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**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): May 5, 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)

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 May 5, 2017, Vector Group Ltd. announced its financial results for the three months ended March 31, 2017. 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.

**Item 9.01. Financial Statements and Exhibit**

(c) Exhibit.

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press Release issued on May 5, 2017

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

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J. Bryant Kirkland III

Senior Vice President, Treasurer and Chief Financial Officer

Date: May 5, 2017

**FOR IMMEDIATE RELEASE**

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## **VECTOR GROUP REPORTS FIRST QUARTER 2017 FINANCIAL RESULTS**

**MIAMI, FL, May 5, 2017** - Vector Group Ltd. (NYSE:VGR) today announced financial results for the three months ended March 31, 2017.

### ***GAAP Financial Results***

First quarter of 2017 revenues were \$415.2 million, compared to revenues of \$380.8 million in the first quarter of 2016. The Company recorded operating income of \$52.9 million in the first quarter of 2017, compared to operating income of \$62.2 million in the first quarter of 2016. Net loss attributed to Vector Group Ltd. for the first quarter of 2017 was \$4.2 million, or \$(0.03) per diluted common share, compared to net income of \$19.3 million, or \$0.15 per diluted common share, in the first quarter of 2016.

### ***Non-GAAP Financial Measures***

Non-GAAP financial measures also include adjustments for purchase accounting associated with the Company's acquisition of its additional 20.59% interest in Douglas Elliman Realty, LLC in December 2013, litigation settlement and judgment expenses in the Tobacco segment, settlements of long-standing disputes related to the Master Settlement Agreement in the Tobacco segment, restructuring and pension settlement expense in the Tobacco segment, stock-based compensation expense (for purposes of Adjusted EBITDA only) and non-cash interest expense associated with the Company's convertible debt. Reconciliations of non-GAAP financial results to the comparable GAAP financial results for the three months ended March 31, 2017 and 2016 are included in Tables 2 through 7.

#### ***Three months ended March 31, 2017 compared to the three months ended March 31, 2016***

First quarter of 2017 Adjusted EBITDA attributed to Vector Group (as described in Table 2 attached hereto) were \$61.3 million compared to \$69.6 million for the first quarter of 2016.

Adjusted Net Income (as described in Table 3 attached hereto) was \$18.4 million or \$0.14 per diluted share for the first quarter of 2017 and \$18.1 million or \$0.14 per diluted share for the first quarter of 2016.

Adjusted Operating Income (as described in Table 4 attached hereto) was \$54.1 million for the first quarter of 2017 compared to \$65.2 million for the first quarter of 2016.

### ***Tobacco Segment Financial Results***

For the first quarter of 2017, the Tobacco segment had revenues of \$257.5 million, compared to \$221.0 million for the first quarter of 2016. The increase in revenues was primarily due to a 21.0% increase in unit sales volume.

Operating Income from the Tobacco segment was \$59.8 million for the first quarter of 2017 compared to \$61.5 million for the first quarter of 2016.

### *Non-GAAP Financial Measures*

Tobacco Adjusted Operating Income (as described in Table 5 attached hereto) for the first quarter of 2017 and 2016 was \$60.5 million and \$63.9 million, respectively.

For the first quarter of 2017, the Tobacco segment had conventional cigarette (wholesale) shipments of approximately 2.17 billion units compared to 1.80 billion units for the first quarter of 2016.

Liggett's retail market share increased to approximately 3.75% during the first quarter of 2017. Compared to the first quarter of 2016, Liggett's retail shipments increased 6.2% while the overall industry's retail shipments declined by 2.7%, according to data from Management Science Associates, Inc.

### **Real Estate Segment Financial Results**

For the first quarter of 2017, the Real Estate segment had revenues of \$157.8 million, compared to \$159.7 million for the first quarter of 2016. For the first quarter of 2017, the Real Estate segment reported a net income of \$7.1 million, compared to net income of \$3.0 million for the first quarter of 2016.

Douglas Elliman's results are included in Vector Group Ltd.'s Real Estate segment. For the first quarter of 2017, Douglas Elliman had revenues of \$155.5 million, compared to \$157.6 million for the first quarter of 2016. For the first quarter of 2017, Douglas Elliman reported net income of \$0.1 million, compared to \$7.1 million for the first quarter of 2016.

### *Non-GAAP Financial Measures*

For the first quarter of 2017, Real Estate Adjusted EBITDA attributed to the Company (as described in Table 6 attached hereto) were \$2.5 million, compared to \$7.5 million for the first quarter of 2016.

Douglas Elliman's results are included in Vector Group Ltd.'s Real Estate segment. For the first quarter of 2017, Douglas Elliman's Adjusted EBITDA (as described in Table 7 attached hereto) were \$1.8 million (\$1.2 million attributed to the Company), compared to \$9.1 million (\$6.4 million attributed to the Company) for the first quarter of 2016.

For the first quarter of 2017, Douglas Elliman achieved closed sales of approximately \$5.6 billion, compared to \$5.7 billion for the first quarter of 2016.

### **E-cigarettes Segment Financial Results**

For the first quarter of 2017, the E-cigarette segment had a loss of Adjusted EBITDA of \$0.1 million compared to a loss of Adjusted EBITDA of \$0.2 million for the first quarter of 2016.

### **Non-GAAP Financial Measures**

Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Income, Tobacco Adjusted Operating Income, New Valley LLC Adjusted EBITDA and Douglas Elliman Realty, LLC Adjusted EBITDA ("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. Attached hereto as Tables 2 through 7 is information relating to the Company's Non-GAAP Financial Measures for the three months ended March 31, 2017 and 2016.

### **Conference Call to Discuss First Quarter Results**

As previously announced, the Company will host a conference call and webcast on Friday, May 5, 2017 at 9:00 AM (ET) to discuss first quarter 2017 results. Investors can access the call by dialing 800-859-8150 and entering 90330388 as the conference ID number. The call will also be available via live webcast at [www.investorcalendar.com](http://www.investorcalendar.com). Webcast participants should allot extra time to register before the webcast begins.

A replay of the call will be available shortly after the call ends on May 5, 2017 through May 19, 2017. To access the replay, dial 877-656-8905 and enter 90330388 as the conference ID number. The archived webcast will also be available at [www.investorcalendar.com](http://www.investorcalendar.com) for one year.

Vector Group is a holding company that indirectly owns Liggett Group LLC and Vector Tobacco Inc. and directly owns New Valley LLC, which owns a controlling interest in Douglas Elliman Realty, LLC. Additional information concerning the company is available on the Company's website, [www.VectorGroupLtd.com](http://www.VectorGroupLtd.com).

[Financial Tables Follow]

**TABLE 1**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Dollars in Thousands, Except Per Share Amounts)**

	Three Months Ended	
	March 31,	
	2017	2016
	(Unaudited)	
<b>Revenues</b>		
Tobacco*	\$ 257,454	\$ 221,015
Real estate	157,754	159,747
E-cigarettes	—	38
<b>Total Revenues</b>	<b>415,208</b>	<b>380,800</b>
<b>Expenses:</b>		
Cost of sales:		
Tobacco*	175,754	136,738
Real estate	100,169	99,678
E-cigarettes	—	6
<b>Total cost of sales</b>	<b>275,923</b>	<b>236,422</b>
Operating, selling, administrative and general expenses	84,769	79,828
Litigation settlement and judgment expense	1,585	2,350
Restructuring charges	—	41
<b>Operating income</b>	<b>52,931</b>	<b>62,159</b>
<b>Other income (expenses):</b>		
Interest expense	(46,221)	(30,720)
Loss on extinguishment of debt	(34,110)	—
Change in fair value of derivatives embedded within convertible debt	8,571	9,694
Equity in earnings (losses) from real estate ventures	11,113	(507)
Equity in losses from investments	(1,061)	(1,671)
Gain on sale of investment securities available for sale	150	567
Impairment of investment securities available for sale	(39)	(4,813)
Other, net	1,659	1,047
(Loss) income before provision for income taxes	(7,007)	35,756
Income tax (benefit) expense	(2,782)	14,363
<b>Net (loss) income</b>	<b>(4,225)</b>	<b>21,393</b>
Net income attributed to non-controlling interest	(2)	(2,055)
<b>Net (loss) income attributed to Vector Group Ltd.</b>	<b>\$ (4,227)</b>	<b>\$ 19,338</b>
<b>Per basic common share:</b>		
Net (loss) income applicable to common share attributed to Vector Group Ltd.	\$ (0.03)	\$ 0.15
<b>Per diluted common share:</b>		
Net (loss) income applicable to common share attributed to Vector Group Ltd.	\$ (0.03)	\$ 0.15
Dividends declared per share	\$ 0.40	\$ 0.38

\* Revenues and cost of sales include federal excise taxes of \$109,368 and \$90,846, respectively.

**TABLE 2**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF ADJUSTED EBITDA**  
**(Unaudited)**  
**(Dollars in Thousands)**

	LTM	Three Months Ended	
	March 31, 2017	March 31, 2017	2016
Net income (loss) attributed to Vector Group Ltd.	\$ 47,562	\$ (4,227)	\$ 19,338
Interest expense	158,483	46,221	30,720
Income tax expense (benefit)	32,018	(2,782)	14,363
Net income attributed to non-controlling interest	4,086	2	2,055
Depreciation and amortization	22,224	5,029	5,164
EBITDA	<u>\$ 264,373</u>	<u>\$ 44,243</u>	<u>\$ 71,640</u>
Change in fair value of derivatives embedded within convertible debt (a)	(30,587)	(8,571)	(9,694)
Equity in losses from investments (b)	2,144	1,061	1,671
Gain on sale of investment securities available for sale	(2,490)	(150)	(567)
Impairment of investment securities available for sale	607	39	4,813
Equity in (earnings) losses from real estate ventures (c)	(16,820)	(11,113)	507
Loss on extinguishment of debt	34,110	34,110	—
Stock-based compensation expense (d)	10,751	3,006	2,307
Litigation settlement and judgment expense (e)	19,235	1,585	2,350
Impact of MSA settlement (f)	(648)	(895)	—
Restructuring charges	—	—	41
Purchase accounting adjustments (g)	5,143	113	200
Other, net	(5,344)	(1,659)	(1,047)
Adjusted EBITDA	<u>\$ 280,474</u>	<u>\$ 61,769</u>	<u>\$ 72,221</u>
Adjusted EBITDA attributed to non-controlling interest	(8,542)	(485)	(2,639)
Adjusted EBITDA attributed to Vector Group Ltd.	<u><u>\$ 271,932</u></u>	<u><u>\$ 61,284</u></u>	<u><u>\$ 69,582</u></u>
<b>Adjusted EBITDA by Segment</b>			
Tobacco	\$ 265,456	\$ 62,901	\$ 66,335
E-cigarettes	(1,287)	(77)	(193)
Real Estate (h)	31,515	2,955	10,156
Corporate and Other	(15,210)	(4,010)	(4,077)
Total	<u><u>\$ 280,474</u></u>	<u><u>\$ 61,769</u></u>	<u><u>\$ 72,221</u></u>
<b>Adjusted EBITDA Attributed to Vector Group Ltd. by Segment</b>			
Tobacco	\$ 265,456	\$ 62,901	\$ 66,335
E-cigarettes	(1,287)	(77)	(193)
Real Estate (i)	22,973	2,470	7,517
Corporate and Other	(15,210)	(4,010)	(4,077)
Total	<u><u>\$ 271,932</u></u>	<u><u>\$ 61,284</u></u>	<u><u>\$ 69,582</u></u>

- a. Represents income or losses recognized from changes in the fair value of the derivatives embedded in the Company's convertible debt.
- b. Represents equity in losses recognized from investments that the Company accounts for under the equity method.
- c. Represents equity in (earnings) losses recognized from the Company's investment in certain real estate businesses that are not consolidated in its financial results.
- d. Represents amortization of stock-based compensation.
- e. Represents accruals for settlements of judgment expenses in the *Engle* progeny tobacco litigation.
- f. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.
- g. Amounts represent purchase accounting adjustments recorded in the periods presented in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.
- h. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC of \$29,349 for the last twelve months ended March 31, 2017 and \$1,756 and \$9,064 for the three months ended March 31, 2017 and 2016, respectively. Amounts reported in this footnote reflect 100% of Douglas Elliman Realty, LLC's entire Adjusted EBITDA.
- i. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC less non-controlling interest of \$20,717 for the last twelve months ended and \$1,240 and \$6,398 for the three months ended March 31, 2017 and 2016, respectively. Amounts reported in this footnote have adjusted Douglas Elliman Realty, LLC's Adjusted EBITDA for non-controlling interest.

**TABLE 3**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF ADJUSTED NET INCOME**  
**(Unaudited)**  
**(Dollars in Thousands, Except Per Share Amounts)**

	Three Months Ended	
	March 31,	
	2017	2016
Net (loss) income attributed to Vector Group Ltd.	\$ (4,227)	\$ 19,338
Change in fair value of derivatives embedded within convertible debt	(8,571)	(9,694)
Non-cash amortization of debt discount on convertible debt	12,053	8,286
Loss on extinguishment of debt	34,110	—
Litigation settlement and judgment expense (a)	1,585	2,350
Impact of interest expense capitalized to real estate ventures, net	(445)	(3,520)
Impact of MSA settlement (b)	(895)	—
Restructuring charges	—	41
Douglas Elliman Realty, LLC purchase accounting adjustments (c)	321	476
Total adjustments	38,158	(2,061)
Tax expense related to adjustments	(15,492)	858
Adjusted Net Income attributed to Vector Group Ltd.	<u>\$ 18,439</u>	<u>\$ 18,135</u>
Per diluted common share:		
Adjusted Net Income applicable to common shares attributed to Vector Group Ltd.	<u>\$ 0.14</u>	<u>\$ 0.14</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 4**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF ADJUSTED OPERATING INCOME**  
**(Unaudited)**  
**(Dollars in Thousands)**

	LTM March 31, 2017	Three Months Ended March 31, 2017      2016	
Operating income	\$ 223,769	\$ 52,931	\$ 62,159
Litigation settlement and judgment expense (a)	19,235	1,585	2,350
Restructuring expense	—	—	41
Impact of MSA settlement (b)	(648)	(895)	—
Douglas Elliman Realty, LLC purchase accounting adjustments (c)	6,945	455	674
Total adjustments	25,532	1,145	3,065
Adjusted Operating Income (d)	<u>\$ 249,301</u>	<u>\$ 54,076</u>	<u>\$ 65,224</u>

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- 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. Amounts represent purchase accounting adjustments recorded in the periods presented in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.
- d. Does not include a reduction for 29.41% non-controlling interest in Douglas Elliman Realty, LLC.

**TABLE 5**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF TOBACCO ADJUSTED OPERATING INCOME**  
**AND TOBACCO ADJUSTED EBITDA**  
**(Unaudited)**  
**(Dollars in Thousands)**

	LTM March 31, 2017	Three Months Ended March 31, 2017      2016	
<b>Tobacco Adjusted Operating Income:</b>			
Operating income from tobacco segment	\$ 236,580	\$ 59,770	\$ 61,483
Litigation settlement and judgment expense (a)	19,235	1,585	2,350
Restructuring expense	—	—	41
Impact of MSA settlement (b)	(648)	(895)	—
Total adjustments	18,587	690	2,391
<b>Tobacco Adjusted Operating Income</b>	<b>\$ 255,167</b>	<b>\$ 60,460</b>	<b>\$ 63,874</b>
	LTM March 31, 2017	Three Months Ended March 31, 2017      2016	
<b>Tobacco Adjusted EBITDA:</b>			
Operating income from tobacco segment	\$ 236,580	\$ 59,770	\$ 61,483
Litigation settlement and judgment expense (a)	19,235	1,585	2,350
Restructuring expense	—	—	41
Impact of MSA settlement (b)	(648)	(895)	—
Total adjustments	18,587	690	2,391
<b>Tobacco Adjusted Operating Income</b>	<b>255,167</b>	<b>60,460</b>	<b>63,874</b>
Depreciation and amortization	10,204	2,420	2,440
Stock-based compensation expense	85	21	21
Total adjustments	10,289	2,441	2,461
<b>Tobacco Adjusted EBITDA</b>	<b>\$ 265,456</b>	<b>\$ 62,901</b>	<b>\$ 66,335</b>

- 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.

**TABLE 6**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF REAL SEGMENT (NEW VALLEY LLC) ADJUSTED EBITDA**  
**(Unaudited)**  
**(Dollars in Thousands)**

	LTM March 31, 2017	Three Months Ended March 31, 2017      2016	
Net income attributed to Vector Group Ltd. from subsidiary non-guarantors (a)	\$ 17,539	\$ 7,105	\$ 3,043
Interest expense (a)	23	6	3
Income tax expense (a)	11,865	4,953	2,423
Net income attributed to non-controlling interest (a)	4,086	2	2,055
Depreciation and amortization	10,425	2,222	2,282
EBITDA	\$ 43,938	\$ 14,288	\$ 9,806
Loss from non-guarantors other than New Valley LLC	110	46	34
Equity in (earnings) losses from real estate ventures (b)	(16,820)	(11,113)	507
Purchase accounting adjustments (c)	5,143	113	200
Other, net	(908)	(379)	(410)
Adjusted EBITDA	\$ 31,463	\$ 2,955	\$ 10,137
Adjusted EBITDA attributed to non-controlling interest	(8,542)	(485)	(2,639)
Adjusted EBITDA attributed to New Valley LLC	\$ 22,921	\$ 2,470	\$ 7,498
<b>Adjusted EBITDA by Segment</b>			
Real Estate (d)	\$ 31,515	\$ 2,955	\$ 10,156
Corporate and Other	(52)	—	(19)
Total (f)	\$ 31,463	\$ 2,955	\$ 10,137
<b>Adjusted EBITDA Attributed to New Valley LLC by Segment</b>			
Real Estate (e)	\$ 22,973	\$ 2,470	\$ 7,517
Corporate and Other	(52)	—	(19)
Total (f)	\$ 22,921	\$ 2,470	\$ 7,498

- a. Amounts are derived from Vector Group Ltd.'s Condensed Consolidated Financial Statements. See Note entitled "Condensed Consolidating Financial Information" contained in Vector Group Ltd.'s Form 10-Q for the three months ended March 31, 2017.
- b. Represents equity in (earnings) losses recognized from the Company's investment in certain real estate businesses that are not consolidated in its financial results.
- c. Amounts represent purchase accounting adjustments recorded in the periods presented in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.
- d. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC of \$29,349 for the last twelve months ended March 31, 2017 and \$1,756 and \$9,064 for the three months ended March 31, 2017 and 2016, respectively. Amounts reported in this footnote reflect 100% of Douglas Elliman Realty, LLC's entire Adjusted EBITDA.
- e. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC less non-controlling interest of \$20,717 for the last twelve months ended March 31, 2017 and \$1,240 and \$6,398 for the three months ended March 31, 2017 and 2016, respectively. Amounts reported in this footnote have adjusted Douglas Elliman Realty, LLC's Adjusted EBITDA for non-controlling interest.
- f. New Valley's Adjusted EBITDA does not include an allocation of Vector Group Ltd.'s "Corporate and Other" segment's expenses (for purposes of computing Adjusted EBITDA contained in Table 2 of this press release) of \$15,210 for the last twelve months ended and \$4,010 and \$4,077 for the three months ended March 31, 2017 and 2016, respectively.

**TABLE 7**  
**VECTOR GROUP LTD. AND SUBSIDIARIES**  
**RECONCILIATION OF DOUGLAS ELLIMAN REALTY, LLC ADJUSTED EBITDA**  
**AND DOUGLAS ELLIMAN REALTY, LLC ADJUSTED EBITDA ATTRIBUTED TO REAL ESTATE SEGMENT**  
**(Unaudited)**  
**(Dollars in Thousands)**

	LTM March 31, 2017	Three Months Ended March 31, 2017                      2016	
Net income attributed to Douglas Elliman Realty, LLC	\$ 14,104	\$ 113	\$ 7,077
Income tax expense	908	30	248
Depreciation and amortization	10,036	2,120	2,200
Douglas Elliman Realty, LLC EBITDA	\$ 25,048	\$ 2,263	\$ 9,525
Equity in earnings from real estate ventures (a)	(1,039)	(580)	(603)
Purchase accounting adjustments (b)	5,143	113	200
Other, net	197	(40)	(58)
Douglas Elliman Realty, LLC Adjusted EBITDA	\$ 29,349	\$ 1,756	\$ 9,064
Douglas Elliman Realty, LLC Adjusted EBITDA attributed to non-controlling interest	(8,632)	(516)	(2,666)
Douglas Elliman Realty, LLC Adjusted EBITDA attributed to Real Estate Segment	<u>\$ 20,717</u>	<u>\$ 1,240</u>	<u>\$ 6,398</u>

a. Represents equity income recognized from the Company's investment in certain real estate businesses that are not consolidated in its financial results.

b. Amounts represent purchase accounting adjustments recorded in the periods presented in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.