



February 29, 2008

## VECTOR GROUP REPORTS FOURTH QUARTER AND FULL YEAR 2007 FINANCIAL RESULTS

**MIAMI, FL, February 29, 2008** -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the fourth quarter and full year ended December 31, 2007.

For the full year ended December 31, 2007, revenues were \$555.4 million, compared to \$506.3 million for 2006. The Company recorded operating income of \$125.5 million for 2007, compared to operating income of \$101.0 million for 2006. Net income for 2007 was \$73.8 million, or \$1.13 per diluted common share, compared to net income of \$42.7 million, or \$0.68 per diluted common share, for 2006. The results for 2007 included a \$19.6 million pre-tax gain associated with Company's previously announced NASA litigation settlement and an \$8.1 million pre-tax gain related to the exchange of notes receivable from Ladenburg Thalmann Financial Services Inc. Adjusting for these gains, the Company's net income for 2007 would have been \$57.4 million, or \$0.88 per diluted common share. The results for 2006 included debt conversion expense of \$14.9 million associated with the issuance in June 2006 of additional shares of common stock in connection with the conversion of \$70 million of the Company's 6.25% convertible notes due 2008 and the \$11.5 million decrease in reported income tax expense due to the reduction of the Company's previously established reserves as a result of its July 2006 settlement with the Internal Revenue Service. Adjusting for this debt conversion expense and the adjustment to income tax expense, net income for 2006 would have been \$46.1 million, or \$0.73 per diluted common shares.

Fourth quarter 2007 revenues were \$145.1 million, compared to revenues of \$137.5 million in the fourth quarter 2006. The Company recorded operating income of \$36.9 million in the 2007 fourth quarter, compared to operating income of \$32.6 million in the fourth quarter of 2006. Net income for the 2007 fourth quarter was \$14.2 million, or \$0.22 per diluted common share, compared to net income of \$15.8 million, or \$0.24 per diluted common share, in the 2006 fourth quarter.

For the three months and year ended December 31, 2007, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$144.4 million and \$551.7 million, respectively, compared to \$136.2 million and \$499.5 million for the three months and full year ended December 31, 2006, respectively. Operating income was \$46.0 million for the fourth quarter 2007 and \$159.3 million for the full year 2007, compared to \$44.6 million for the fourth quarter of 2006 and \$140.5 million for the full year 2006. The 2006 fourth quarter and full year results included a pre-tax gain on sale of assets of \$2.2 million.

### Conference Call to Discuss Fourth Quarter and Full Year 2007 Results

As previously announced, the Company will host a conference call and webcast on Monday, March 3, 2008 at 11:00 A.M. (ET) to discuss fourth quarter and full year 2007 results. Investors can access the call by dialing 800-859-8150 and entering 60604104 as the conference ID number. The call will also be available via live webcast at [www.vcall.com](http://www.vcall.com).

A replay of the call will be available shortly after the call ends on March 3, 2008 through March 17, 2008. To access the replay, dial 877-656-8905 and enter 60604104 as the conference ID number. The archived webcast will also be available at [www.vcall.com](http://www.vcall.com) for 30 days.

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

[Financial Table Follows]

###



Contact:  
Paul Caminiti/Carrie Bloom/Jonathan Doorley  
Sard Verbinnen & Co  
212/687 - 8080