



May 7, 2001

## **LIGGETT GROUP CONFIRMS AGREEMENT IN ENGLE CASE APPEAL**

Vector Group Ltd. (NYSE: VGR) today confirmed that its Liggett Group tobacco subsidiary, along with Philip Morris U.S.A and Lorillard Tobacco Company, has reached an agreement with the class in the Engle case in Florida, which will provide assurance of Liggett's ability to appeal the jury's July 2000 verdict. The agreement calls for the payment by Liggett of \$6.27 million into an escrow account to be held for the benefit of the Engle class, and released, along with Liggett's existing \$3.45 million statutory bond, to the court for the benefit of the class upon completion of the appeals process. The agreement, which was approved by the Dade County Circuit Court in Miami, assures that the stay of execution, currently in effect pursuant to a bonding statute enacted last year by the Florida legislature, will not be lifted or limited at any point until completion of all appeals, including to the United States Supreme Court.

Vector Group is a holding company that indirectly owns Liggett Group Inc., Vector Tobacco and a controlling interest in New Valley Corporation. Effective May 24, 2000, Vector Group changed its name from Brooke Group Ltd.