
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
Amendment No. 1

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 29, 2006

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 8.01. Other Events

On November 9, 2006, we determined we would restate our financial statements for each of the years ended December 31, 2004 and 2005, and selected financial data for each of the years 2004 and 2005 appearing in Item 6 of our 2005 Annual Report on Form 10-K, as amended, as well as our interim financial statements for all interim periods within 2005 and the first two quarters of 2006. The restatement corrected an error in the computation of the debt discount amortization created by the embedded derivative and the beneficial conversion feature associated with our 5% variable interest senior convertible notes due 2011, which were issued in the last quarter of 2004 and the first half of 2005. The restatement adjustments affected our previously reported interest expense, the related income tax effect, and extraordinary items, as well as our previously reported other assets, long-term debt, additional paid-in capital and accumulated deficit balances. See Note 2 — Restatement of Financial Results and Note 23 — Restated Financial Information to the financial statements included in the Company's Form 10-K/A for the year ended December 31, 2005, which was filed on November 24, 2006, and Notes 2 — Restatement of Financial Results and Note 16 — Restated Financial Information to our Forms 10-Q/A for the quarterly periods ended March 31, 2006 and June 30, 2006, which were filed on November 22, 2006 and Form 10-Q for the quarterly period ended September 30, 2006, which was filed on November 14, 2006.

The aggregate net effect of the restatement was to increase stockholders' equity by \$4.781 million as of June 30, 2006, \$4.142 million as of March 31, 2006, \$3.422 million as of December 31, 2005 and \$336,000 as of December 31, 2004. The restatement also increased net income for the three months ended March 31, 2006 and 2005 by \$720,000 (\$0.01 per diluted common share) and \$731,000 (\$0.01 per diluted common share), respectively, and decreased net loss for the three months ended June 30, 2006 by \$639,000 (\$0.01 per diluted common share) and increased net income for the three months ended June 30, 2005 by \$1.071 million (\$0.02 per diluted common share). In addition, the restatement adjustments increased net income for the six months ended June 30, 2006 and 2005 by \$1.359 million (\$0.03 per diluted common share) and \$1.802 million (\$0.04 per diluted common share), respectively. Further, the restatement increased net income by \$3.290 million (\$0.05 per diluted common share) and \$336,000 (\$0.01 per diluted common share) for the years ended December 31, 2005 and 2004, respectively.

The restatement adjustments corrected the previous amortization method used in calculating the amortization of the debt discount created by the embedded derivative and beneficial conversion feature associated with our 5% variable interest senior convertible notes due 2011, which were issued in the last quarter of 2004 and the first half of 2005. We previously amortized the debt discount on our 5% variable interest senior convertible notes due 2011 using an erroneous amortization method that did not result in a consistent yield on the convertible debt over its term.

On September 6, 2006, our Board of Directors declared a 5% stock dividend to stockholders of record as of September 20, 2006. The stock dividend was paid on September 29, 2006. On October 19, 2006, we filed a Form 8-K to update our previously filed Selected Financial Data to reflect the stock dividend. We are filing this Amendment No. 1 to Form 8-K to provide the effect of the restatement described above on our previously updated Selected Financial Data. The stock dividend was not reflected in the Form 10-K/A filed on November 24, 2006.

Item 9.01. Financial Statements and Exhibit

(c) Exhibit.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Selected Financial Data adjusted to reflect 5% stock dividend paid September 29, 2006 to stockholders of record on September 20, 2006.

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 and Chief Financial Officer

Date: November 27, 2006

Selected Financial Data

The following table sets forth our summary consolidated financial data for the periods presented below and our earnings per share as adjusted for the stock dividends described below. The summary interim consolidated financial data have been derived from our unaudited consolidated financial statements. Our unaudited consolidated financial statements include only normal and recurring adjustments, necessary to state fairly the data included therein.

The per share amounts shown below have been retroactively adjusted to reflect the 5% stock dividend which was paid on September 29, 2006 to stockholders of record on September 20, 2006 (see note (4) below). Since the stock dividend was appropriately reflected in our September 30, 2006 and 2005 financial statements in our quarterly report on Form 10-Q for the quarter ended September 30, 2006 as filed on November 14, 2006, we have not presented the September 30, 2006 and 2005 information herein.

Our historical results are not necessarily indicative of the results of operations for future periods, and our results of operations for the six-month period ended June 30, 2006 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2006. You should read the following summary consolidated financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included in our Annual Report on Form 10-K/A filed on November 24, 2006 and in our Quarterly Report on Form 10-Q/A for the period ended June 30, 2006 filed on November 22, 2006.

	Year Ended December 31,					
	2005 Restated(1)	2004 Restated(1)	2003	2002	2001	
Statement of Operations Data:						
Revenues(2),(5)	\$ 478,427	\$ 498,860	\$ 529,385	\$ 503,078	\$ 447,382	
Income (loss) from continuing operations	42,585	4,462	(16,132)	(31,819)	21,200	
Income (loss) from discontinued operations	3,034	2,689	522	25	(537)	
Extraordinary item	6,766	—	—	—	—	
Net income (loss)	52,385	7,151	(15,610)	(31,794)	20,663	
Per basic common share(4):						
Income (loss) from continuing operations	\$ 0.92	\$ 0.10	\$ (0.36)	\$ (0.75)	\$ 0.56	
Income (loss) from discontinued operations	0.06	0.06	0.01	—	(0.01)	
Income from extraordinary item	0.15	—	—	—	—	
Net income (loss) applicable to common shares	\$ 1.13	\$ 0.16	\$ (0.35)	\$ (0.75)	\$ 0.55	
Per diluted common share(4):						
Income (loss) from continuing operations	\$ 0.86	\$ 0.10	\$ (0.36)	\$ (0.75)	\$ 0.47	
Income (loss) from discontinued operations	0.06	0.06	0.01	—	(0.01)	
Income from extraordinary item	0.14	—	—	—	—	
Net income (loss) applicable to common shares	\$ 1.06	\$ 0.16	\$ (0.35)	\$ (0.75)	\$ 0.46	
Cash distributions declared per common share(4)	\$ 1.47	\$ 1.40	\$ 1.33	\$ 1.27	\$ 1.21	
	June 30, 2006 Restated(1)	December 31, 2005 Restated(1)	December 31, 2004 Restated(1)	December 31, 2003	December 31, 2002	December 31, 2001
Balance Sheet Data:						
Current assets	\$ 305,389	\$ 319,099	\$ 242,124	\$ 314,741	\$ 376,815	\$ 515,727
Total assets	584,296	603,552	535,927	628,212	707,270	688,903
Current liabilities	156,196	128,100	119,835	173,086	184,384	141,629
Notes payable, embedded derivatives, long-term debt and other obligations, less current portion	170,604	277,613	279,800	299,977	307,028	225,415
Noncurrent employee benefits, deferred income taxes, minority interest and other long-term liabilities	174,822	168,773	225,509	201,624	193,561	208,501
Stockholders' equity (deficit)	82,674	29,066	(89,217)	(46,475)	22,297	113,358

	<i>For the Three Months Ended</i>				<i>For the Six Months Ended</i>	
	<u>30-Jun-06</u> Restated (1)	<u>30-Jun-05</u> Restated (1)	<u>31-Mar-06</u> Restated (1)	<u>31-Mar-05</u> Restated (1)	<u>30-Jun-06</u> Restated (1)	<u>30-Jun-05</u> Restated (1)
<i>(dollars in thousands, except for per share amounts)</i>						
Statement of Operations Data:						
Revenues (3)	\$ 113,355	\$ 113,113	\$ 117,704	\$ 104,173	\$ 231,059	\$ 217,286
Income (loss) from continuing operations	(2,709)	11,348	10,013	9,193	7,303	20,541
Income (loss) from discontinued operations	—	—	—	3,034	—	3,034
Net income (loss)	(2,709)	11,348	10,013	12,227	7,303	23,575
Per basic common share (4):						
Income (loss) from continuing operations	\$ (0.05)	\$ 0.25	\$ 0.18	\$ 0.20	\$ 0.13	\$ 0.44
Income from discontinued operations	—	—	—	0.07	—	0.07
Net income (loss) applicable to common shares	\$ (0.05)	\$ 0.25	\$ 0.18	\$ 0.27	\$ 0.13	\$ 0.51
Per diluted common share (4):						
Income (loss) from continuing operations	\$ (0.05)	\$ 0.23	\$ 0.17	\$ 0.18	\$ 0.13	\$ 0.42
Income from discontinued operations	—	—	—	0.07	—	0.07
Net income (loss) applicable to common shares	\$ (0.05)	\$ 0.23	\$ 0.17	\$ 0.25	\$ 0.13	\$ 0.49
Cash distributions declared per common share (4)						
	\$ 0.38	\$ 0.36	\$ 0.38	\$ 0.36	\$ 0.76	\$ 0.73

- (1) Amounts previously reported have been restated to correct an error in the computation of the debt discount amortization created by the embedded derivative and the beneficial conversion feature associated with the Company's 5% variable interest senior convertible notes due 2011 issued in the fourth quarter of 2004 and the first half of 2005 and as a result of the retrospective application of the Financial Accounting Standards Board's Emerging Issues Task Force Issue No. 05-8, "Income Tax Effects of Issuing Convertible Debt with Beneficial Conversion Feature." The restatement adjustments affected the Company's previously reported interest expense, the related income tax effect, and extraordinary items, as well as the Company's previously reported other assets, long-term debt, additional paid-in capital and accumulated deficit balances. The effects of the restatement are reflected in the Company's consolidated financial statements and accompanying notes included in the Form 10-K/A for the year ended. See Note 1(u), Note 2 — Restatement of Financial Results and Note 23 — Restated Financial Information to the financial statements included in the Form 10-K/A for the year ended December 31, 2005, which was filed on November 24, 2006.
- (2) Revenues include excise taxes of \$161,753, \$175,674, \$195,342, \$192,664 and \$151,174, respectively.
- (3) Revenues include excise taxes of \$39,686, \$37,011, \$40,118, \$33,432, \$79,803 and \$70,443, respectively.
- (4) Per share computations include the impact of 5% stock dividends on September 29, 2006, September 29, 2005, September 29, 2004, September 29, 2003, September 27, 2002 and September 28, 2001.
- (5) Revenues in 2002 include \$35,199 related to the Medallion acquisition.