



May 31, 2001

## **VECTOR GROUP COMMENTS ON DECISION TO WITHDRAW PROPOSED NORTH CAROLINA LEGISLATION**

Vector Group Ltd. (NYSE: VGR) today commented on the decision to withdraw a proposed bill that would have restricted the production in North Carolina of Vector's new virtually nicotine-free cigarettes:

"We have had very productive meetings with North Carolina Governor Michael Easley, Agriculture Commissioner Meg Scott Phipps, Representative Gordon P. Allen and Representative Dewey L. Hill," said Bennett S. LeBow, Chairman and Chief Executive Officer of Vector Group. "We're pleased that Representative Hill has announced that he would withdraw the bill from consideration before the North Carolina Legislature. In addition, the Governor has indicated, in writing, his support of the type of development that Vector Tobacco is engaged in."

LeBow concluded, "As a result, Vector Tobacco is moving forward with our plans to manufacture the virtually nicotine-free cigarettes in a new production facility in Roxboro, North Carolina, in preparation for an early 2002 launch of the new product. We look forward to maintaining an open dialogue with state officials and the North Carolina tobacco growing community to pursue mutually beneficial opportunities for the future."

Vector Group is a holding company that indirectly owns Liggett Group Inc., Vector Tobacco and a controlling interest in New Valley Corporation.