



May 5, 2011

VECTOR GROUP REPORTS FIRST QUARTER 2011 FINANCIAL RESULTS

MIAMI, FL, May 5, 2011 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the three months ended March 31, 2011.

First quarter 2011 revenues were \$260.4 million, compared to \$222.1 million for 2010. The Company recorded operating income of \$31.5 million for 2011, compared to operating income of \$31.0 million for 2010. Net income for 2011 was \$19.4 million, or \$0.25 per diluted common share, compared to net income of \$11.9 million, or \$0.14 per diluted common share, for 2010.

For the three months ended March 31, 2011, the Company's tobacco business had revenues of \$260.4 million, compared to \$222.1 million for the three months ended March 31, 2010. Operating income was \$36.4 million for the first quarter 2011, compared to \$34.9 million for the first quarter of 2010.

Conference Call to Discuss First Quarter 2011 Results

As previously announced, the Company will host a conference call and webcast on Friday, May 6, 2011 at 11:00 A.M. (ET) to discuss first quarter results. Investors can access the call by dialing 800-859-8150 and entering 37413326 as the conference ID number. The call will also be available via live webcast at www.investorcalendar.com.

A replay of the call will also be available shortly after the call ends on May 6, 2011 through May 20, 2011. To access the replay, dial 877-656-8905 and enter 37413326 as the conference ID www.investorcalendar.com for 30 days.

Vector Group is a holding company that indirectly owns Liggett Group LLC and Vector Tobacco Inc. and directly owns New Valley LLC. Additional information concerning the company is available on the company's website, www.VectorGroupLtd.com.

[Financial Table Follows]

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

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Revenues*	\$260,378	\$222,087
Expenses:		
Cost of goods sold*	205,177	169,911
Operating, selling, administrative and general expenses	<u>23,725</u>	<u>21,158</u>
Operating income	31,476	31,018
Other income (expenses):		
Interest expense	(24,928)	(18,805)
Change in fair value of derivatives embedded within convertible debt	(575)	(2,714)
Equity income from non-consolidated real estate businesses	4,904	4,571
Gain on the sale of investment securities available for sale....	13,035	4,664
Gain on liquidation of long-term investment	4,136	-
Gain on sale of townhome	3,135	-
Other, net	<u>839</u>	<u>126</u>
Income before provision for income taxes	32,022	18,860
Income tax expense	<u>12,649</u>	<u>6,922</u>
Net income	\$ <u>19,373</u>	\$ <u>11,938</u>
Per basic common share:		
Net income applicable to common shares	<u>\$0.25</u>	<u>\$0.16</u>
Per diluted common share:		
Net income applicable to common shares	<u>\$0.25</u>	<u>\$0.14</u>
Cash distributions and dividends declared per share	<u>\$0.40</u>	<u>\$0.38</u>

*Revenues and Cost of goods sold include excise taxes of \$127,634 and \$111,193, respectively.

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