



March 31, 2003

VECTOR GROUP REPORTS FOURTH QUARTER AND FULL YEAR 2002 FINANCIAL RESULTS

MIAMI, FL, March 31, 2003 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the fourth quarter and full year ended December 31, 2002.

For the full year ended December 31, 2002, revenues were \$503.4 million, compared to \$447.4 million for 2001. The Company recorded an operating loss of \$18.7 million for 2002, compared to operating income of \$31.3 million for 2001. Net loss for 2002 was \$31.8 million, or \$0.91 per diluted common share, compared to net income of \$20.7 million, or \$0.55 per diluted common share, for 2001.

Fourth quarter 2002 revenues were \$124.5 million, compared to revenues of \$136.9 million in the fourth quarter of 2001. The Company recorded operating income of \$0.9 million in the 2002 fourth quarter compared to an operating loss of \$6.2 million in the fourth quarter of 2001. Net loss for the 2002 fourth quarter was \$8.4 million, or \$0.24 per diluted common share, compared to net loss income of \$1.1 million, or \$0.03 per diluted common share, in the 2001 fourth quarter.

For the three months and year ended December 31, 2002, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$122.3 million and \$495.0 million, respectively, compared to \$130.0 million and \$432.9 million for the three months and full year ended December 31, 2001, respectively. Operating income was \$32.0 million for the fourth quarter of 2002 and \$102.7 million for 2002, compared to \$30.7 million for the fourth quarter of 2001 and \$107.1 million for the full year 2001, respectively.

CONFERENCE CALL TO DISCUSS FOURTH QUARTER AND FULL YEAR 2002 RESULTS

As previously announced, the Company will host a conference call and webcast on Tuesday, April 1, 2003 at 4:00 P.M. (EST) to discuss fourth quarter and full year 2002 results. Investors can access the call by dialing 877-692-2590 or via live webcast at www.vcall.com

A replay of the call will also be available shortly after the call ends on April 1, 2003 through April 8, 2003. To access the replay, dial 877-519-4471 and enter 3833822 as the conference ID number. The archived webcast will also be available at www.vcall.com for 30 days.

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

