
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 24, 2017

VECTOR GROUP LTD.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

1-5759

(Commission File Number)

65-0949535

(I.R.S. Employer Identification No.)

4400 Biscayne Boulevard, Miami, Florida

(Address of Principal Executive Offices)

33137

(Zip Code)

(305) 579-8000

(Registrant's Telephone Number, Including Area Code)

(Not Applicable)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On August 30, 2017, the Board of Directors of Vector Group Ltd. (the “Company”) declared a 5% stock dividend to stockholders of record as of September 20, 2017. The stock dividend was paid on September 28, 2017. The Company is filing updated Selected Financial Data to reflect the stock dividend as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure

Vector Group Ltd. has prepared materials for presentations to investors updated for the last twelve months ended September 30, 2017. The materials are furnished (not filed) as Exhibits 99.3 and 99.4 to this Current Report on Form 8-K pursuant to Regulation FD.

Non-GAAP Financial Measures

The Company is also filing this Current Report on Form 8-K to revise previously reported non-GAAP financial measures to reflect the impact of its recent 5% stock dividend, which was paid on September 28, 2017 to stockholders of record on September 20, 2017, in calculating its non-GAAP financial measure of Adjusted Net Income (related to Earnings Per Share). All Non-GAAP financial measures and their reconciliations to GAAP measures have been presented as part of Exhibit 99.2. The Non-GAAP financial measures included in Exhibit 99.2 were previously reported in the Current Reports on Form 8-K, which were filed on November 7, 2017, August 4, 2017, May 5, 2017, March 1, 2017, and November 15, 2016.

Exhibits 99.2, 99.3 and 99.4 contain the Non-GAAP Financial Measures discussed below.

Tables 1 and 2 of Exhibit 99.2 contain information relating to the Company's Non-GAAP Financial Measures for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 and the three months ended September 30, 2017, June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016, June 30, 2016 and March 31, 2016.

Non-GAAP Financial Measures include adjustments for purchase accounting associated with the Company's acquisition of its additional 20.59% interest in Douglas Elliman Realty, LLC, and the related purchase accounting adjustments, occurred prior to the beginning of each period presented. Non-GAAP Financial Measures also include adjustments for litigation settlement and judgment expenses in the Tobacco segment, settlements of long-standing disputes related to the Master Settlement Agreement (“MSA”) in the Tobacco segment, restructuring and pension settlement expense in the Tobacco segment, non-cash stock compensation expense (for purposes of Adjusted EBITDA only) and non-cash interest items associated with the Company's convertible debt.

Adjusted EBITDA, Adjusted Net Income, New Valley LLC Adjusted EBITDA, and Douglas Elliman Realty, LLC Adjusted EBITDA (hereafter referred to as “the Non-GAAP Financial Measures”) are financial measures not prepared in accordance with generally accepted accounting principles (“GAAP”). The Company believes that the Non-GAAP Financial Measures are important measures that supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance. The Company believes the Non-GAAP Financial Measures provide investors and analysts with a useful measure of operating results unaffected by differences in capital structures and ages of related assets among otherwise comparable companies. Management uses the Non-GAAP Financial Measures as measures to review and assess operating performance of the Company's business, and management and investors should review both the overall performance (GAAP net income) and the operating performance (the Non-GAAP Financial Measures) of the Company's business. While management considers the Non-GAAP Financial Measures to be important, they should be considered in addition to, but not as substitutes for or superior to, other measures of financial performance prepared in accordance with GAAP, such as operating income, net income and cash flows from operations. In addition, the Non-GAAP Financial Measures are susceptible to varying calculations and the Company's measurement of the Non-GAAP Financial Measures may not be comparable to those of other companies.

EBITDA is defined as Net Income before Interest, Taxes, Depreciation and Amortization. Adjusted EBITDA is EBITDA, as defined above, and as adjusted for changes in fair value of derivatives embedded with convertible debt, equity in earnings (losses) on long-term investments, gains (losses) on sale of investment securities available for sale, equity in earnings (losses) from real estate ventures, loss on extinguishment of debt, acceleration of interest expense related to debt conversion, stock-based compensation expense (for purposes of Adjusted EBITDA only), litigation settlement and judgment expense, settlements of long-standing disputes related to the MSA, restructuring and pension settlement expense, gains on acquisition of Douglas Elliman, changes to EBITDA as a result of the consolidation of Douglas Elliman and other charges.

New Valley LLC (“New Valley”), the real estate subsidiary of the Company, owns real estate and 70.59% of Douglas Elliman, the largest residential brokerage firm in the New York metropolitan area, as well as a minority stake in numerous real estate investments. New Valley LLC Adjusted EBITDA are defined as the portion of Adjusted EBITDA that relates to New Valley.

New Valley's Adjusted EBITDA do not include an allocation of expenses from the Corporate and Other segment of Vector Group Ltd.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, which involve risk and uncertainties. The words “could,” “believe,” “expect,” “estimate,” “may,” “will,” “could,” “plan,” or “continue” and similar expressions are intended to identify forward-looking statements. The Company’s actual results could differ significantly from the results discussed in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those discussed under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 and the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Current Report on Form 8-K. The Company undertakes no obligation to (and expressly disclaims any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Current Report on Form 8-K.

Item 9.01. Condensed Consolidated Financial Statements and Exhibit

(c) Exhibit.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Selected Financial Data adjusted to reflect 5% stock dividend paid September 28, 2017 to stockholders of record on September 20, 2017.
99.2	Non-GAAP Financial Measures (furnished pursuant to Regulation FD).
99.3	Fact Sheet of Vector Group Ltd. dated November 2017 (furnished pursuant to Regulation FD).
99.4	Fact Sheet of New Valley LLC dated November 2017 (furnished pursuant to Regulation FD).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VECTOR GROUP LTD.

By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III

Sr. Vice President, Treasurer and Chief Financial Officer

Date: November 24, 2017

Selected Financial Data

The following table sets forth our summary condensed consolidated financial data for the periods presented below and our earnings per share as adjusted for the stock dividends described below. The summary condensed consolidated financial data as of September 30, 2017 have been derived from our unaudited condensed consolidated financial statements. Our unaudited condensed consolidated financial statements include only normal and recurring adjustments, necessary to state fairly the data included therein.

The per-share amounts shown below have been retroactively adjusted to reflect the 5% stock dividend which was paid on September 28, 2017 to stockholders of record on September 20, 2017 (see note (2) below).

Our historical results are not necessarily indicative of the results of operations for future periods, and our results of operations for the nine-month period ended September 30, 2017 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2017. You should read the following summary condensed consolidated financial data in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our condensed consolidated financial statements and related notes included in our Quarterly Report on Form 10-Q for the period ended September 30, 2017.

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Statement of Operations Data:					
Total revenues (1)	\$ 1,690,949	\$ 1,657,197	\$ 1,591,315	\$ 1,079,921	\$ 1,095,533
Operating income (3)	232,997	199,920	212,438	111,186	154,083
Net income attributed to Vector Group Ltd. (4)	71,127	59,198	36,856	37,300	30,675
Per basic common share (2)					
Net income attributed to Vector Group Ltd. applicable to common shares	\$ 0.53	\$ 0.44	\$ 0.30	\$ 0.33	\$ 0.28
Per diluted common share (2)					
Net income attributed to Vector Group Ltd. applicable to common shares	\$ 0.53	\$ 0.44	\$ 0.30	\$ 0.33	\$ 0.28
Cash distributions declared per common share (2)	\$ 1.47	\$ 1.40	\$ 1.33	\$ 1.27	\$ 1.21

	September 30, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Balance Sheet Data:						
Current assets	\$ 699,932	\$ 705,463	\$ 583,739	\$ 751,397	\$ 484,388	\$ 579,336
Total assets	1,409,904	1,404,035	1,280,615	1,389,042	1,089,965	967,443
Current liabilities	268,202	196,148	216,292	212,424	359,376	167,860
Notes payable, embedded derivatives, long-term debt and other obligations, less current portion	1,262,100	1,245,275	1,000,150	995,001	607,872	739,589
Noncurrent employee benefits, deferred income taxes and other long-term liabilities	197,776	215,884	186,334	202,297	173,322	149,064
Total stockholders' deficiency	(318,174)	(253,272)	(122,161)	(20,680)	(50,605)	(89,070)

	For the Three Months Ended							For the Nine Months Ended	
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	September 30, 2017	September 30, 2016
Statement of Operations Data:									
Total revenues (5)	\$ 484,625	\$ 471,989	\$ 415,208	\$ 412,772	\$ 459,104	\$ 438,273	\$ 380,800	\$ 1,371,822	\$ 1,278,177
Operating income	59,233	73,810	52,931	30,754	69,364	70,720	62,159	185,974	202,243
Net income (loss) attributed to Vector Group Ltd.	19,264	26,811	(4,227)	4,599	23,175	24,015	19,338	41,848	66,528
Per basic common share (2)									
Net income (loss) attributed to Vector Group Ltd. applicable to common shares	\$ 0.13	\$ 0.19	\$ (0.04)	\$ 0.03	\$ 0.17	\$ 0.18	\$ 0.14	\$ 0.28	\$ 0.49
Per diluted common share (2)									
Net income (loss) attributed to Vector Group Ltd. applicable to common shares	\$ 0.13	\$ 0.19	\$ (0.04)	\$ 0.03	\$ 0.17	\$ 0.18	\$ 0.14	\$ 0.28	\$ 0.49
Cash distributions declared per common share (2)	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.36	\$ 0.36	\$ 0.36	\$ 1.14	\$ 1.09

(1) Revenues include excise taxes of \$425,980, \$439,647, \$446,086, \$456,703, and \$508,027, respectively.

(2) Per share computations include the impact of 5% stock dividends on September 28, 2017, September 29, 2016, September 29, 2015, September 26, 2014, September 27, 2013, and September 28, 2012, respectively.

(3) Operating income includes \$247 of expense from MSA Settlements for the year ended December 31, 2016, and \$4,364, \$1,419 and \$11,823 of income from MSA Settlements for the years ended December 31, 2015, 2014, and 2013, respectively; and \$20,000, \$20,072, \$2,475 and \$88,106 of litigation judgment and settlement expense for the years ended December 31, 2016, 2015, 2014, and 2013, respectively; and \$41 and \$7,257 of restructuring charges for the years ended December 31, 2016 and 2015, respectively; and \$1,607 of pension settlement expense for the year ended December 31, 2015.

(4) Net income attributed to Vector Group Ltd. includes a gain of \$36,140, net of taxes, to account for the difference between the carrying value and the fair value of the previously held 50% interest in Douglas Elliman.

(5) Revenues include excise taxes of \$126,912, \$115,194, \$109,368, \$112,249, \$116,024, \$106,861, \$90,846, \$351,474, and \$313,731 respectively.

TABLE 1
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED NET INCOME
(Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Net income (loss) attributed to Vector Group Ltd.	\$ 19,264	\$ 26,811	\$ (4,227)	\$ 4,599	\$ 23,175	\$ 24,015	\$ 19,338
Change in fair value of derivatives embedded within convertible debt	(9,437)	(8,134)	(8,571)	(8,488)	(6,112)	(7,416)	(9,694)
Non-cash amortization of debt discount on convertible debt	14,978	13,426	12,053	10,905	10,167	9,170	8,286
Loss on extinguishment of debt	—	—	34,110	—	—	—	—
Litigation settlement and judgment expense (a)	4,104	102	1,585	17,650	—	—	2,350
Impact of MSA Settlement (b)	(1,826)	—	(895)	617	(370)	—	—
Impact of interest expense capitalized to real estate ventures, net	(1,108)	4,212	(445)	(3,322)	(3,276)	(1,315)	(3,520)
Restructuring expense	—	—	—	—	—	—	41
Douglas Elliman Realty, LLC purchase accounting adjustments (c)	(1,508)	251	321	2,489	1,511	581	476
Total adjustments	5,203	9,857	38,158	19,851	1,920	1,020	(2,061)
Tax expense related to adjustments	(2,357)	(3,944)	(15,492)	(8,060)	(780)	(424)	858
Adjusted Net Income attributed to Vector Group Ltd.	<u>\$ 22,110</u>	<u>\$ 32,724</u>	<u>\$ 18,439</u>	<u>\$ 16,390</u>	<u>\$ 24,315</u>	<u>\$ 24,611</u>	<u>\$ 18,135</u>
Per diluted common share:							
Adjusted Net Income applicable to common shares attributed to Vector Group Ltd.	<u>\$ 0.16</u>	<u>\$ 0.24</u>	<u>\$ 0.13</u>	<u>\$ 0.12</u>	<u>\$ 0.18</u>	<u>\$ 0.18</u>	<u>\$ 0.13</u>

a. Represents accruals for settlements of judgment expenses in the *Engle* progeny tobacco litigation.

b. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.

c. Represents 70.59% of purchase accounting adjustments in the periods presented for assets acquired in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.

TABLE 2
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED NET INCOME
(Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Net income attributed to Vector Group Ltd.	\$ 71,127	\$ 59,198	\$ 36,856	\$ 37,300	\$ 30,675
Acceleration of interest expense related to debt conversion	—	—	5,205	12,414	14,960
Change in fair value of derivatives embedded within convertible debt	(31,710)	(24,455)	(19,409)	(18,935)	7,476
Non-cash amortization of debt discount on convertible debt	38,528	27,211	51,472	36,378	18,016
Loss on extinguishment of 11% Senior Secured Notes due 2015	—	—	—	21,458	—
Litigation settlement and judgment expense (a)	20,000	20,072	2,475	88,106	—
Impact of interest expense capitalized to real estate ventures, net	(11,433)	(9,928)	—	—	—
Impact of MSA Settlement (b)	247	(4,364)	(1,419)	(11,823)	—
Interest income from MSA Settlement (c)	—	—	—	(1,971)	—
Pension settlement charge	—	1,607	—	—	—
Gain on acquisition of Douglas Elliman Realty, LLC (d)	—	—	—	(60,842)	—
Restructuring expense	41	7,257	—	—	—
Adjustment to reflect additional 20.59% of net income from Douglas Elliman Realty, LLC (e)	—	—	—	8,557	5,947
Out-of-period adjustment related to Douglas Elliman acquisition in 2013 (f)	—	—	(1,231)	—	—
Douglas Elliman Realty, LLC purchase accounting adjustments (g)	5,057	5,303	6,019	1,165	—
Gain on liquidation of long-term investments	—	—	—	—	—
Gain on townhomes	—	—	—	—	—
Total adjustments	20,730	22,703	43,112	74,507	46,399
Tax (expense) benefit related to adjustments	(8,416)	(9,447)	(17,827)	(29,467)	(19,332)
One-time adjustment to income tax expense due to purchase accounting (h)	—	—	1,670	—	—
Adjusted Net Income attributed to Vector Group Ltd.	<u>\$ 83,441</u>	<u>\$ 72,454</u>	<u>\$ 63,811</u>	<u>\$ 82,340</u>	<u>\$ 57,742</u>
Per diluted common share:					
Adjusted Net Income applicable to common shares attributed to Vector Group Ltd.	<u>\$ 0.62</u>	<u>\$ 0.54</u>	<u>\$ 0.52</u>	<u>\$ 0.72</u>	<u>\$ 0.52</u>

a. Represents accruals for settlements of judgment expenses in the *Engle* progeny tobacco litigation.

b. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.

c. Represents interest income from the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.

d. Represents gain associated with the increase of ownership of Douglas Elliman Realty, LLC.

e. Represents 20.59% of Douglas Elliman Realty LLC's net income from January 1, 2013 to December 13, 2013 and the years ended December 31, 2012 and 2011. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company includes an additional 20.59% of Adjusted Net Income from Douglas Elliman Realty, LLC in the Company's Adjusted Net Income.

f. Represents an out-of-period adjustment related to a non-accrual of a receivable from Douglas Elliman in the fourth quarter of 2013 and would have increased the Company's gain on acquisition of Douglas Elliman in 2013.

g. Represents 70.59% of purchase accounting adjustments in the periods presented for assets acquired in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.

h. Represents adjustments to income tax expense due to a change in the Company's marginal income tax rate from 40.6% to 41.35% as a result of its acquisition of 20.59% of Douglas Elliman Realty, LLC on December 13, 2013.



VECTOR GROUP LTD

November 2017

Vector Group Ltd. owns Liggett Group, Vector Tobacco and New Valley. New Valley owns a 70% interest in Douglas Elliman.

VGR
LISTED
NYSE

TOBACCO

- Fourth-largest cigarette manufacturer in the U.S. with a strong family of brands — *Pyramid*, *Grand Prix*, *Liggett Select*, *Eve* and *Eagle 20's* — representing 13% share of the discount market.
- Focused on brand strength and long-term profit growth, while continuing to evaluate opportunities to pursue incremental volume and margin growth.
- Annual cost advantage due to favorable treatment under the Master Settlement Agreement that ranged between \$163 million and \$169 million from 2011 to 2016.
- The only cigarette company to have reached a comprehensive settlement resolving substantially all of the individual *Engle* progeny product liability cases pending in Florida. The *Engle* progeny cases have represented a substantial portion of Liggett's pending litigation.



REAL ESTATE

- New Valley, which owns 70.59% of Douglas Elliman Realty, LLC, is a diversified real estate company that is seeking to acquire additional operating companies and real estate properties.
- New Valley has invested approximately \$215 million, as of September 30, 2017, in a broad portfolio of 27 real estate investments.
- Douglas Elliman is the largest residential real estate brokerage firm in the New York metropolitan area and the fourth-largest in the U.S.
- Douglas Elliman's closings totaled \$25.4 billion for the twelve months ended September 30, 2017, and it has more than 7,000 affiliated agents and 100 offices throughout the New York metropolitan area, South Florida, Aspen, Greenwich, and Los Angeles.



EXECUTIVE MANAGEMENT

Howard M. Lorber
President and Chief Executive Officer

Richard J. Lampen
Executive Vice President

J. Bryant Kirkland III
Senior Vice President, Chief Financial Officer and Treasurer

Marc N. Bell
Senior Vice President, General Counsel and Secretary

Ronald J. Bernstein
President and Chief Executive Officer of Liggett Group LLC and Liggett Vector Brands LLC

COMPANY HIGHLIGHTS

- Headquartered in Miami with an executive office in Manhattan and tobacco operations in North Carolina
- Employs approximately 1,400 people
- Executive management and directors beneficially own 13% of the Company
- Reported cash of \$396¹ million and investments with fair value of \$296 million at September 30, 2017.
- Recognized as one of America's Most Trustworthy Companies by *Forbes* in 2013



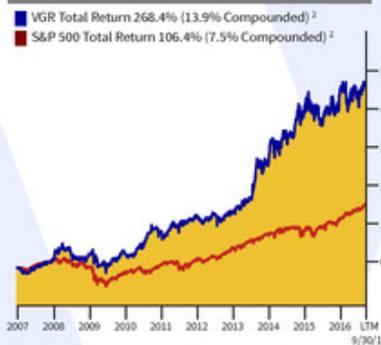
“Vector is a largely underfollowed company with a highly competent management team and numerous ways to unlock value”

Oppenheimer analyst Ian Zaffino
Barron's Online, August 14, 2014

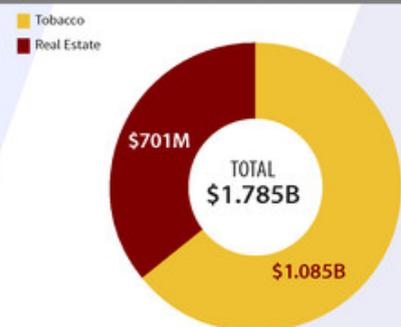
Adjusted EBITDA¹



10-Year Stockholder Return



LTM 9/30/2017 Revenues



¹ Net income attributable to Vector Group Ltd. for the periods presented was \$37M, \$59M, \$71M and \$46M, respectively. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on November 15, 2016, March 1, 2017 and November 7, 2017 (Commission File Number 1-5756). Please also see Vector Group Ltd.'s Form 10-K for the year ended December 31, 2016 and Form 10-Q for the quarterly period ended September 30, 2017.

² 10-Year Return from October 31, 2007 to October 31, 2017 and assumes reinvestment of dividends received.

³ At September 30, 2017 this amount includes cash at Douglas Elliman, a 70.59%-owned subsidiary, of \$101 million and cash at Liggett, a wholly-owned subsidiary of \$80 million. Excludes real estate investments.

This summary contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have identified these forward-looking statements using words such as "could" and similar expressions. These statements reflect our current beliefs. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements.



New Valley LLC, the real estate subsidiary of Vector Group Ltd. (NYSE: VGR), owns real estate and 70% of Douglas Elliman, the largest residential brokerage firm in the New York metropolitan area, as well as a minority stake¹ in numerous real estate investments.

NEW VALLEY REAL ESTATE INVESTMENTS¹

New Valley has invested approximately \$215 million, as of September 30, 2017, in a broad portfolio of real estate projects.

New Valley's Real Estate Investment Portfolio¹



New Valley's New York Real Estate Investments¹

1. **The Marquand** Upper East Side
2. **10 Madison Square West** Flatiron District/NoMad
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square
5. **111 Murray Street** TriBeCa
6. **160 Leroy Street** Greenwich Village
7. **215 Christie Street** Lower East Side
8. **The Dutch** Long Island City
9. **1 QPS Tower** Long Island City
10. **Park Lane Hotel** Central Park South
11. **125 Greenwich Street** Financial District
12. **The Eleventh** West Chelsea
13. **New Brookland** Flatbush

International Investments¹

Coral Beach and Tennis Club
Bermuda

DOUGLAS ELLIMAN

- Largest residential real estate brokerage firm in New York metropolitan area and fourth-largest in United States.
- Closings of \$25.4 billion for the last twelve months ended September 30, 2017; Douglas Elliman has more than 7,000 affiliated agents and 100 offices throughout the New York metropolitan area, South Florida, Aspen, Greenwich, and Los Angeles.
- Maintains an alliance with Knight Frank—the largest independent residential brokerage in the United Kingdom—to jointly market high-end properties, providing a network with 520 offices across 60 countries with 21,550 affiliated agents.
- Revenues and Adjusted EBITDA of Douglas Elliman of \$696 million and \$23.2 million², respectively, for the last twelve months ended September 30, 2017.

EXECUTIVE MANAGEMENT

Howard M. Lorber
President and Chief Executive Officer

Richard J. Lampen
Executive Vice President

J. Bryant Kirkland III
Senior Vice President, Treasurer and Chief Financial Officer

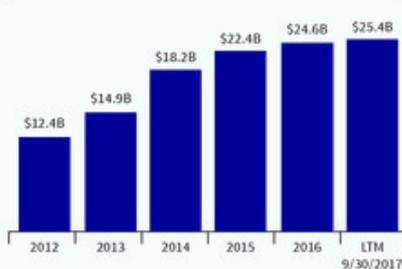
Marc N. Bell
Senior Vice President, Secretary and General Counsel

Bennett P. Borko
Executive Vice President of New Valley Realty division

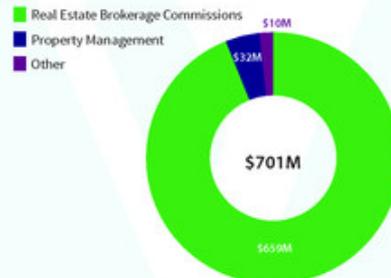
COMPANY HIGHLIGHTS

- Executive offices in Manhattan and Miami
- Employs approximately 900 people

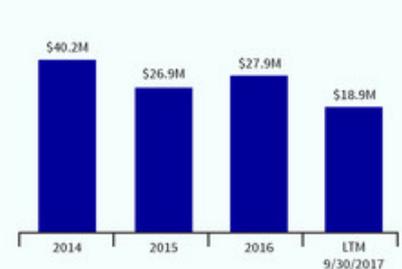
Douglas Elliman Closings



New Valley Revenues – LTM 9/30/2017



New Valley Adjusted EBITDA



¹ Please refer to Vector Group Ltd.'s Form 10-Q (Commission File Number 1-5759) for the quarterly period ended September 30, 2017 in the section "Summary of Real Estate Investments" in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

² Douglas Elliman's net income was \$14.3M for the twelve months ended September 30, 2017. New Valley's net income for the periods presented was approximately \$21.4M, \$11.7M, \$13.5M and \$23.5M, for the periods presented, respectively. Adjusted EBITDA is a non-GAAP financial measure. New Valley's Adjusted EBITDA does not include an allocation of Vector Group Ltd.'s Corporate and Other Expenses (for purposes of computing Adjusted EBITDA) of \$11.4M, \$13.2M, \$15.3M and \$14.9M, for the periods presented, respectively. For a reconciliation of Adjusted EBITDA to net income, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on October 2, 2015, November 15, 2016, March 1, 2017 and November 7, 2017. Please also see Vector Group Ltd.'s Form 10-K for the year ended December 31, 2016 (Commission File Number 1-5759) and Vector's Form 10-Q for the quarterly period ended September 30, 2017.

