



August 14, 2001

VECTOR GROUP REPORTS SECOND QUARTER 2001 FINANCIAL RESULTS

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

Second quarter 2001 revenues were \$204.2 million, compared to revenues of \$206.8 million in the second quarter of 2000. The 2000 results include \$49.1 million of revenues from Liggett-Ducat Ltd., the Company's former Russian tobacco business sold in August 2000. The Company recorded operating income of \$15.7 million in the 2001 second quarter compared to operating income of \$10.1 million in 2000. Net income in the 2001 second quarter was \$11.8 million, or \$0.37 per diluted common share, compared to net income of \$2.9 million, or \$0.11 per diluted common share, in the 2000 period.

For the six months ended June 30, 2001, revenues were \$363.0 million, compared to \$385.0 million for the first six months of 2000. The 2000 results include \$89.3 million of revenues from Liggett-Ducat Ltd. The Company recorded operating income of \$16.5 million for the 2001 six-month period, compared to operating income of \$19.9 million for the 2000 period. Net income for the 2001 six-month period was \$14.4 million, or \$0.46 per diluted common share, compared to net income of \$3.4 million, or \$0.12 per diluted common share, for the 2000 period.

For the three and six months ended June 30, 2001, Liggett Group Inc., the Company's U.S. tobacco business, had revenues of \$180.5 million and \$317.7 million, respectively, compared to \$138.6 million and \$245.5 million for the three and six months ended June 30, 2000, respectively. Liggett's operating income before factory relocation, non-cash compensation and settlement expense was \$33.2 million for the second quarter of 2001 and \$52.8 million for the first six months of 2001, compared to \$18.1 million and \$29.0 million for the three and six months ended June 30, 2000, respectively.

CONFERENCE CALL TO DISCUSS SECOND QUARTER RESULTS

As previously announced, the Company will host a conference call and webcast on Wednesday, August 15, 2001 at 10:00 A.M. (EDT) 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 Wednesday, August 22, 2001 by dialing 877-519-4471 and entering 2766059 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 and a controlling interest in New Valley Corporation.

