



August 14, 2003

VECTOR GROUP REPORTS SECOND QUARTER 2003 FINANCIAL RESULTS

MIAMI, FL, August 14, 2003 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the second quarter ended June 30, 2003.

Second quarter 2003 revenues were \$131.2 million, compared to revenues of \$140.1 million in the second quarter of 2002. The Company recorded operating income of \$0.8 million in the 2003 second quarter, compared to an operating loss of \$4.8 million in the second quarter of 2002. Net loss for the 2003 second quarter was \$4.9 million, or \$0.13 per diluted common share, compared to a net loss of \$3.3 million, or \$0.10 per diluted common share, in the 2002 second quarter.

For the six months ended June 30, 2003, revenues were \$264.3 million, compared to \$237.2 million for the first six months of 2002. The Company recorded operating income of \$0.6 million for the 2003 six-month period, compared to an operating loss of \$19.9 million for the 2002 period. Net loss for the 2003 six-month period was \$9.8 million, or \$0.27 per diluted common share, compared to a net loss of \$15.2 million, or \$0.44 per diluted common share, for the 2002 period.

For the three and six months ended June 30, 2003, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$120.8 million and \$245.7 million, respectively, compared to \$138.7 million and \$232.8 million for the three and six months ended June 30, 2002. Operating income was \$27.6 million for the second quarter of 2003 and \$57.8 million for the first six months of 2003, compared to \$24.9 million and \$43.4 million for the three and six months ended June 30, 2002, respectively. The results for the six months ended June 30, 2002 included a pre-tax restructuring charge of \$3.5 million recognized in the first quarter of 2002.

Conference Call To Discuss Second Quarter 2003 Results

As previously announced, the Company will host a conference call and webcast on Friday, August 15, 2003 at 11:00 A.M. (EDT) to discuss second quarter 2003 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 15, 2003 through August 22, 2003. To access the replay, dial 877-519-4471 and enter 4086725 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.

