
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) : August 9, 2005

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.)

100 S.E. Second Street, Miami, Florida

(Address of Principal Executive Offices)

33131

(Zip Code)

(305) 579-8000

(Registrant's Telephone Number, Including Area Code)

(Not Applicable)

(Former Name or Former Address, if Changed Since Last Report)

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 2.02. Results of Operations and Financial Condition

On August 9, 2005, Vector Group Ltd. announced its financial results for the three and six months ended June 30, 2005. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K and the Exhibit attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibit

(c) Exhibit.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press Release issued August 9, 2005

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/ Joselynn D. Van Siclen

Joselynn D. Van Siclen

Vice President and Chief Financial Officer

Date: August 9, 2005

NEWS

FOR IMMEDIATE RELEASE

Contact: Paul Caminiti/Brandy Bergman/Carrie Bloom
Citigate Sard Verbinen
212/687-8080

VECTOR GROUP REPORTS SECOND QUARTER 2005 FINANCIAL RESULTS

MIAMI, FL, August 9, 2005 — Vector Group Ltd. (NYSE: VGR) today announced financial results for the three and six months ended June 30, 2005.

Second quarter 2005 revenues were \$113.1 million, compared to revenues of \$120.0 million in the second quarter of 2004. The Company recorded operating income of \$24.4 million in the 2005 second quarter, compared to an operating loss of \$25.9 million in the second quarter of 2004. The results for the three months ended June 30, 2004 included a pre-tax non-cash charge of \$37.0 million to adjust the carrying value of excess leaf tobacco inventory for the Quest brand and pre-tax restructuring and impairment charges of \$2.4 million. Adjusting for the 2004 inventory and restructuring charges, the Company's operating income for the 2004 second quarter was \$13.5 million. Net income for the 2005 second quarter was \$10.0 million, or \$0.23 per diluted common share, compared to a net loss of \$16.9 million, or \$0.41 per diluted common share, in the 2004 second quarter.

For the six months ended June 30, 2005, revenues were \$217.3 million, compared to \$246.6 million for the first six months of 2004. The Company recorded operating income of \$43.0 million for the 2005 six-month period, compared to an operating loss of \$13.1 million for the 2004 period. The results for the 2004 period included the pre-tax inventory charge of \$37.0 million and pre-tax restructuring and impairment charges of \$3.0 million. Adjusting for the 2004 inventory and restructuring charges, operating income for the first six months of 2004 was \$27.0 million. Gain from discontinued operations was \$3.0 million for the 2005 period, compared to \$0.3 million for the prior year period. Net income for the 2005 six-month period was \$21.3 million, or \$0.49 per diluted common share, compared to a net loss of \$12.3 million, or \$0.30 per diluted common share, for the 2004 period.

For the three and six months ended June 30, 2005, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$110.2 million and \$211.9 million, respectively, compared to \$115.6 million and \$237.8 million for the three and six months ended June 30, 2004, respectively. Operating income was \$34.3 million for the second quarter of 2005 and \$66.2 million for the first six months of 2005, compared to \$25.4 million and \$53.2 million for the three and six months ended June 30, 2004, respectively. The results for the three and six months ended June 30, 2004 include pre-tax restructuring and impairment charges of \$2.0 million and \$2.4 million, respectively.

Conference Call To Discuss Second Quarter 2005 Results

As previously announced, the Company will host a conference call and webcast on Wednesday, August 10, 2005 at 11:00 A.M. (EDT) to discuss second quarter 2005 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 August 10, 2005 through August 24, 2005. To access the replay, dial 877-519-4471 and enter 6339214 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. Additional information concerning the company is available on the company's website, www.VectorGroupLtd.com.

[Financial Table Follows]

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VECTOR GROUP LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Thousands, Except Per Share Amounts)
Unaudited

	Three Months Ended		Six Months Ended	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
Revenues*	\$ 113,113	\$ 120,045	\$ 217,286	\$ 246,618
Expenses:				
Cost of goods sold (including inventory impairment of \$37,000 in 2004)*	65,901	106,828	124,900	180,928
Operating, selling, administrative and general expenses	22,850	36,757	49,376	75,736
Restructuring and impairment charges	—	2,359	—	3,012
Operating income (loss)	24,362	(25,899)	43,010	(13,058)
Other income (expenses):				
Interest and dividend income	1,170	531	1,880	1,226
Interest expense	(9,242)	(6,171)	(15,889)	(12,272)
(Loss) gain on sale of investments, net	(5)	5,335	1,425	5,586
Gain from conversion of LTS notes	—	—	9,461	—
Equity loss on operations of LTS	—	—	(299)	—
Equity income from non-consolidated New Valley real estate businesses	2,324	4,642	2,018	5,288
Other, net	57	(4)	56	(9)
Income (loss) from operations before income taxes and minority interests	18,666	(21,566)	41,662	(13,239)
Income tax expense (benefit)	9,077	(7,516)	21,781	(3,146)
Minority interests	392	(2,985)	(1,624)	(2,449)
Income (loss) from continuing operations	9,981	(17,035)	18,257	(12,542)
Discontinued operations:				
Income from discontinued operations, net of minority interests and taxes	—	133	82	267
Gain on disposal of discontinued operations, net of minority interests and taxes	—	—	2,952	—
Gain from discontinued operations	—	133	3,034	267
Net income (loss)	<u>\$ 9,981</u>	<u>\$ (16,902)</u>	<u>\$ 21,291</u>	<u>\$ (12,275)</u>
Per basic common share:				
Income (loss) from continuing operations	<u>\$ 0.24</u>	<u>\$ (0.41)</u>	<u>\$ 0.44</u>	<u>\$ (0.31)</u>
Income from discontinued operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.07</u>	<u>\$ 0.01</u>
Net income (loss) applicable to common shares	<u>\$ 0.24</u>	<u>\$ (0.41)</u>	<u>\$ 0.51</u>	<u>\$ (0.30)</u>
Per diluted common share:				
Income (loss) from continuing operations	<u>\$ 0.23</u>	<u>\$ (0.41)</u>	<u>\$ 0.42</u>	<u>\$ (0.31)</u>
Income from discontinued operations	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.07</u>	<u>\$ 0.01</u>
Net income (loss) applicable to common shares	<u>\$ 0.23</u>	<u>\$ (0.41)</u>	<u>\$ 0.49</u>	<u>\$ (0.30)</u>

* Revenues and Cost of goods sold include excise taxes of \$37,011, \$43,933, \$70,443 and \$90,103, respectively.