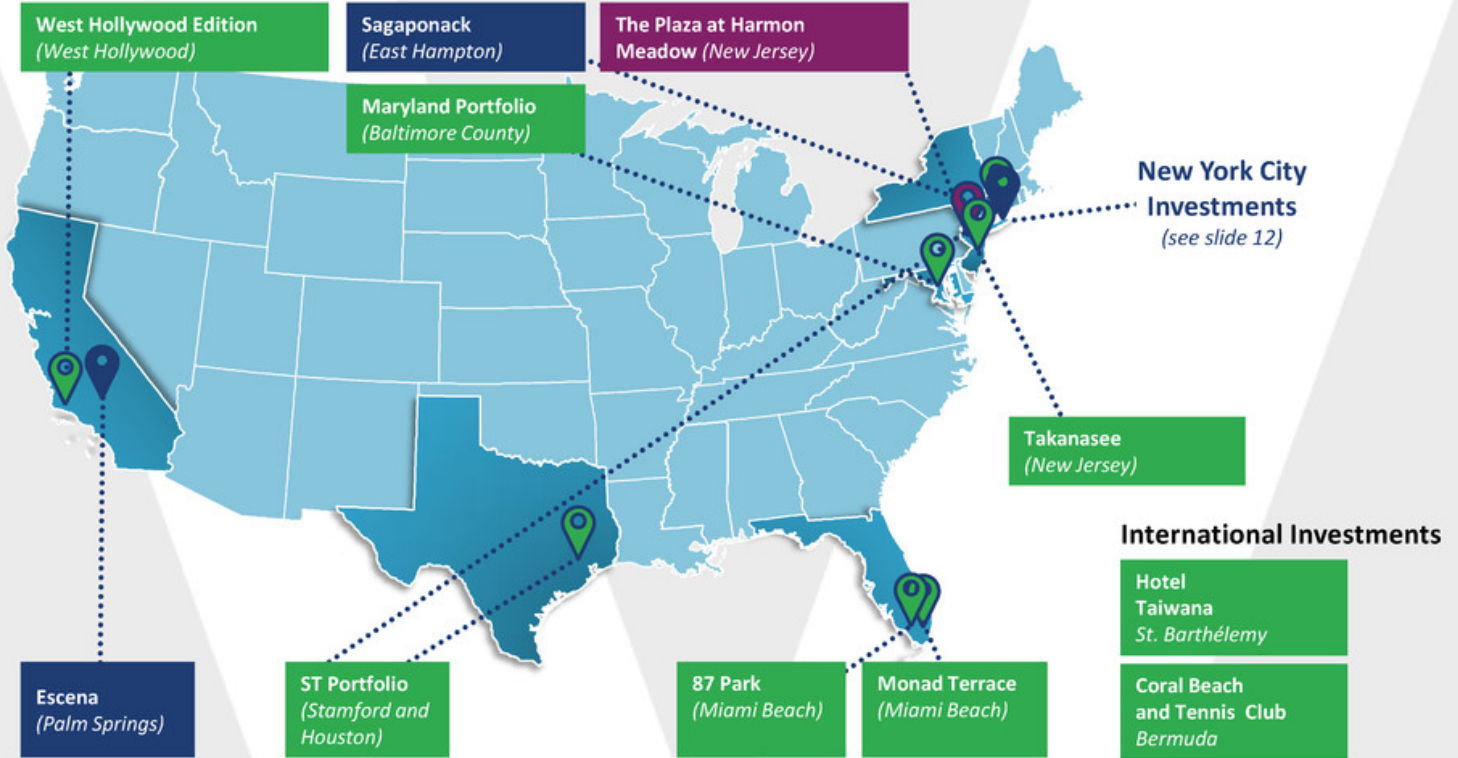
Douglas Elliman Pro-Forma Adjusted EBITDA⁽¹⁾



⁽¹⁾ Douglas Elliman's Revenues were \$662.9M or the twelve months ended December 31, 2015 and Douglas Elliman's net income was \$38.1M, \$38.4M, \$22.2M and \$28.4M for the periods presented. Pro-forma Adjusted EBITDA and Pro-forma Adjusted Revenues are non-GAAP financial measures. For a reconciliation of Pro-forma Adjusted EBITDA to net income and Pro-forma Adjusted Revenues to revenues, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on October 2, 2015 (Exhibit 99.2) and March 8, 2016 (Exhibit 99.1) and Form 10-K for the fiscal year ended December 31, 2015 (Commission File Number 1-5759) as well as the Disclaimer to this document on Page 2.

NEW VALLEY'S REAL ESTATE INVESTMENTS AT MARCH 31, 2016 ⁽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 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations" of Vector Group Ltd.'s Form 10-Q for the quarterly period ended March 31, 2016 (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 Park West** Flatiron District/NoMad
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square
5. **111 Murray Street** TriBeCa
6. **357 West Street** Greenwich Village
7. **PUBLIC Chrystie House** Lower East Side
8. **The Dutch** Long Island City
9. **Queens Plaza** Long Island City
10. **Park Lane Hotel** Central Park South
11. **125 Greenwich Street** Financial District
12. **76 Eleventh Avenue** West Chelsea

(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations - of Vector Group Ltd.'s Form 10-Q for the quarterly period ended March 31, 2016 (Commission File Number 1-5759).

NEW VALLEY'S REAL ESTATE SUMMARY AS OF MARCH 31, 2016⁽¹⁾

| (Dollars in thousands) | Net cash invested | Cumulative earnings (loss) | Carrying value | Projected cumulative area | Projected construction end date | Range of ownership per investment | Number of investments |
|--|-------------------|----------------------------|-------------------|---------------------------|---------------------------------|-----------------------------------|-----------------------|
| Land owned | | | | | | | |
| New York City SMSA | \$ 12,652 | \$ - | \$ 12,652 | | N/A | 100.0% | 1 |
| All other U.S. areas | 1,975 | 8,739 | 10,714 | 450 Acres | N/A | 100.0% | 1 |
| | \$ 14,627 | \$ 8,739 | \$ 23,366 | | | | 2 |
| Condominium and Mixed Use Development (minority interest owned) | | | | | | | |
| New York City SMSA | \$ 115,241 | \$ 21,087 | \$ 136,328 | 2,885,000 Square feet | 2015 - 2019 | 3.1% - 49.5% | 11 |
| All other U.S. areas | 32,843 | 2,008 | 34,851 | 530,000 Square feet | 2017 - 2019 | 15.0% - 48.5% | 4 |
| | \$ 148,084 | \$ 23,095 | \$ 171,179 | 3,415,000 Square feet | | | 15 |
| Apartments (minority interest owned) | | | | | | | |
| All other U.S. areas | 16,079 | 191 | 16,270 | 6,005 Apartments | N/A | 7.6% - 16.3% | 2 |
| | \$ 16,079 | \$ 191 | \$ 16,270 | | | | 2 |
| Hotels (minority interest owned) | | | | | | | |
| New York City SMSA | \$ 24,413 | \$ (4,578) | \$ 19,835 | 628 Hotel rooms | N/A | 5.2% | 1 |
| International | 13,500 | (3,347) | 10,153 | 123 Hotel rooms | N/A | 17.0% - 49.0% | 2 |
| | \$ 37,913 | \$ (7,925) | \$ 29,988 | 751 Hotel rooms | | | 3 |
| Commercial (minority interest owned) | | | | | | | |
| New York City SMSA | 5,317 | 209 | 5,526 | 217,613 Square feet | N/A | 49.0% | 1 |
| | \$ 5,317 | \$ 209 | \$ 5,526 | | | | 1 |
| Total | \$ 222,020 | \$ 24,309 | \$ 246,329 | | | | 23 |

SUMMARY

| | | | | | | | |
|----------------------|------------|-----------|------------|--|--|--|----|
| New York City SMSA | \$ 157,623 | \$ 16,718 | \$ 174,341 | | | | 14 |
| All other U.S. areas | 50,897 | 10,938 | 61,835 | | | | 7 |
| International | 13,500 | (3,347) | 10,153 | | | | 2 |
| | \$ 222,020 | \$ 24,309 | \$ 246,329 | | | | 23 |

(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations of Vector Group Ltd.'s Form 10-Q for the quarterly period ended March 31, 2016 (Commission File Number 1-5759).

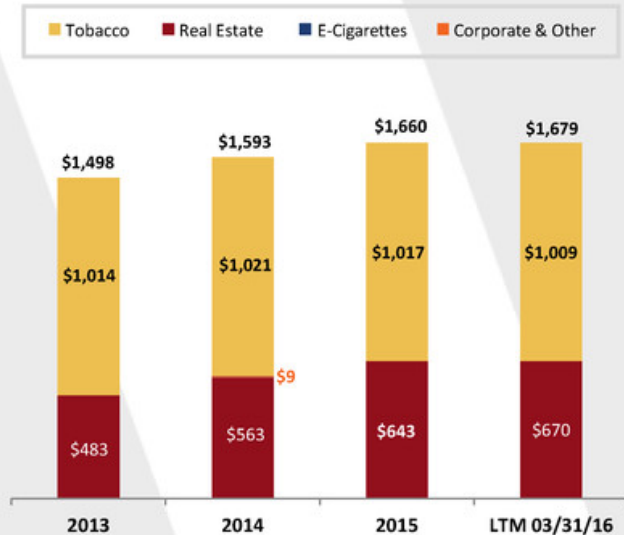


FINANCIAL DATA

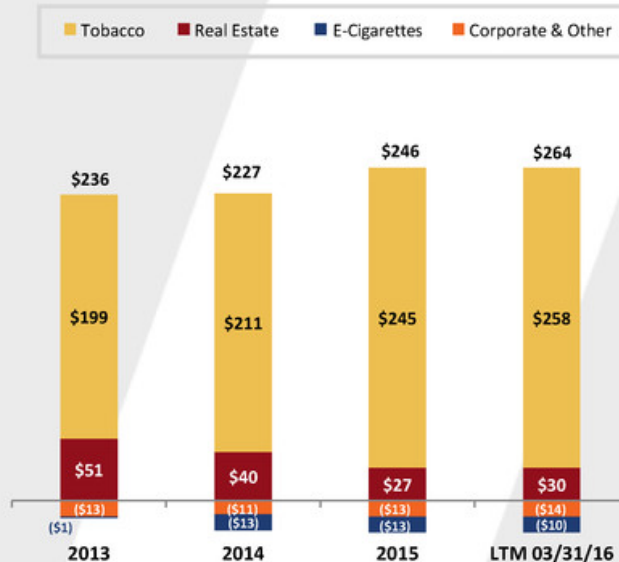
PRO-FORMA HISTORICAL FINANCIAL DATA

(Dollars in millions)

Pro-Forma Adjusted Revenues⁽¹⁾

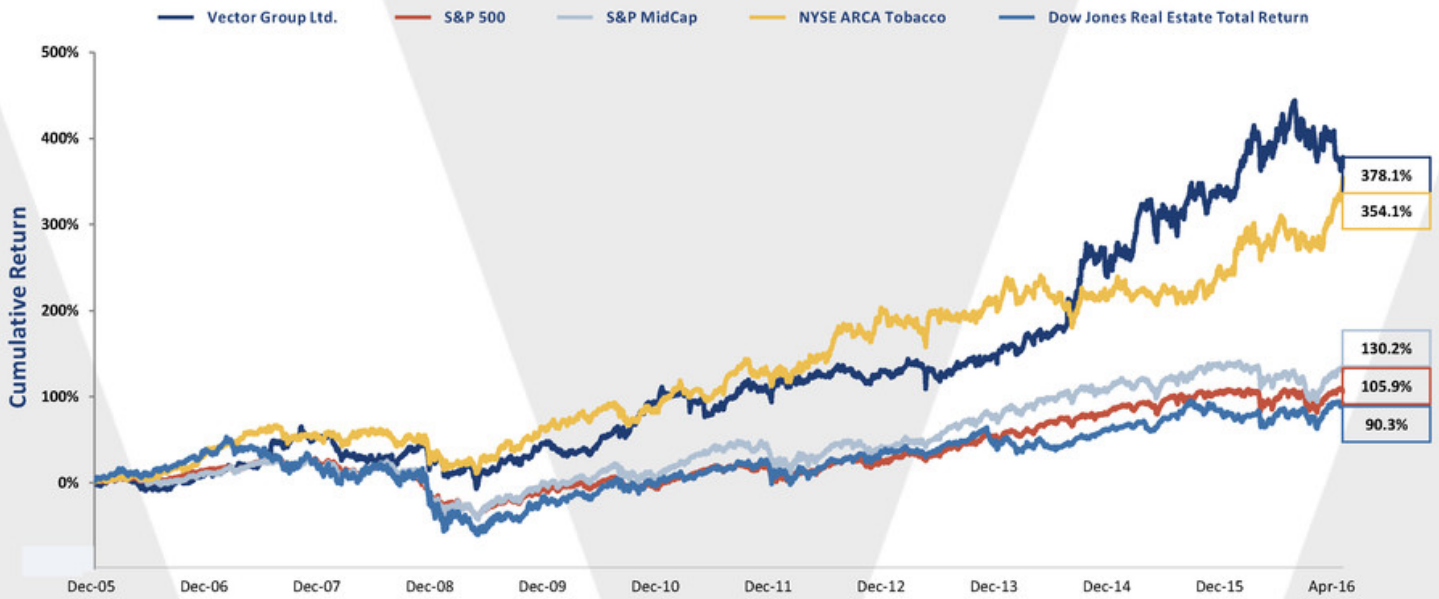


Pro-Forma Adjusted EBITDA⁽¹⁾



⁽¹⁾ Vector's revenues for the periods presented were \$1.096B, \$1.080B, \$1.591B and \$1.657B, respectively. Vector's Net income for the periods presented was \$30.7M, \$37.3M, \$36.9M and \$59.2M, respectively. Pro-Forma Adjusted Revenues and Pro-Forma Adjusted EBITDA are Non-GAAP Financial Measures. Please refer to the Company's Current Report on Forms 8-K, filed on October 2, 2015 (Exhibit 99.2), March 8, 2016 (Exhibit 99.1), April 1, 2016 (Exhibit 99.2) and April 28, 2016 (Exhibit 99.1) for a reconciliation of Non-GAAP financial measures to GAAP as well as the Disclaimer to this document on Page 2.

HISTORICAL STOCK PERFORMANCE



Value of \$100 Invested – December 31, 2005

| | Dec-05 | Dec-06 | Dec-07 | Dec-08 | Dec-09 | Dec-10 | Dec-11 | Dec-12 | Dec-13 | Dec-14 | Dec-15 | Apr-16 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Vector Group Ltd. | 100.0 | 112.1 | 143.4 | 112.5 | 135.4 | 192.7 | 227.0 | 219.3 | 279.5 | 411.4 | 513.2 | 478.1 |
| S&P 500 | 100.0 | 115.8 | 122.2 | 77.0 | 97.4 | 112.0 | 114.4 | 132.7 | 175.6 | 199.7 | 202.4 | 205.9 |
| S&P MidCap | 100.0 | 110.3 | 119.1 | 76.0 | 104.3 | 132.1 | 129.8 | 152.9 | 204.1 | 224.0 | 219.1 | 230.2 |
| NYSE ARCA Tobacco | 100.0 | 140.2 | 154.2 | 123.0 | 173.7 | 207.4 | 243.9 | 289.5 | 319.0 | 317.0 | 384.1 | 454.1 |
| Dow Jones Real Estate Total Return | 100.0 | 135.5 | 110.9 | 66.5 | 86.9 | 110.4 | 117.1 | 139.2 | 141.6 | 180.2 | 184.1 | 190.3 |

Note: The graph above compares the total annual return of Vector's Common Stock, the S&P 500 Index, the S&P MidCap 400 Index, the NYSE ARCA Tobacco Index and the Dow Jones Real Estate Total Return for the period from December 31, 2005 through April 29, 2016. The graph assumes that all dividends and distributions were reinvested. Source: Bloomberg LP

Vector Group Ltd. owns Liggett Group, Vector Tobacco, Zoom E-Cigs, and New Valley.
New Valley owns a 70% interest in 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 12% 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 has ranged between \$163 million to \$168 million since 2011.
- 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 the most significant litigation against the U.S. cigarette industry in recent years.



E-CIGARETTES

- In 2014, entered e-cigarette category with national rollout of *Zoom*, a superior disposable product featuring Tobacco and Menthol flavors.



REAL ESTATE

- New Valley, which owns 70.59% of Douglas Elliman Realty, LLC, is a diversified real estate company that is seeking to acquire additional operating companies and real estate properties.
- New Valley has invested approximately \$222 million, as of March 31, 2016, in a broad portfolio of 23 real estate investments.
- Douglas Elliman is the largest residential real estate brokerage firm in the New York metropolitan area and the fourth-largest in the U.S.
- Douglas Elliman's closings totaled \$23.9 billion for the twelve months ended March 31, 2016 and it has approximately 6,000 affiliated agents and 80 offices throughout the New York metropolitan area, South Florida, Aspen, Greenwich, and Los Angeles.



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 Group LLC and Liggett Vector Brands LLC

COMPANY HIGHLIGHTS

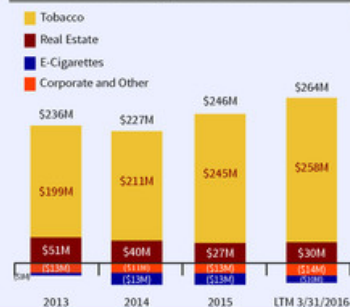
- Headquartered in Miami with an executive office in Manhattan and tobacco operations in North Carolina
- Employs approximately 1,400 people
- Executive management and directors beneficially own 13% of the Company
- Reported cash of \$209 million and investments with fair value of \$253 million at March 31, 2016
- Recognized as one of America's Most Trustworthy Companies by *Forbes* in 2013



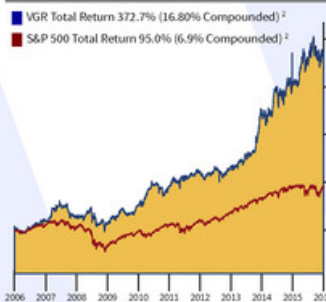
“Vector is a largely underfollowed company with a highly competent management team and numerous ways to unlock value”

Oppenheimer analyst Ian Zaffino
Barron's Online, August 14, 2014

Pro-Forma Adjusted EBITDA¹



10-Year Stockholder Return



Pro-Forma Adjusted Revenues 3/31/16



¹ Company's net income attributable to Vector Group Ltd. for the periods presented was \$37M, \$37M, \$50M and \$57M, respectively. The Company's revenues for the twelve months ended March 31, 2016 were \$1.679B. Pro-Forma Adjusted EBITDA and Pro-Forma Adjusted Revenues are non-GAAP financial measures. For a reconciliation of Pro-Forma Adjusted EBITDA to net income and Pro-Forma Adjusted Revenues to revenues, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on April 28, 2016, April 1, 2016 and March 8, 2016 and Form 10-Q for the quarterly period ended March 31, 2016 (Commission File Number 1-5176).

² 10-Year return from April 28, 2006 to April 29, 2016 and assumes reinvestment of dividends received.

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 70% 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 \$222 million, as of March 31, 2016, in a broad portfolio of real estate projects.

New Valley's Real Estate Investment Portfolio²



New Valley's New York Real Estate Investments³

- The Marquand** Upper East Side
- 10 Madison Square Park West** Flatiron District/NoMad
- 11 Beach Street** TriBeCa
- 20 Times Square** Times Square
- 111 Murray Street** TriBeCa
- 357 West Street** Greenwich Village
- PUBLIC Chrystie House** Lower East Side
- The Dutch** Long Island City
- Queens Plaza** Long Island City
- Park Lane Hotel** Central Park South
- 125 Greenwich Street** Financial District
- 76 Eleventh Avenue** West Chelsea

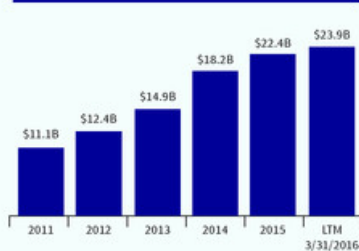
International Investments¹

- Hotel Taiwana, St. Barts/Levmy
- Coral Beach and Tennis Club, Bermuda

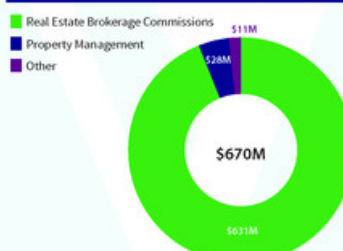
DOUGLAS ELLIMAN

- Largest residential real estate brokerage firm in New York metropolitan area and fourth-largest in United States.
- Closings of \$23.9 billion for the last twelve months ended March 31, 2016; Douglas Elliman has approximately 6,000 affiliated agents and 80 offices throughout the New York metropolitan area, South Florida, Aspen, Greenwich, and Los Angeles.
- Strategic Marketing Partnership with Yahoo!-Zillow[®] Real Estate Network that provides advertising exclusivity for Douglas Elliman's listings.
- 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 400 offices across 55 countries with 22,000 affiliated agents.
- Pro-Forma Adjusted Revenues and Pro-Forma Adjusted EBITDA of Douglas Elliman of \$664 million⁴ and \$41.1 million⁵, respectively, for the last twelve months ended March 31, 2016.

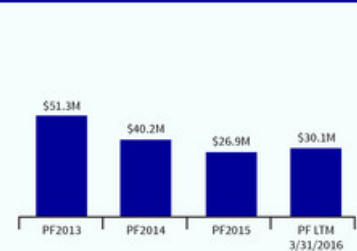
Douglas Elliman Closings



New Valley Pro-Forma Adjusted Revenues - LTM March 31, 2016⁶



New Valley Pro-Forma Adjusted EBITDA⁷



EXECUTIVE MANAGEMENT

- Howard M. Lorber**
President and Chief Executive Officer
- Richard J. Lampen**
Executive Vice President
- J. Bryant Kirkland III**
Senior Vice President, Treasurer and Chief Financial Officer
- Marc N. Bell**
Senior Vice President, Secretary and General Counsel
- Bennett P. Borko**
Executive Vice President of New Valley Realty division
- Dorothy Herman**
President and Chief Executive Officer of Douglas Elliman

COMPANY HIGHLIGHTS

- Executive offices in Manhattan and Miami
- Employs approximately 900 people

¹ For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations of Vector Group Ltd.'s Form 10-Q for the quarterly period ended March 31, 2016 (Commission File Number 1-5759).
² Douglas Elliman's Revenues were \$662.5M and Douglas Elliman's net income was \$28.4M for the twelve months ended March 31, 2016. New Valley's net income for the periods presented was approximately \$56.4M, \$21.4M, \$11.7M and \$13.3M, for the periods presented, respectively. New Valley's revenues for the twelve months ended March 31, 2016 were \$668.5M. Pro-Forma Adjusted EBITDA and Pro-Forma Adjusted Revenues are non-GAAP financial measures. For a reconciliation of Pro-Forma Adjusted EBITDA to net income and Pro-Forma Adjusted Revenues to revenues, please see Vector Group Ltd.'s Current Reports on Forms S-1K, filed on April 28, 2016, March 8, 2016 and October 2, 2015 and Form 10-Q for the quarterly period ended March 31, 2016 (Commission File Number 1-5759). New Valley's Pro-Forma Adjusted EBITDA does not include an allocation of Vector Group Ltd.'s Corporate and Other Expenses (for purposes of computing Pro-Forma Adjusted EBITDA) of \$13.5M, \$11.4M, \$13.2M and \$14.0M, for the periods presented, respectively.
 Contact: Emily Deissler / Ben Spicandler / Spencer Waybright of Sard Verbinen & Co (212) 687-8080

