



May 15, 2001

VECTOR GROUP REPORTS 2001 FIRST QUARTER FINANCIAL RESULTS

Vector Group Ltd. (NYSE: VGR) today reported financial results for the 2001 first quarter ended March 31, 2001.

First quarter 2001 revenues were \$158.8 million compared to revenues of \$178.2 million in the 2000 quarter. The 2000 results included the operations of Liggett-Ducat Ltd., the Company's Russian tobacco business sold in August 2000. The Company recorded operating income of \$0.8 million in the first quarter of 2001, compared to operating income of \$10.1 million in the 2000 period. Net income was \$2.5 million, or \$0.08 per diluted common share in the 2001 first quarter, compared to net income of \$1.3 million, or \$0.04 per diluted common share in the 2000 period.

For the three months ended March 31, 2001, Liggett Group Inc., the Company's U.S. tobacco business, had revenues of \$137.1 million, compared to \$106.9 million for the three months ended March 31, 2000. Liggett's operating income before factory relocation costs, non-cash compensation and settlement expense was \$19.5 million for the first quarter of 2001, compared to \$10.9 million for the first quarter of 2000.

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

