



August 14, 2002

VECTOR GROUP REPORTS 2002 SECOND QUARTER FINANCIAL RESULTS

MIAMI, FL, August 14, 2002 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the second quarter ended June 30, 2002.

Second quarter 2002 revenues were \$140.1 million, compared to revenues of \$110.1 million in the second quarter of 2001. The Company recorded an operating loss of \$4.8 million in the 2002 second quarter compared to operating income of \$19.4 million in the second quarter of 2001. Net loss for the 2002 second quarter was \$3.3 million, or \$0.10 per diluted common share, compared to net income of \$11.8 million, or \$0.35 per diluted common share, in the 2001 second quarter.

For the six months ended June 30, 2002, revenues were \$237.2 million, compared to \$187.8 million for the first six months of 2001. The Company recorded an operating loss of \$19.9 million for the 2002 six-month period, compared to operating income of \$20.6 million for the 2001 period. Net loss for the 2002 six-month period was \$15.2 million, or \$0.46 per diluted common share, compared to net income of \$14.4 million, or \$0.44 per diluted common share, for the 2001 period.

For the three and six months ended June 30, 2002, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$138.7 million and \$232.8 million, respectively, compared to \$107.7 million and \$182.7 million for the three and six months ended June 30, 2001, respectively. Operating income before factory relocation, restructuring, non-cash compensation and settlement expense was \$25.0 million for the second quarter of 2002 and \$46.2 million for the first six months of 2002, compared to \$33.2 million and \$52.8 million for the three and six months ended June 30, 2001, respectively.

CONFERENCE CALL TO DISCUSS SECOND QUARTER RESULTS

As previously announced, the Company will host a conference call and webcast on Thursday, August 15, 2002 at 10:00 A.M. (EDT) to discuss second quarter results. Investors can access the call by dialing 877-692-2591 or via live webcast at www.vcall.com.

A replay of the call will also be available shortly after the call ends on August 15, 2002 through August 22, 2002. To access the replay, dial 877-519-4471 and enter 3428922 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.

