



February 12, 2013

VECTOR ANNOUNCES PRELIMINARY RESULTS AND EARLY SETTLEMENT OF TENDER OFFER FOR OUTSTANDING 11% SENIOR SECURED NOTES DUE 2015 AND NOTICE OF REDEMPTION OF ALL REMAINING OUTSTANDING 11% SENIOR SECURED NOTES DUE 2015

Miami, FL, February 12, 2013 - Vector Group Ltd. (NYSE: VGR) ("Vector" or the "Company") today announced the preliminary results of its previously announced cash tender offer and consent solicitation with respect to all of its outstanding 11% Senior Secured Notes due 2015 (the "Notes"). According to information provided by i-Deal LLC ("i-Deal"), the information agent and tender agent for the tender offer, \$336,315,000, or approximately 81.0% of the outstanding principal amount of the Notes (excluding any Notes owned by Vector, any guarantor of the Notes or any of their respective affiliates), had been validly tendered and not withdrawn in the tender offer on or prior to 11:59 p.m., New York City time, on February 11, 2013 (the "Consent Expiration Time"). The Company also received the requisite consents for the proposed amendments (the "Proposed Amendments") to the indenture governing the Notes (the "Indenture") to eliminate substantially all of the restrictive covenants and certain events of default and other related provisions contained in the Indenture on or prior to the Consent Expiration Time. The remaining conditions upon which the consummation of the tender offer and consent solicitation are subject have also been satisfied. As a result, on February 12, 2013, payment of the tender offer consideration and consent payment to holders who validly tendered and did not revoke Notes prior to the Consent Expiration Time was made and the supplement to the Indenture implementing the Proposed Amendments became operative.

The Company also issued a notice of redemption today for the \$78,685,000 principal amount of Notes not tendered on or prior to the Consent Expiration Time at a redemption price of 103.667% and irrevocably deposited with the trustee for the Notes an amount sufficient to redeem such Notes, thereby discharging its obligations under the Notes and the Indenture in accordance with the satisfaction and discharge provisions of the Indenture. The redemption of such Notes will occur on March 14, 2013.

The tender offer and the solicitation of consents are scheduled to expire at 12:01 a.m., New York City time, on February 27, 2013, unless extended or earlier terminated. Tendered Notes may no longer be withdrawn, except to the extent that Vector is required by law to provide additional withdrawal rights. Holders who validly tender and do not withdraw their Notes and validly deliver and do not revoke their corresponding consents to the Proposed Amendments after the Consent Expiration Time but prior to the Expiration Time will receive only the tender offer consideration and will not be entitled to receive a consent payment if such Notes are accepted for purchase pursuant to the tender offer.

This press release does not constitute an offer to buy or a solicitation of an offer to sell the Notes or any other security, nor will there be any offer, solicitation or sale of the Notes or any other security in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful. The complete terms and conditions of the tender offer and the solicitation of consents are set forth in an Offer to Purchase and Consent Solicitation Statement, dated January 29, 2013, and the related Letter of Transmittal (the "Tender Offer Documents") that have been sent to holders of the Notes. The tender offer and the solicitation of consents are being made only through, and subject to the terms and conditions set forth in, the Tender Offer Documents and related materials. Vector has the right, in its sole discretion, to amend the terms of or terminate the tender offer and the consent solicitation at any time, subject to applicable law.

Jefferies & Company, Inc. is acting as dealer manager for the tender offer and as solicitation agent for the consent solicitation. Questions regarding the tender offer and consent solicitation may be directed to Jefferies & Company, Inc. at (888) 708-5831 (toll-free) or at (203) 708-5831 (collect).

Requests for the Tender Offer Documents may be directed to i-Deal LLC at (212) 849-3880 (for brokers and banks) or (888) 593-9546 (for all others).

None of Vector, its board of directors, the guarantors of the Notes, the trustee and the collateral agent for the Notes, the information agent, the tender agent, the dealer manager and the solicitation agent or any of their respective affiliates makes any recommendation as to whether holders should tender, or refrain from tendering, all or any portion of the principal amount of their Notes pursuant to the tender offer or deliver, or refrain from delivering, any consent to the Proposed Amendments pursuant to the solicitation of consents.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "anticipates", "believes", "estimates", "expects", "plans", "intends" and similar expressions. These statements reflect the Company's current beliefs and are based upon information currently available to it. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements.

All information set forth in this press release is as of February 12, 2013. Vector does not intend, and undertakes no duty, to update this information to reflect future events or circumstances. Risk factors and uncertainties that may cause actual results to differ materially from expected results include those described in Vector's filings with the Securities and Exchange Commission.

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

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