
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): **August 9, 2004**

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.)

100 S.E. Second Street, Miami, Florida

(Address of principal executive offices)

33131

(Zip Code)

(305) 579-8000

(Registrant's telephone number, including area code)

ITEM 7. Financial Statements, Pro Forma Financial Information

(c) The following exhibit is furnished as part of this Current Report on Form 8-K.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press Release issued August 9, 2004

ITEM 12. Results of Operations and Financial Condition

On August 9, 2004, Vector Group Ltd. announced its financial results for the second quarter ended June 30, 2004. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K and the Exhibit attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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/ Joselynn D. Van Siclen

Joselynn D. Van Siclen

Vice President and Chief Financial Officer

Date: August 9, 2004

[Citigate
Sard Verbinnen Logo]

NEWS

FOR IMMEDIATE RELEASE

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VECTOR GROUP REPORTS SECOND QUARTER 2004 FINANCIAL RESULTS

MIAMI, FL, August 9, 2004 — Vector Group Ltd. (NYSE: VGR) today announced financial results for the three and six months ended June 30, 2004.

Second quarter 2004 revenues were \$121.9 million, compared to revenues of \$131.2 million in the second quarter of 2003. The Company recorded an operating loss of \$25.0 million in the 2004 second quarter, compared to operating income of \$0.8 million in the second quarter of 2003. The results for the three months ended June 30, 2004 included a pre-tax non-cash charge of \$37.0 million to adjust the carrying value of excess leaf tobacco inventory for the Quest brand and pre-tax restructuring and impairment charges of \$2.4 million. Adjusting for the 2004 inventory and restructuring charges, the Company's operating income for the 2004 second quarter was \$14.4 million, an increase from operating income of \$0.8 million in the 2003 period. Net loss for the 2004 second quarter was \$16.9 million, or \$0.43 per diluted common share, compared to a net loss of \$4.9 million, or \$0.13 per diluted common share, in the 2003 second quarter.

For the six months ended June 30, 2004, revenues were \$250.2 million, compared to \$264.3 million for the first six months of 2003. The Company recorded an operating loss of \$11.2 million for the 2004 six-month period, compared to operating income of \$0.6 million for the 2003 period. The results for the 2004 period included the pre-tax inventory charge of \$37.0 million and pre-tax restructuring and impairment charges of \$3.0 million. Adjusting for the 2004 inventory and restructuring charges, operating income for the first six months of 2004 was \$28.8 million, compared to operating income for the 2003 period of \$0.6 million. Net loss for the 2004

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six-month period was \$12.3 million, or \$0.31 per diluted common share, compared to a net loss of \$9.8 million, or \$0.25 per diluted common share, for the 2003 period.

For the three and six months ended June 30, 2004, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$115.6 million and \$237.8 million, respectively, compared to \$120.8 million and \$245.7 million for the three and six months ended June 30, 2003, respectively. Operating income was \$25.4 million for the second quarter of 2004 and \$53.2 million for the first six months of 2004, compared to \$27.6 million and \$57.8 million for the three and six months ended June 30, 2003, respectively. The results for the three and six months ended June 30, 2004 include pre-tax restructuring and impairment charges of \$2.0 million and \$2.4 million, respectively.

Conference Call To Discuss Second Quarter 2004 Results

As previously announced, the Company will host a conference call and webcast on Tuesday, August 10, 2004 at 11:00 A.M. (EDT) to discuss second quarter 2004 results. Investors can access the call by dialing 877-692-2590 or via live webcast at www.vcall.com

A replay of the call will also be available shortly after the call ends on August 10, 2004 through August 17, 2004. To access the replay, dial 877-519-4471 and enter 5042985 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 Inc. and a controlling interest in New Valley Corporation. Additional information concerning the company is available on the company's website, www.VectorGroupLtd.com.

[Financial Table Follows]

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VECTOR GROUP LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2004	June 30, 2003	June 30, 2004	June 30, 2003
Revenues:				
Tobacco*	\$ 120,045	\$ 129,400	\$ 246,618	\$ 260,743
Real estate leasing	1,811	1,777	3,592	3,576
Total revenues	121,856	131,177	250,210	264,319
Expenses:				
Cost of goods sold, excluding inventory impairment*	69,828	86,010	143,928	169,801
Inventory impairment	37,000	—	37,000	—
Operating, selling, administrative and general expenses	37,631	44,344	77,468	93,895
Restructuring and impairment charges	2,359	—	3,012	—
Operating income (loss)	(24,962)	823	(11,198)	623
Other income (expenses):				
Interest and dividend income	531	1,127	1,226	2,572
Interest expense	(6,491)	(8,516)	(12,913)	(15,665)
Gain on sale of investments, net	5,335	332	5,586	270
Equity income (loss) from non-consolidated New Valley real estate businesses	4,642	(174)	5,288	(891)
Other, net	(4)	24	(9)	17
Loss from operations before benefit for income taxes and minority interests	(20,949)	(6,384)	(12,020)	(13,074)
Benefit for income taxes	(7,181)	(649)	(2,493)	(1,242)
Minority interests	(3,134)	805	(2,748)	2,053
Net loss	\$ (16,902)	\$ (4,930)	\$ (12,275)	\$ (9,779)
Per basic common share:				
Net loss applicable to common shares	\$ (0.43)	\$ (0.13)	\$ (0.31)	\$ (0.25)
Basic weighted average common shares outstanding	39,213,205	38,811,880	39,138,102	38,623,285
Per diluted common share:				
Net loss applicable to common shares	\$ (0.43)	\$ (0.13)	\$ (0.31)	\$ (0.25)
Diluted weighted average common shares outstanding	39,213,205	38,811,880	39,138,102	38,623,285

* Revenues and Cost of goods sold include excise taxes of \$43,933, \$48,519, \$90,103 and \$98,336, respectively.