



April 2, 2001

## VECTOR GROUP REPORTS 2000 FOURTH QUARTER AND FULL YEAR FINANCIAL RESULTS

Vector Group Ltd. (NYSE: VGR) today reported financial results for the 2000 fourth quarter and the full year ended December 31, 2000.

Full year 2000 revenues were \$739.6 million compared to revenues of \$567.0 million in 1999. The 2000 results included the operations of New Valley Corporation which became a consolidated subsidiary of the Company commencing June 1, 1999. The Company recorded operating income of \$46.4 million in 2000, compared to operating income of \$72.0 million in 1999. Net income in 2000 was \$174.2 million, or \$6.28 per diluted common share, which included a gain of \$161.0 million (including the Company's share of New Valley's gain), net of income taxes and minority interests, from the sale of the Company's Russian tobacco business, Liggett-Ducat Ltd. This compared to net income in 1999 of \$235.7 million, or \$8.37 per diluted common share, which included an after-tax gain of \$185.4 million in connection with the closing of the Philip Morris brand transaction on May 24, 1999.

For the year ended December 31, 2000, the Company's Liggett Group Inc. subsidiary, engaged in the U.S. tobacco business, had revenues of \$539.1 million, compared to \$401.0 million on a pro forma basis for the year ended December 31, 1999. Liggett's operating income before factory relocation costs, non-cash compensation and settlement expense was \$73.0 million for 2000, compared to \$65.5 million on a pro forma basis for 1999. Liggett's 1999 results have been adjusted to reflect the transfer of three of its brands in the Philip Morris transaction.

Fourth quarter 2000 revenues were \$173.7 million compared to revenues of \$192.5 million in the 1999 quarter. The Company recorded operating income of \$18.9 million in the fourth quarter of 2000, compared to operating income of \$16.9 million in the 1999 period. Net income was \$13.7 million, or \$.49 per diluted common share, in the 2000 fourth quarter. This compared to net income of \$6.2 million, or \$.21 per diluted common share, in the 1999 period.

Vector Group is a holding company that indirectly owns Liggett Group Inc., Vector Tobacco and a controlling interest in New Valley Corporation. Effective May 24, 2000, Vector Group changed its name from Brooke Group Ltd.

