



November 14, 2002

Vector Group Reports 2002 Third Quarter Financial Results

MIAMI, FL, November 14, 2002 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the third quarter ended September 30, 2002.

Third quarter 2002 revenues were \$141.7 million, compared to revenues of \$122.8 million in the third quarter of 2001. The Company recorded operating income of \$0.3 million in the 2002 third quarter compared to operating income of \$17.0 million in the third quarter of 2001. Net loss for the 2002 third quarter was \$8.2 million, or \$0.23 per diluted common share, compared to net income of \$7.4 million, or \$0.19 per diluted common share, in the 2001 third quarter.

For the nine months ended September 30, 2002, revenues were \$378.9 million, compared to \$310.5 million for the first nine months of 2001. The Company recorded an operating loss of \$19.6 million for the 2002 nine-month period, compared to operating income of \$37.6 million for the 2001 period. Net loss for the 2002 nine-month period was \$23.4 million, or \$0.67 per diluted common share, compared to net income of \$21.7 million, or \$0.59 per diluted common share, for the 2001 period.

For the three and nine months ended September 30, 2002, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$139.9 million and \$372.7 million, respectively, compared to \$120.2 million and \$302.9 million for the three and nine months ended September 30, 2001, respectively. Operating income before factory relocation, restructuring, non-cash compensation and settlement expense was \$27.3 million for the third quarter of 2002 and \$73.5 million for the first nine months of 2002, compared to \$33.7 million and \$86.5 million for the three and nine months ended September 30, 2001, respectively.

CONFERENCE CALL TO DISCUSS THIRD QUARTER RESULTS

As previously announced, the Company will host a conference call and webcast on Friday, November 15, 2002 at 11:00 A.M. (EST) to discuss third quarter results. Investors can access the call by dialing 877-692-2591 or via live webcast at www.vcall.com

A replay of the call will also be available shortly after the call ends on November 15, 2002 through November 22, 2002. To access the replay, dial 877-519-4471 and enter 3592345 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.

