



May 6, 2010

## **VECTOR GROUP LTD. COMMENCES 11% SENIOR SECURED NOTE EXCHANGE OFFERS**

**MIAMI, FL, May 6, 2010** -- Vector Group Ltd. (NYSE: VGR) today announced that it has commenced an offer to exchange \$85 million in aggregate principal amount of its 11% Senior Secured Notes due 2015, which were privately placed in September 2009 pursuant to exemptions from registration under the Securities Act of 1933, as amended (the "Securities Act"), for an equal amount of newly issued 11% Senior Secured Notes due 2015 (the "2009 Exchange Notes"). In addition, Vector Group Ltd. today announced that it has commenced an offer to exchange \$75 million in aggregate principal amount of its 11% Senior Secured Notes due 2015, which were privately placed in April 2010 pursuant to exemptions from registration under the Securities Act, for an equal amount of newly issued 11% Senior Secured Notes due 2015 (the "2010 Exchange Notes"). The 2009 Exchange Notes will have substantially the same terms as the notes privately placed in September 2009 and the 2010 Exchange Notes will have substantially the same terms as the notes privately placed in April 2010, except that the 2009 Exchange Notes and the 2010 Exchange Notes will be registered under the Securities Act.

Pursuant to the terms of each exchange offer, Vector Group Ltd. will accept for exchange any and all Original Notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on June 4, 2010 (the "Expiration Date"), unless extended. Tenders of Original Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date.

The terms of the exchange offers and other information relating to Vector Group Ltd. are set forth in the two prospectuses dated May 6, 2010. Copies of the prospectuses and the related letters of transmittal may be obtained from U.S. Bank National Association ("U.S. Bank"), which is serving as the exchange agent in connection with the exchange offers. U.S. Bank's address, telephone number and facsimile number are as follows:

U.S. Bank National Association  
60 Livingston Avenue  
EP-MN-WS3C  
St. Paul, MN 55107-2292  
Attention: Specialized Finance Department  
Phone: (800) 934-6802  
Facsimile: (651) 495-8158

This press release shall not constitute an offer to exchange or a solicitation of an offer to exchange the Original Notes. The exchange offers are made only by the prospectuses dated May 6, 2010.

Vector Group is a holding company that indirectly owns Liggett Group LLC and Vector Tobacco Inc. and directly owns New Valley LLC.

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