



November 14, 2001

VECTOR GROUP REPORTS THIRD QUARTER 2001 FINANCIAL RESULTS

Vector Group Ltd. (NYSE: VGR) today announced financial results for the three and nine months ended September 30, 2001.

Third quarter 2001 revenues were \$214.7 million, compared to revenues of \$180.9 million in the third quarter of 2000. The 2000 results include \$17.9 million of revenues from Liggett-Ducat Ltd., the Company's former Russian tobacco business sold in August 2000. The Company recorded operating income of \$8.6 million in the 2001 third quarter compared to operating income of \$7.4 million in 2000. Net income in the 2001 third quarter was \$7.4 million, or \$0.20 per diluted common share, compared to net income of \$156.3 million, or \$5.23 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.

For the nine months ended September 30, 2001, revenues were \$577.7 million, compared to \$565.9 million for the first nine months of 2000. The 2000 results include \$107.3 million of revenues from Liggett-Ducat Ltd. The Company recorded operating income of \$25.1 million for the 2001 nine-month period, compared to operating income of \$27.3 million for the 2000 period. Net income for the 2001 nine-month period was \$21.7 million, or \$0.62 per diluted common share, compared to net income of \$159.6 million, or \$5.45 per diluted common share, for the 2000 period, which included the \$161.0 million gain, net of income taxes and minority interests, from the sale of the Company's Russian tobacco business.

For the three and nine months ended September 30, 2001, Liggett Group Inc., the Company's U.S. tobacco business, had revenues of \$193.9 million and \$511.6 million, respectively, compared to \$149.2 million and \$394.7 million for the three and nine months ended September 30, 2000, respectively. Liggett's operating income before factory relocation, non-cash compensation and settlement expense was \$33.7 million for the third quarter of 2001 and \$86.5 million for the first nine months of 2001, compared to \$22.6 million for the third quarter of 2000 and \$51.5 million for the first nine months of 2000, respectively.

CONFERENCE CALL TO DISCUSS THIRD QUARTER RESULTS

As previously announced, the Company will host a conference call and webcast on Thursday, November 15, 2001 at 10:00 A.M. (EST) to discuss the 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 through Thursday, November 22, 2001 by dialing 877-519-4471 and entering 2931536 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.

