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): June 19, 2014

VECTOR GROUP LTD.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation)

1-5759	**65-0949535**
(Commission File Number)	(I.R.S. Employer Identification No.)
4400 Biscayne Boulevard, Miami, Florida	**33137**
(Address of Principal Executive Offices)	(Zip Code)

(305) 579-8000
(Registrant's Telephone Number, Including Area Code)

(Not Applicable)
(Former Name or Former Address, if Changed Since Last Report)

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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

Vector Group Ltd. (the "Company") is filing this Current Report on Form 8-K to revise previously reported non-GAAP financial measures in order to give effect to its recent acquisition of an additional 20.59% interest in Douglas Elliman Realty LLC ("Douglas Elliman") by its wholly owned New Valley subsidiary on December 13, 2013. The following non-GAAP financial measures were previously reported in the Company's press releases for the quarterly periods ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013 as well as the annual periods ended December 31, 2013, 2012, 2011 and 2010: Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income. These measures have been revised to give effect to the acquisition of the additional 20.59% interest in Douglas Elliman as if it had occurred at the beginning of each period presented and are presented in Exhibit 99.1.

No revisions were made to the non-GAAP financial measures for the three months ended March 31, 2014 which are included in Exhibit 99.1 from those previously reported in the Company's press release for such period.

Non-GAAP Financial Measures

Pro-forma Adjusted Revenues is defined as Revenues plus the additional revenues as a result of the consolidation of Douglas Elliman plus one-time purchase accounting adjustments to fair value for deferred revenues recorded in connection with the increase of the Company's ownership of Douglas Elliman. EBITDA is defined as Net Income before Interest, Taxes, Depreciation and Amortization. Pro-forma Adjusted EBITDA is EBITDA, as defined above and as adjusted for changes in fair value of derivatives embedded with convertible debt, equity gains (losses) on long-term investments, gains (losses) on sale of investment securities available for sale, equity income from non-consolidated real estate businesses, loss on extinguishment of debt, acceleration of interest expense related to debt conversion, stock-based compensation expense, litigation settlement and judgment expense, impact of the settlement of a dispute related to the Master Settlement Agreement ("MSA"), gains on acquisition of Douglas Elliman, changes to EBITDA as a result of the consolidation of Douglas Elliman and other charges. Pro-forma Adjusted Net Income is defined as Net Income adjusted for acceleration of interest expense related to debt conversion, changes in fair value of derivatives embedded with convertible debt, non-cash amortization of debt discount on convertible debt, loss on extinguishment of 11% senior secured notes due 2015, litigation settlement and judgment expenses, impact of the MSA settlement, interest income from MSA settlement, gain on acquisition of Douglas Elliman, adjustment to reflect 20.59% of net income from Douglas Elliman, out of period adjustments related to Douglas Elliman and Douglas Elliman purchase accounting adjustments. Pro-forma Adjusted Operating Income is defined as Operating Income adjusted for litigation settlement and judgment expenses, impact of the MSA settlement, reclassification of operating income as a result of the consolidation of Douglas Elliman and Douglas Elliman purchase accounting adjustments. The Pro-forma non-GAAP financial measures are presented assuming Vector Group Ltd.'s acquisition of the additional 20.59% interest in Douglas Elliman Realty LLC, and the related purchase accounting adjustments, occurred prior to beginning of each period presented.

Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income are financial measures not prepared in accordance with generally accepted accounting principles ("GAAP"). The Company believes that Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income are important measures that supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance. The Company believes Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income provide investors and analysts with a useful measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Management uses Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income 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 (Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income) of the Company's business. While management considers Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income, and Pro-forma Adjusted Operating Income 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, Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income are susceptible to varying calculations and the Company's measurement of Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income may not be comparable to those of other companies. Included in Exhibit 99.1 attached hereto as Tables 1, 2, 3, and 4 is information for the years ended December 31, 2013, 2012, 2011 and 2010 and the three months ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013 relating to the Company's Pro-forma Adjusted Revenues, Pro-forma Adjusted EBITDA, Pro-forma Adjusted Net Income and Pro-forma Adjusted Operating Income, respectively. Reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measures for the periods above are included in Tables 1, 2, 3 and 4.

Item 7.01 Regulation FD Disclosure.

Vector Group Ltd. has prepared materials for presentations to investors on June 19, 2014 and June 25, 2014. The materials are furnished (not filed) as Exhibit 99.2 to this Current Report on Form 8-K pursuant to Regulation FD.

Item 8.01. Other Events.

As a result of the acquisition of an additional 20.59% interest in Douglas Elliman on December 13, 2013, Vector Group Ltd. is required to disclose real estate revenues and costs separately on the face of its condensed consolidated statements of operations rather than reflect the net results as was reported previously. Effective for the quarterly period ended March 31, 2014, the Company revised prior periods to present its revenues and costs of other consolidated real estate investments, the result of which were previously netted against operating, selling, administrative and general expenses. The revisions on the Company's condensed consolidated statements of operations for the three months ended December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013 as well as the annual periods ended December 31, 2013, 2012, 2011 and 2010 are presented in Exhibit 99.3. The prior period financial statements are not materially misstated and the Company has concluded the revisions are not material to any previously issued financial statements and will be revised in future filings. In addition, the condensed consolidated statements of operations presented in Exhibit 99.3 have been recast to conform to the current year separate presentation of tobacco, real estate, and other operations.

Item 9.01. Financial Statements and Exhibits

(a) Exhibits.

Exhibit No.	Exhibit
99.1	Non-GAAP Financial Measures.
99.2	Investor presentation of Vector Group Ltd., dated June 2014 (furnished pursuant to Regulation FD).
99.3	Selected Financial Data.

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

J. Bryant Kirkland III

Vice President, Treasurer and Chief Financial Officer

Date: June 19, 2014

EXHIBIT 99.1

TABLE 1
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF PRO-FORMA ADJUSTED REVENUES TO REVENUES
(Unaudited)
(Dollars in Thousands)

	For the Three Months Ended				
	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Revenues, as revised	$ 347,236	$ 299,585	$ 277,941	$ 256,226	$ 246,169
Reclassification of revenues as a result of the consolidation of Douglas Elliman (a)	—	100,732	127,537	113,647	74,537
Purchase accounting adjustments (b)	1,654	1,357	—	—	—
Total adjustments	1,654	102,089	127,537	113,647	74,537
Pro-forma Adjusted Revenues	$ 348,890	$ 401,674	$ 405,478	$ 369,873	$ 320,706
Pro-forma Adjusted Revenues by Segment					
Tobacco	$ 233,392	$ 253,303	$ 271,516	$ 249,120	$ 240,402
Real Estate (c)	109,698	148,371	133,962	120,753	80,304
Corporate and Other	5,800	—	—	—	—
Total	$ 348,890	$ 401,674	$ 405,478	$ 369,873	$ 320,706

a. Represents revenues of Douglas Elliman Realty, LLC for the respective three month periods. For the three months ended December 31, 2013, represents revenues of Douglas Elliman Realty, LLC for the period from October 1, 2013 to December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company consolidates the operations and financial position of Douglas Elliman Realty, LLC in its financial statements. The Company had previously accounted for its interest in Douglas Elliman Realty, LLC under the equity method and revenues from Douglas Elliman Realty, LLC were not included in the Company's revenues.

b. Amounts represent one-time purchase accounting adjustments to fair value for deferred revenues recorded in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC on December 13, 2013.

c. Includes Pro-forma Adjusted Revenues from Douglas Elliman Realty, LLC of $107,541, $124,463 $133,386, $119,539 and $78,164 for the three months ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively.

TABLE 1
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF PRO-FORMA ADJUSTED REVENUES TO REVENUES
(Unaudited)
(Dollars in Thousands)

Continued

	Year Ended December 31,			
	2013	2012	2011	2010
Revenues, as revised	$ 1,079,921	$ 1,095,533	$ 1,137,646	$ 1,066,546
Reclassification of revenues as a result of the consolidation of Douglas Elliman (a)	416,453	378,175	346,309	348,136
Purchase accounting adjustments (b)	1,357	—	—	—
Total adjustments	417,810	378,175	346,309	348,136
Pro-forma Adjusted Revenues, as revised	$ 1,497,731	$ 1,473,708	$ 1,483,955	$ 1,414,682
Pro-forma Adjusted Revenues by Segment				
Tobacco	$ 1,014,341	$ 1,084,546	$ 1,133,380	$ 1,063,289
Real Estate (c)	483,390	389,162	350,575	351,393
Corporate and Other	—	—	—	—
Total	$ 1,497,731	$ 1,473,708	$ 1,483,955	$ 1,414,682

a. Represents revenues of Douglas Elliman Realty, LLC for the respective annual periods. For the year ended December 31, 2013, represents revenues from Douglas Elliman Realty, LLC for the period from January 1, 2013 to December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company consolidates the operations and financial position of Douglas Elliman Realty, LLC in its financial statements. The Company had previously accounted for its interest in Douglas Elliman Realty, LLC under the equity method and revenues from Douglas Elliman Realty, LLC was not included in the Company's revenues.
b. Amounts represent one-time purchase accounting adjustments to fair value for deferred revenues recorded in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC on December 13, 2013.
c. Includes Pro-forma Adjusted Revenues from Douglas Elliman Realty, LLC of $455,552, $384,267, $346,309, and $348,136 for the years ended December 31, 2013, 2012, 2011, and 2010, respectively.

TABLE 2
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF PRO-FORMA ADJUSTED EBITDA ATTRIBUTED TO VECTOR GROUP LTD. TO NET INCOME (LOSS) ATTRIBUTED TO VECTOR GROUP LTD.
(Unaudited)
(Dollars in Thousands)

	Three Months Ended				
	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Net income (loss) attributed to Vector Group Ltd.	$ 2,580	$ 64,005	$ (36,891)	$ 13,511	$ (1,681)
Interest expense	35,453	33,102	33,583	32,086	33,376
Income tax expense (benefit)	2,942	34,082	(18,969)	10,017	(335)
Net income attributed to non-controlling interest	949	—	—	—	—
Depreciation and amortization	7,092	4,626	2,772	2,637	2,596
EBITDA	$ 49,016	$ 135,815	$ (19,505)	$ 58,251	$ 33,956
Change in fair value of derivatives embedded within convertible debt (a)	1,650	(10,636)	(2,800)	(2,450)	(3,049)
Equity (gain) loss on long-term investments (b)	(906)	(1,296)	53	(846)	23
Loss (gain) on sale of investment securities available for sale	53	(42)	99	197	(5,406)
Equity income from non-consolidated real estate businesses (c)	(1,552)	(6,151)	(9,489)	(6,804)	(481)
Loss on extinguishment of debt	—	—	—	—	21,458
Acceleration of interest expense related to debt conversion	3,679	12,414	—	—	—
Stock-based compensation expense (d)	523	586	678	686	569
Litigation settlement and judgment expense (e)	1,500	193	87,913	—	—
Impact of MSA Settlement (f)	—	(860)	(4,016)	(1,345)	(5,602)
Gain on acquisition of Douglas Elliman	—	(60,842)	—	—	—
Reclassification of EBITDA as a result of the consolidation of Douglas Elliman (g)	—	13,804	18,359	13,554	923
Other, net	(2,126)	(2,399)	(2,871)	(1,471)	(809)
Pro-forma Adjusted EBITDA	$ 51,837	$ 80,586	$ 68,421	$ 59,772	$ 41,582
Pro-forma Adjusted EBITDA attributed to non-controlling interest	(2,172)	(4,060)	(5,399)	(3,986)	(271)
Pro-forma Adjusted EBITDA attributed to Vector Group Ltd.	$ 49,665	$ 76,526	$ 63,022	$ 55,786	$ 41,311
Pro-forma Adjusted EBITDA by Segment					
Tobacco	$ 46,915	$ 51,746	$ 53,849	$ 49,323	$ 43,948
Real Estate (h)	9,091	33,235	17,447	13,299	1,137
Corporate and Other	(4,169)	(4,395)	(2,875)	(2,850)	(3,503)
Total	$ 51,837	$ 80,586	$ 68,421	$ 59,772	$ 41,582
Pro-forma Adjusted EBITDA Attributed to Vector Group by Segment					
Tobacco	$ 46,915	$ 51,746	$ 53,849	$ 49,323	$ 43,948
Real Estate (i)	6,919	29,175	12,048	9,313	866
Corporate and Other	(4,169)	(4,395)	(2,875)	(2,850)	(3,503)
Total	$ 49,665	$ 76,526	$ 63,022	$ 55,786	$ 41,311

a. Represents income or losses recognized from changes in the fair value of the derivatives embedded in the Company's convertible debt.
b. Represents income or losses recognized on long-term investments that the Company accounts for under the equity method.
c. Represents equity income 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 accrual for a settlement of an *Engle* progeny judgment.
f. Represents the Company's tobacco business's settlement of a long-standing dispute related to the Master Settlement Agreement.
g. Represents EBITDA of Douglas Elliman Realty, LLC for all periods before December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company consolidates the operations and financial position of Douglas Elliman Realty, LLC in its financial statements. The C

ompany had previously accounted for its interest in Douglas Elliman Realty, LLC under the equity method, and operating income as well as depreciation and amortization expense from Douglas Elliman Realty, LLC, were not included in the Company's Adjusted EBITDA.

h. Includes $7,386, $13,169, $18,395, $13,465, and $681 of Pro-forma Adjusted EBITDA for Douglas Elliman Realty, LLC for the three months ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively. Amounts reported in this footnote reflect 100% of Douglas Elliman Realty, LLC's entire Pro-forma Adjusted EBITDA.

i. Includes $5,214, $9,109, $12,996, $9,479, and $410 of Pro-forma Adjusted EBITDA for Douglas Elliman Realty, LLC less non-controlling interest for the three months ended March 31, 2014, December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013, respectively. Amounts reported in this footnote have adjusted Douglas Elliman Realty, LLC's Pro-forma Adjusted EBITDA for minority interest.

TABLE 2
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF PRO-FORMA ADJUSTED EBITDA ATTRIBUTED TO VECTOR GROUP LTD. TO NET INCOME ATTRIBUTED TO VECTOR GROUP LTD.
(Unaudited)
(Dollars in Thousands)
Continued

	Year Ended December 31,			
	2013	2012	2011	2010
Net income attributed to Vector Group Ltd.	$ 38,944	$ 30,622	$ 75,020	$ 54,084
Interest expense	132,147	110,102	100,706	84,096
Income tax expense	24,795	23,095	48,137	31,486
Depreciation and amortization	12,631	10,608	10,607	10,790
EBITDA	$ 208,517	$ 174,427	$ 234,470	$ 180,456
Change in fair value of derivatives embedded within convertible debt (a)	(18,935)	7,476	(7,984)	(11,524)
Gain on liquidation of long-term investments	—	—	(25,832)	—
Equity (gain) loss on long-term investments (b)	(2,066)	1,261	859	(1,489)
Gain on sale of investment securities available for sale	(5,152)	(1,640)	(23,257)	(19,869)
Equity income from non-consolidated real estate businesses (c)	(22,925)	(29,764)	(19,966)	(23,963)
Gain on sale of townhomes	—	—	(3,843)	—
Loss on extinguishment of debt	21,458	—	1,217	—
Acceleration of interest expense related to debt conversion	12,414	14,960	—	—
Stock-based compensation expense (d)	2,519	5,563	3,183	2,704
Litigation settlement and judgment expense (e)	88,106	—	—	19,161
Impact of MSA Settlement (f)	(11,823)	—	—	—
Gain on acquisition of Douglas Elliman	(60,842)	—	—	—
Reclassification of EBITDA as a result of the consolidation of Douglas Elliman (g)	46,640	31,558	30,991	44,778
Other, net	(7,550)	(1,179)	(1,736)	(1,508)
Pro-forma Adjusted EBITDA	$ 250,361	$ 202,662	$ 188,102	$ 188,746
Pro-forma Adjusted EBITDA attributed to non-controlling interest	(13,717)	(9,281)	(9,114)	(13,169)
Pro-forma Adjusted EBITDA attributed to Vector Group Ltd.	$ 236,644	$ 193,381	$ 178,988	$ 175,577
Pro-forma Adjusted EBITDA by Segment				
Tobacco	$ 198,866	$ 185,798	$ 173,721	$ 157,528
Real Estate (h)	65,118	29,959	29,388	44,445
Corporate and Other	(13,623)	(13,095)	(15,007)	(13,227)
Total	$ 250,361	$ 202,662	$ 188,102	$ 188,746
Pro-forma Adjusted EBITDA Attributed to Vector Group by Segment				
Tobacco	$ 198,866	$ 185,798	$ 173,721	$ 157,528
Real Estate (i)	51,401	20,678	20,274	31,276
Corporate and Other	(13,623)	(13,095)	(15,007)	(13,227)
Total	$ 236,644	$ 193,381	$ 178,988	$ 175,577

a. Represents income or losses recognized from changes in the fair value of the derivatives embedded in the Company's convertible debt.
b. Represents income or losses recognized on long-term investments that the Company accounts for under the equity method.
c. Represents equity income 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 accrual for a settlement of an *Engle* progeny judgment.
f. Represents the Company's tobacco business's settlement of a long-standing dispute related to the Master Settlement Agreement.
g. Represents EBITDA of Douglas Elliman Realty, LLC for all periods prior to December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013,

the Company consolidates the operations and financial position of Douglas Elliman Realty, LLC in its financial statements. The Company had previously accounted for its interest in Douglas Elliman Realty, LLC under the equity method, and operating income as well as depreciation and amortization expense from Douglas Elliman Realty, LLC, were not included in the Company's Adjusted EBITDA.

h. Includes $45,710, $30,910, $30,991 and $44,778 of Pro-forma Adjusted EBITDA for Douglas Elliman Realty, LLC for the years ended December 31 2013, 2012, 2011, and 2010, respectively. Amounts reported in this footnote reflect 100% of Douglas Elliman Realty, LLC's entire Pro-forma Adjusted EBITDA.

i. Includes $31,993, $21,629, $21,877 and $31,609 of Pro-forma Adjusted EBITDA for Douglas Elliman Realty, LLC less non-controlling interest for the years ended December 31 2013, 2012, 2011, and 2010, respectively. Amounts reported in this footnote have adjusted Douglas Elliman Realty, LLC's Pro-forma Adjusted EBITDA for minority interest.

TABLE 3
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF PRO-FORMA ADJUSTED NET INCOME ATTRIBUTED TO VECTOR GROUP LTD. TO NET INCOME (LOSS) ATTRIBUTED TO VECTOR GROUP LTD.
(Unaudited)
(Dollars in Thousands, Except Per Share Amounts)

	Three Months Ended				
	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Net income (loss) attributed to Vector Group Ltd.	$ 2,580	$ 64,005	$ (36,891)	$ 13,511	$ (1,681)
Acceleration of interest expense related to debt conversion	3,679	12,414	—	—	—
Change in fair value of derivatives embedded within convertible debt	1,650	(10,636)	(2,800)	(2,450)	(3,049)
Non-cash amortization of debt discount on convertible debt	12,456	10,946	9,620	8,464	7,348
Loss on extinguishment of 11% Senior Secured Notes due 2015	—	—	—	—	21,458
Litigation settlement and judgment expense (a)	1,500	193	87,913	—	—
Impact of MSA Settlement (b)	—	(860)	(4,016)	(1,345)	(5,602)
Interest income from MSA Settlement (b)	—	—	(1,971)	—	—
Gain on acquisition of Douglas Elliman Realty, LLC (c)	—	(60,842)	—	—	—
Adjustment to reflect additional 20.59% of net income from Douglas Elliman Realty, LLC (c)	—	2,467	3,500	2,571	19
Out-of-period adjustment related to Douglas Elliman acquisition in 2013 (d)	(1,231)	—	—	—	—
Douglas Elliman Realty, LLC purchase accounting adjustments (e)	2,356	1,165	—	—	—
Total adjustments	20,410	(45,153)	92,246	7,240	20,174
Tax (expense) benefit related to adjustments	(8,440)	18,332	(37,445)	(2,947)	(7,407)
Pro-forma Adjusted Net Income attributed to Vector Group Ltd.	$ 14,550	$ 37,184	$ 17,910	$ 17,804	$ 11,086
Per diluted common share:					
Pro-forma Adjusted Net Income applicable to common shares attributed to Vector Group Ltd.	$ 0.15	$ 0.36	$ 0.19	$ 0.19	$ 0.12

a. Represents accrual for a settlement of an *Engle* progeny judgment.
b. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.
c. Represents 20.59% of Douglas Elliman Realty LLC's net income from October 1, 2013 to December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company includes an additional 20.59% of Adjusted Net Income from Douglas Elliman Realty, LLC in the Company's Adjusted Net Income.
d. Represents an out-of-period adjustment related to a non-accrual of a receivable from Douglas Elliman in the fourth quarter of 2013 which would have increased the Company's gain on acquisition of Douglas Elliman in 2013.
e. Amounts represent 70.59% of one-time purchase accounting adjustments to fair value for assets acquired in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC on December 13, 2013.

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

	Year Ended December 31,			
	2013	2012	2011	2010
Net income attributed to Vector Group Ltd.	$ 38,944	$ 30,622	$ 75,020	$ 54,084
Acceleration of interest expense related to debt conversion	12,414	14,960	1,217	—
Change in fair value of derivatives embedded within convertible debt	(18,935)	7,476	(7,984)	(11,524)
Non-cash amortization of debt discount on convertible debt	36,378	18,016	10,441	6,967
Loss on extinguishment of 11% Senior Secured Notes due 2015	21,458	—	—	—
Litigation settlement and judgment expense (a)	88,106	—	—	19,161
Impact of MSA Settlement (b)	(11,823)	—	—	—
Interest income from MSA Settlement (c)	(1,971)	—	—	—
Gain on acquisition of Douglas Elliman Realty, LLC (d)	(60,842)	—	—	—
Adjustment to reflect additional 20.59% of net income from Douglas Elliman Realty, LLC (e)	8,557	5,947	5,811	8,509
Douglas Elliman Realty, LLC purchase accounting adjustments (f)	1,165	—	—	—
Gain on liquidation of long-term investments	—	—	(25,832)	—
Gain on townhomes	—	—	(3,843)	—
Total adjustments	74,507	46,399	(20,190)	23,113
Tax (expense) benefit related to adjustments	(29,467)	(19,332)	8,197	(9,384)
Pro-forma Adjusted Net Income attributed to Vector Group Ltd.	$ 83,984	$ 57,689	$ 63,027	$ 67,813
Per diluted common share:				
Pro-forma Adjusted Net Income applicable to common shares attributed to Vector Group Ltd.	$ 0.89	$ 0.64	$ 0.71	$ 0.77

a. Represents accrual for a settlement of an *Engle* progeny judgment.
b. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.
c. Represents interest income from the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.
d. Represents gain associated with the increase of ownership of Douglas Elliman Realty, LLC.
e. Represents 20.59% of Douglas Elliman Realty LLC's net income from January 1, 2013 to December 13, 2013 and the years ended December 31, 2012, 2011, and 2010. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company includes an additional 20.59% of Adjusted Net Income from Douglas Elliman Realty, LLC in the Company's Adjusted Net Income.
f. Amounts represents 70.59% of one-time purchase accounting adjustments to fair value for assets acquired in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC on December 13, 2013.

TABLE 4
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF PRO-FORMA ADJUSTED OPERATING INCOME TO OPERATING INCOME (LOSS)
(Unaudited)
(Dollars in Thousands)

	Three Months Ended				
	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Operating income (loss)	$ 42,722	$ 61,985	$ (37,285)	$ 44,240	$ 43,096
Litigation settlement and judgment expense (a)	1,500	193	87,913	—	—
Impact of MSA Settlement (b)	—	(860)	(4,016)	(1,345)	(5,602)
Reclassification of operating income as a result of the consolidation of Douglas Elliman Realty, LLC (c)	—	12,873	17,317	12,514	(106)
Douglas Elliman purchase accounting adjustments (d)	3,337	1,650	—	—	—
Total adjustments	4,837	13,856	101,214	11,169	(5,708)
Pro-forma Adjusted Operating Income (e)	$ 47,559	$ 75,841	$ 63,929	$ 55,409	$ 37,388

a. Represents accrual for a settlement of an *Engle* progeny judgment.
b. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.
c. Represents Adjusted Operating Income of Douglas Elliman Realty, LLC for all periods prior to December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company consolidates the operations and financial position of Douglas Elliman Realty in its financial statements. The Company had previously accounted for its interest in Douglas Elliman under the equity method and operating income from Douglas Elliman Realty, LLC was not included in the Company's operating income.
d. Amounts represent one-time purchase accounting adjustments to fair value for assets acquired in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC on December 13, 2013.
e. Does not include a reduction for 29.41% non-controlling interest in Douglas Elliman Realty, LLC.

TABLE 4
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF PRO-FORMA ADJUSTED OPERATING INCOME TO OPERATING INCOME
(Unaudited)
(Dollars in Thousands)

	Year Ended December 31,			
	2013	2012	2011	2010
Operating income	$ 112,036	$ 154,933	$ 143,321	$ 111,313
Litigation settlement and judgment expense (a)	88,106	—	—	19,161
Impact of MSA Settlement (b)	(11,823)	—	—	—
Reclassification of operating income as a result of the consolidation of Douglas Elliman Realty, LLC (c)	42,598	27,894	27,299	40,767
Douglas Elliman purchase accounting adjustments (d)	1,650	—	—	—
Total adjustments	120,531	27,894	27,299	59,928
Pro-forma Adjusted Operating Income (e)	$ 232,567	$ 182,827	$ 170,620	$ 171,241

a. Represents accrual for a settlement of an *Engle* progeny judgment.
b. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.
c. Represents Adjusted Operating Income of Douglas Elliman Realty, LLC for all periods prior to December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company consolidates the operations and financial position of Douglas Elliman Realty in its financial statements. The Company had previously accounted for its interest in Douglas Elliman under the equity method and operating income from Douglas Elliman Realty, LLC was not included in the Company's operating income.
d. Amounts represent one-time purchase accounting adjustments to fair value for assets acquired in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC on December 13, 2013.
e. Does not include a reduction for 29.41% non-controlling interest in Douglas Elliman Realty, LLC.

Vector Group Ltd.

Investor Presentation

June 2014

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The following presentation may contain "forward-looking statements," including any statements that may be contained in the presentation that reflect our expectations or beliefs with respect to future events and financial performance, such as the expectation that the tobacco transition payment program could yield substantial incremental free cash flow. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement made by or on behalf of the Company, including the risk that changes in our capital expenditures impact our expected free cash flow and the other risk factors described in our annual report on Form 10-K for the year ended December 31, 2013 and our quarterly report on Form 10-Q for the quarter ended March 31, 2014 as filed with the SEC.

Results actually achieved may differ materially from expected results included in these forward-looking statements as a result of these or other factors. Due to such uncertainties and risks, potential investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date on which such statements are made. The Company disclaims any obligation to, and does not undertake to, update or revise and forward-looking statements in this presentation.

Key Management

Name	Position	Years at Company
Howard M. Lorber	President and Chief Executive Officer	20
Richard J. Lampen	Executive Vice President	19
J. Bryant Kirkland III	Vice President, Chief Financial Officer and Treasurer	22
Marc N. Bell	Vice President, General Counsel and Secretary	20
Ronald J. Bernstein	President and Chief Executive Officer of Liggett Group LLC and Liggett Vector Brands LLC	23

Introduction

- **2013 was a transformational year for Vector**
  - Increased ownership stake in Douglas Elliman Realty, LLC ("Douglas Elliman"), the fourth-largest residential real estate brokerage in the United States and the largest residential brokerage in the New York metropolitan area, from 50% to 70.59% for $60 million
  - Reached a settlement with approximately 4,900 *Engle* progeny plaintiffs, which represented the overwhelming majority of Liggett's pending litigation
  - Introduced *Eagle 20's*, a deep discount cigarette brand positioned for long-term growth, and *Zoom* e-cigarettes
  - Invested approximately $75.0 million in non-consolidated real estate investments through New Valley LLC ("New Valley"), Vector's wholly-owned real estate subsidiary
  - Completed a $450.0 million Senior Secured Notes offering which refinanced existing Senior Secured Notes and extended maturities until 2021
  - Paid cash dividend to stockholders for the 19th consecutive year and 5% stock dividend to stockholders for the 15th consecutive year
- **Vector has continued to show strong results thus far in 2014**
  - Vector Pro-Forma Adjusted EBITDA of $245.0 million for the LTM period ended March 31, 2014[(1)]
  - Adjusted EBITDA for the Company's tobacco segment ("Tobacco Adjusted EBITDA") of $201.8 million for the LTM period ended March 31, 2014[(2)]
  - In March 2014, Vector completed a $258.75 million Convertible Senior Notes offering and, in April 2014, Vector executed a $150 million tack-on to its existing Senior Secured Notes
    - Net proceeds of both offerings will be used for general corporate purposes including additional investments in real estate through Vector's New Valley subsidiary

(1) Pro-Forma Adjusted EBITDA is presented assuming Vector's acquisition of its additional 20.59% interest in Douglas Elliman, and the related purchase accounting adjustments, occurred prior to January 1, 2013. Please refer to the Appendix for additional detail including a reconciliation to net income as calculated under U.S. GAAP.

(2) All "Liggett" and "Tobacco" financial information in this presentation includes the operations of Liggett Group LLC, Vector Tobacco Inc., Liggett Vector Brands LLC and Zoom e-Cigs LLC unless otherwise noted. Tobacco Adjusted EBITDA is defined as Operating Income plus D&A excluding one-time restructuring, litigation charges and other one-time gains from litigation settlements.

Key Investment Highlights

- **Historically strong financial performance**
  - Vector Pro-Forma Adjusted EBITDA of $245.0 million and Tobacco Adjusted EBITDA of $201.8 million for the LTM period ended March 31, 2014[(1)]
- **Key price advantage resulting from Master Settlement Agreement ("MSA")[(2)]**
  - Current price advantage of 62 cents per pack compared to the three largest U.S. tobacco companies and quality advantage compared to smaller firms[(3)]
  - MSA exemption worth approximately $162 million in 2013
- **2014 expiration of the Tobacco Transition Payment Program (TTPP) could yield substantial incremental free cash flow**
  - Approximately $28.7 million based on Liggett's 2013 TTPP payments
- **Diversified New Valley assets**
  - Pro-Forma Adjusted Revenues and Pro-Forma Adjusted EBITDA from Douglas Elliman Realty, LLC of $449.5 million and $52.4 million for the LTM period ended March 31, 2014[(4)]
  - Broad portfolio of consolidated and non-consolidated domestic and international real estate investments
- **Substantial liquidity with cash, marketable securities and long-term investments of $601.9 million as of March 31, 2014[(5)]**
- **Proven management team with substantial equity ownership**
  - Approximately 17.3% director and executive officer owned[(6)]

(1) Refer to the Appendix hereto for a reconciliation to net income as calculated under U.S. GAAP.

(2) In 1998, various tobacco companies, including Liggett and the four largest U.S. cigarette manufacturers, Philip Morris, Brown & Williamson, R.J. Reynolds and Lorillard, entered into the Master Settlement Agreement ("MSA") with 46 states, the District of Columbia, Puerto Rico and various other territories to settle their asserted and unasserted health care cost recovery and certain other claims caused by cigarette smoking (Brown & Williamson and R.J. Reynolds merged in 2004 to form Reynolds American). Pursuant to the MSA, Liggett has no payment obligations unless its market share exceeds a market share exemption of approximately 1.65% of total cigarettes sold in the United States, and Vector Tobacco has no payment obligations unless its market share exceeds a market share exemption of approximately 0.28% of total cigarettes sold in the United States.

(3) Price advantage applies only to cigarettes sold below applicable market share exemption.

(4) Pro-Forma Adjusted Revenues and Adjusted EBITDA are presented assuming Vector's acquisition of its additional 20.59% interest in Douglas Elliman, and the related purchase accounting adjustments, occurred prior to January 1, 2013.

(5) Excludes real estate investments.

(6) Excludes 3,209,850 shares lent under the Share Lending Agreement between the Company and Jefferies LLC.

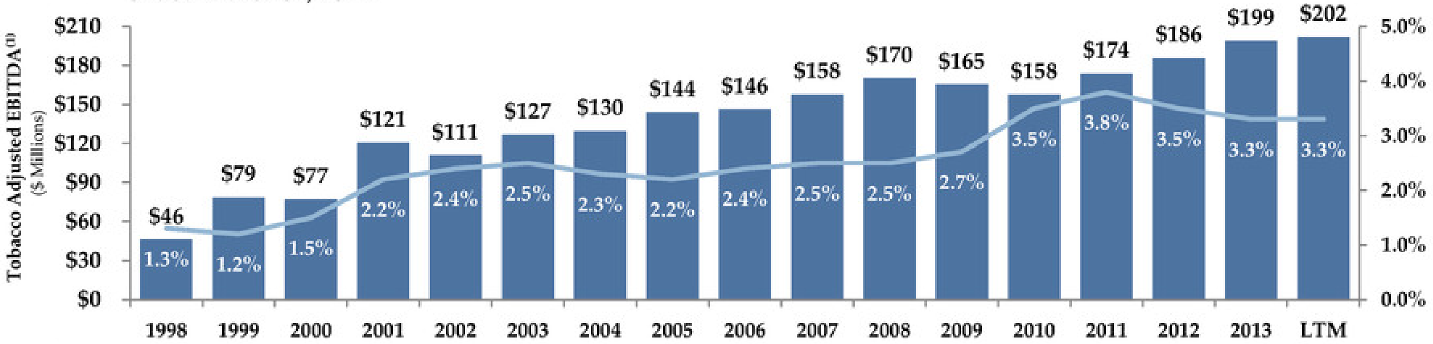
Tobacco Operations

Liggett Overview

- Fourth-largest U.S. tobacco company; founded in 1873
  - Core Discount Brands –*Pyramid, Grand Prix, Liggett Select, Eve* and *Eagle 20's*
  - Partner Brands – *USA, Bronson* and *Tourney*
- Consistent and strong cash flow
  - Tobacco Adjusted EBITDA of $201.8 million for the LTM period ended March 31, 2014
  - Low capital requirements with capital expenditures of $12.4 million related to tobacco operations for the LTM period ended March 31, 2014
  - 2014 expiration of the TTPP could yield substantial incremental free cash flow
    - Approximately $28.7 million based on Liggett's 2013 TTPP payments
- Current price advantage of 62 cents per pack compared to the three largest U.S. tobacco companies expected to maintain volume and drive profit in core brands
  - Pursuant to the MSA, Liggett has no payment obligations unless its market share exceeds a market share exemption of approximately 1.65% of total cigarettes sold in the United States, and Vector Tobacco has no payment obligations unless its market share exceeds a market share exemption of approximately 0.28% of total cigarettes sold in the United States
  - MSA exemption worth approximately $162 million in 2013 for Liggett and Vector Tobacco
- Recently entered the emerging electronic cigarette market with *Zoom* brand e-cigarettes

Liggett History

1998	Signed the MSA, as a Subsequent Participating Manufacturer, which established ongoing price advantage versus the three largest U.S. tobacco companies
1999	Introduced the deep discount brand *Liggett Select* taking advantage of the Company's price advantage versus the three largest U.S. tobacco companies
2000	Relocated to a state-of-the-art manufacturing facility in Mebane, North Carolina to enhance quality and efficiency
2002	Purchased the Medallion Company, Inc. with approximately 0.28% market share exemption. Acquired the *USA* brand as part of this transaction and subsequently entered into a partner brand agreement with Wawa
2005	Launched the deep discount brand *Grand Prix*, which quickly experienced widespread adoption
2009	In response to a large Federal Excise Tax increase, Liggett repositioned *Pyramid* as a low-price, box-only brand
2013	Introduced *Eagle 20's*, a brand positioned in the deep discount segment for long-term growth, and *Zoom* e-Cigarettes
Today	Liggett focuses on margin enhancement resulting in continued earnings growth with Tobacco Adjusted EBITDA reaching a high of $198.9 million for the fiscal year ended December 31, 2013 and $201.8 million for the LTM period ended March 31, 2014



(1) Adjusted for restructuring, factory relocation and litigation charges, as well as one-time gains.
Note: The Liggett and Vector Tobacco businesses have been combined into a single segment for all periods since 2007.

Litigation and Regulatory Update

Litigation Update

- Liggett has historically led the industry in acknowledging the addictive properties of nicotine while seeking a legislated settlement of litigation
- On October 23, 2013, Liggett reached a settlement with approximately 4,900 *Engle* progeny plaintiffs, which represented the overwhelming majority of Liggett's pending litigation
  - Liggett has agreed to pay $110 million including $2.1 million in December 2013, $59.5 million in February 2014 and the balance paid in installments over the next 14 years
  - Approximately 400 *Engle* plaintiffs did not participate in the settlement
  - There are presently another seven cases under appeal, and the range of loss in these cases is up to $18.5 million
- Liggett continues to aggressively fight all remaining individual and third-party payor actions
  - Liggett has secured approximately $5.3 million in outstanding bonds related to adverse verdicts which were on appeal as of March 31, 2014

Regulatory Update

- Since 1998, the MSA has restricted the advertising and marketing of tobacco products
- In 2009, Family Smoking Prevention and Tobacco Control Act granted the FDA power to regulate the manufacture, sale, marketing and packaging of tobacco products
  - FDA is prohibited from issuing regulations which ban cigarettes
- Current Federal Excise Tax of $1.01/pack (since April 1, 2009)
- Additional state and municipal excise taxes
- The TTPP, also known as the tobacco quota buyout, was established in 2004 and is scheduled to expire at the end of 2014
  - In 2013, Liggett was required to pay approximately $28.7 million under the TTPP

Real Estate Operations

New Valley Consolidated Real Estate Investments

- **Consolidated Real Estate Investments (as of March 31, 2014)**
  - Douglas Elliman Realty, LLC (70.59% owned by New Valley LLC):
    - Largest residential brokerage company in the New York metropolitan area and ranked as the fourth-largest residential brokerage company in the U.S. in 2012 based on closed sales volume
    - Also offers relocation services, title and settlement services, residential property management services and loan originations through various subsidiaries
    - Pro-Forma Adjusted Revenues and Pro-Forma Adjusted EBITDA for Douglas Elliman Realty, LLC of $449.5 million and $52.4 million for the fiscal year ended March 31, 2014(1)

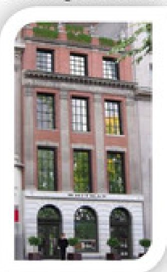
	New York City	Long Island & Westchester County	South Florida
Agents	2,504	2,009	336
Offices	21	42	6
LTM 3/31/14 Real Estate Sales	$10.5 Billion	$4.7 Billion	$0.8 Billion

  - Additional consolidated real estate investments include:
    - *Escena*, a master planned community in Palm Springs, which presently has 667 residential lots
      - In October 2013, New Valley sold 200 lots for $22.7 million and reported a gain of $20.2 million
    - *Indian Creek*, a residential real estate conversion project in Indian Creek Village, Florida, which was sold in March 2014

(1) Pro-Forma Adjusted Revenues and Adjusted EBITDA are presented assuming Vector's acquisition of its additional 20.59% interest in Douglas Elliman, and the related purchase accounting adjustments, occurred prior to January 1, 2013.

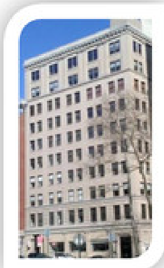
New Valley Non-consolidated Real Estate Investments

- **Condominiums and Mixed Use Developments (as of March 31, 2014)**
  - ***Sesto Holdings S.r.l.*** – New Valley owns a 6% interest in entity that owns a 322-acre land plot in Milan, Italy
  - ***1107 Broadway*** – New Valley has a 5% interest in the owner of 1107 Broadway, a luxury residential condominium in the Flatiron District/ NoMad neighborhood of Manhattan
  - ***The Whitman*** – New Valley has an approximate 12% interest in a joint venture which developed a luxury condominium in the Flatiron District / NoMad neighborhood of Manhattan. Construction has been completed and three of four units have been sold
  - ***The Marquand*** – New Valley owns an approximate 19% interest in 11 East 68th Street, also known as The Marquand located on 68th Street between Fifth Avenue and Madison Avenue in Manhattan
  - ***11 Beach Street*** – New Valley owns an approximate 49.5% interest in a Manhattan luxury residential condominium conversion project located in the TriBeCa neighborhood
  - ***701 Seventh Avenue*** – New Valley owns an approximate 7% interest in a joint venture that is developing a 340,000 square foot multi-use project in the Times Square submarket
  - ***101 Murray Street*** – New Valley owns an approximate 25% interest (and a related note receivable) in a joint venture that is developing a mixed-used property that includes both commercial space and a 150-unit luxury residential condominum in TriBeCa
  - ***Leroy Street*** – New Valley owns an approximate 2.5% interest in a development site in the West Greenwich Village
  - ***8701 Collins Avenue*** – New Valley owns a 15% interest in the Howard Johnson's Dezerland Beach hotel in Miami Beach, which is being redeveloped into a modern hotel and residential condominium



The Whitman – Flatiron / NoMad

701 Seventh Ave – Times Square



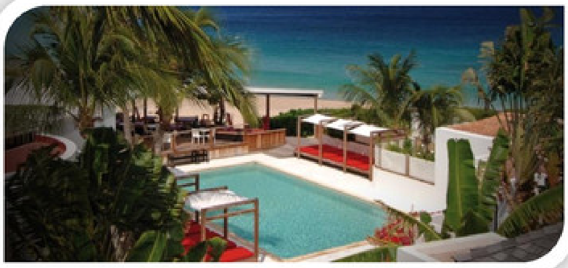
11 Beach St - TriBeCa

8701 Collins Ave – Miami Beach

New Valley Non-consolidated Real Estate Investments (cont'd)

- **Apartment Buildings and Hotels (as of March 31, 2014)**
  - ***Queens Plaza*** – New Valley owns an approximate 45% interest in a joint venture that plans to develop a new apartment tower with 287,000 square feet of residential space and 10,000 square feet of retail space in Queens, New York
  - ***Maryland Portfolio*** – New Valley owns an approximate 7.5% indirect interest in joint venture that owns a portfolio of approximately 5,500 apartment units primarily located in Baltimore County, Maryland
  - ***ST Residential*** – New Valley owns a 16% interest in four Class A multi-family rental assets with Winthrop Realty Trust. The properties are located in Texas, Arizona, California and Connecticut and include 761 apartment units and additional retail space
  - ***Chrystie Street*** – New Valley owns an approximate 18% interest in a joint venture that plans to develop a 29-story mixed use property with an Ian Schrager-branded boutique hotel in lower Manhattan
  - ***Park Lane Hotel*** – New Valley owns an approximate 5% interest in a joint venture that has agreed to acquire the Park Lane Hotel from the Helmsley Family Trust and Estate and to redevelop the property as a hotel and luxury residential condominiums
  - ***Hotel Taiwana*** – New Valley owns an approximate 17% interest in Hill Street Partners LLP which owns a recently renovated hotel in St. Barts, French West Indies
  - ***Coral Beach*** – New Valley owns a 49% interest in a joint venture that has acquired and plans to redevelop the Coral Beach and Tennis Club in Bermuda

Park Lane Hotel – Midtown Manhattan



Hotel Taiwana - St. Barth, French West Indies

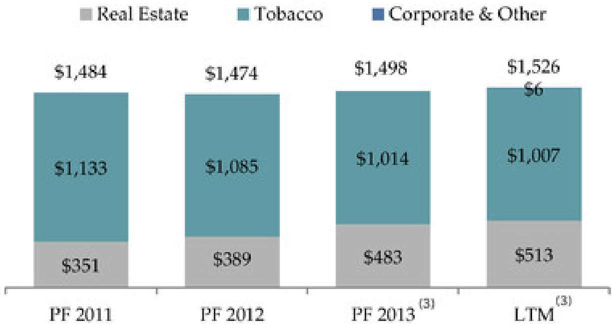
Coral Beach and Tennis Club - Bermuda

Vector Group Ltd. Financial Summary

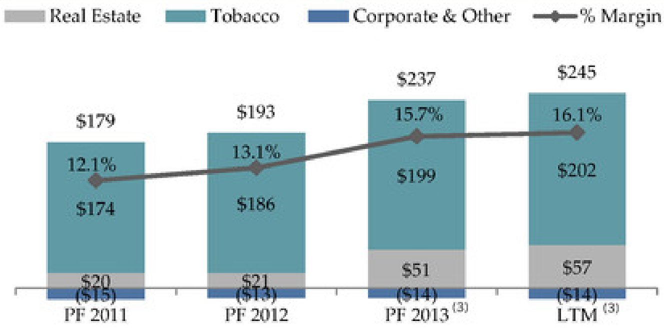
Pro-Forma Historical Financial Data

($ Millions)

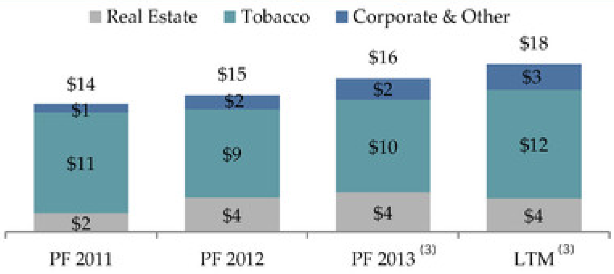
Pro-Forma Adjusted Revenues (1)



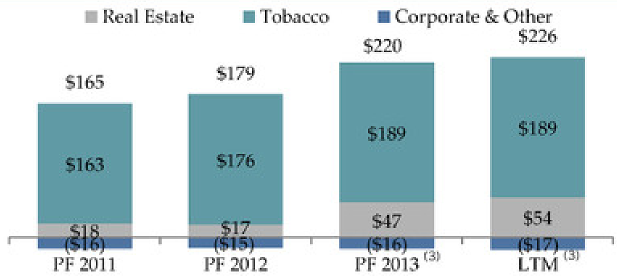
Pro-Forma Adjusted EBITDA(2)



Pro-Forma Capital Expenditures



Pro-Forma Free Cash Flow(4)



Note: Pro-Forma financials are presented assuming Vector's acquisition of its additional 20.59% interest in Douglas Elliman, and the related purchase accounting adjustments, occurred at the beginning of each period presented.

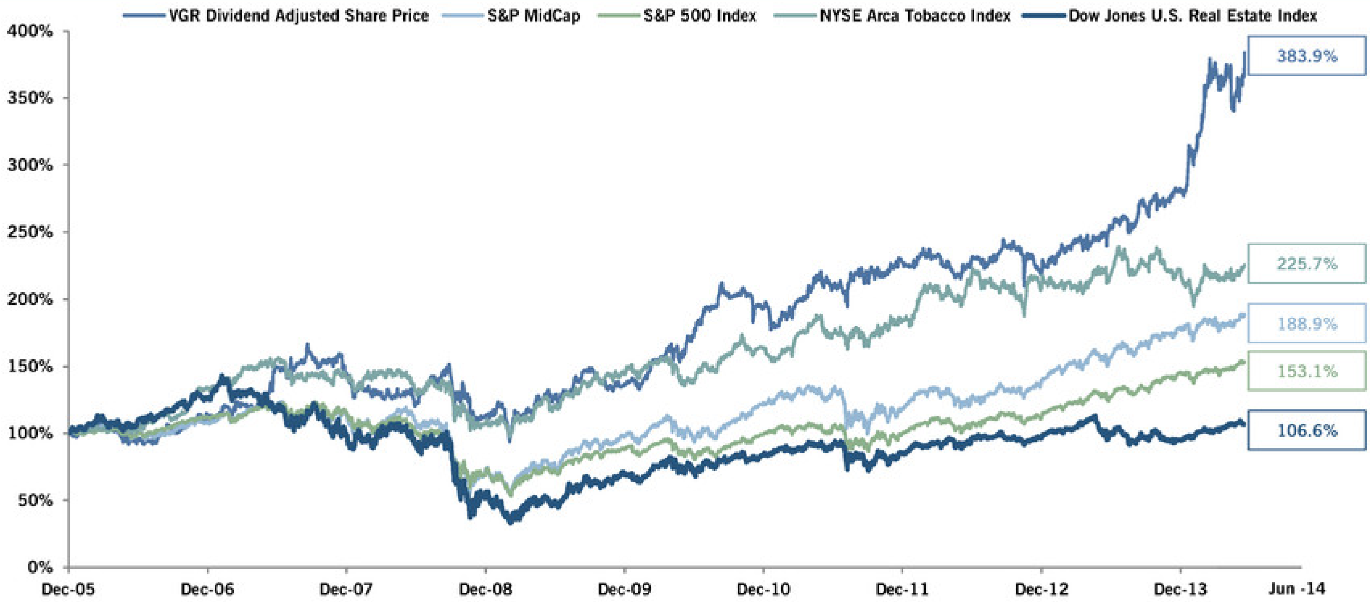
(1) *Amounts include one-time purchase accounting adjustments to fair value for deferred revenues recorded in connection with the increase of the Company's ownership of Douglas Elliman on December 13, 2013.*

(2) *Pro-Forma Adjusted EBITDA defined as Net Income before Interest, Taxes, Depreciation & Amortization, adjusted as described in the Appendix. Percentages reflect Pro-Forma Adjusted EBITDA as a percentage of Pro-Forma Adjusted Revenues.*

(3) *2013 and LTM results include the sale of 200 lots at Escena.*

al Expenditures as described in the Appendix.

Historical Stock Price Performance



Vector Group Ltd.	1.00	1.13	1.44	1.13	1.36	1.94	2.28	2.20	2.80	3.84
S&P 500	1.00	1.12	1.16	0.71	0.88	0.99	0.99	1.12	1.46	1.53
S&P MidCap	1.00	1.07	1.15	0.72	0.97	1.21	1.17	1.36	1.79	1.89
NYSE Arca Tobacco	1.00	1.34	1.42	1.08	1.44	1.63	1.83	2.09	2.22	2.26
Dow Jones Real Estate	1.00	1.27	0.98	0.54	0.70	0.84	0.86	0.96	0.95	1.07

Note: The graph above compares the total annual return of Vector's Common Stock, the S&P 500 Index, the S&P MidCap 400 Index, the NYSE Arca Tobacco Index, formerly known as the AMEX Tobacco Index, and the Dow Jones Real Estate Index for the period from December 31, 2005 through June 17, 2014. The graph assumes that all cash dividends and distributions were reinvested.
Source: S&P Capital IQ.

Appendix

Vector Pro-Forma Adjusted Revenues Reconciliation

($ Millions)

	FYE Dec. 31,			3 Months Ended March 31,	
	2011	2012	2013	2014	2013
Revenues	$1,137.6	$1,095.5	$1,079.9	$347.2	$251.9
Reclassification of Revenues as a Result of Consolidation of Douglas Elliman [1]	346.3	378.2	416.5	-	74.5
Purchase Accounting Adjustments [2]	-	-	1.4	1.7	-
Total Adjustments	$346.3	$378.2	$417.8	$1.7	$74.5
Pro-Forma Adjusted Revenues	*$1,484.0*	*$1,473.7*	*$1,497.7*	*$348.9*	*$326.5*

Source: Company filings.

Note: Separate components may not foot due to rounding.

(1) *Represents revenues of Douglas Elliman Realty, LLC for the year ended December 31, 2011, the year ended December 31, 2012 and for the period from January 1, 2013 to December 13, 2013. On December 13, 2013, the Company increased its ownership of Douglas Elliman Realty, LLC from 50% to 70.59%. Consequently, after December 13, 2013, the Company consolidates the operations and financial position of Douglas Elliman Realty, LLC in its financial statements. The Company had previously accounted for its interest in Douglas Elliman Realty, LLC under the equity method and revenues from Douglas Elliman Realty, LLC was not included in the Company's revenues prior to December 13, 2013.*

(2) *Amounts represent one- time purchase accounting adjustments to fair value for deferred revenues recorded in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC on December 13, 2013.*

Vector Adjusted EBITDA and Free Cash Flow Reconciliation

($ Millions)

	FYE Dec. 31,			3 Months Ended March 31,	
	2011	2012	2013	2014	2013
Net Income (loss) attributed to Vector Group Ltd.	$75.0	$30.6	$38.9	$2.6	($1.7)
Interest Expense	100.7	110.1	132.1	35.5	33.4
Income Tax Expense (income)	48.1	23.1	24.8	2.9	(0.3)
Net Income attributed to non-controlling interest	-	-	-	0.9	-
Depreciation and Amortization	10.6	10.6	12.6	7.1	2.6
EBITDA	$234.5	$174.4	$208.5	$49.0	$34.0
Change in Fair Value of Derivatives Embedded Within Convertible Debt	(8.0)	7.5	(18.9)	1.7	(3.0)
Gain on Liquidation of Long-Term Investments	(25.8)	-	-	-	-
Equity Loss (Gain) on Long-Term Investments	0.9	1.3	(2.1)	(0.9)	0.0
Loss (Gain) on Sale of Investment Securities Available for Sale	(23.3)	(1.6)	(5.2)	0.1	(5.4)
Equity Income From Non-Consolidated Real Estate Businesses	(20.0)	(29.8)	(22.9)	(1.6)	(0.5)
Gain on Townhomes	(3.8)	-	-	-	-
Loss on Extinguishment of Debt	1.2	-	21.5	-	21.5
Acceleration of Interest Expense Related to Debt Conversion	-	15.0	12.4	3.7	-
Stock-Based Compensation Expense	3.2	5.6	2.5	0.5	0.6
Litigation Settlement and Judgment Expense	-	-	88.1	1.5	-
Impact of MSA Settlement	-	-	(11.8)	-	(5.6)
Gain on Acquisition of Douglas Elliman	-	-	(60.8)	-	-
Reclassification of EBITDA as a Result of the Consolidation of Douglas Elliman	31.0	31.6	46.6	-	0.9
Other, Net	(1.7)	(1.2)	(7.6)	(2.1)	(0.8)
Pro-Forma Adjusted EBITDA	*$188.1*	*$202.7*	*$250.3*	*$51.8*	*$41.6*
Pro-Forma Adjusted EBITDA Attributed to Non-Controlling Interest	(9.1)	(9.3)	(13.7)	(2.2)	(0.3)
Pro-Forma Adjusted EBITDA Attributed to Vector Group Ltd.	***$179.0***	***$193.4***	***$236.6***	***$49.7***	***$41.3***
Vector Group Ltd. Capital Expenditures	11.8	11.3	13.3	4.5	3.6
Douglas Elliman Capital Expenditures	2.5	4.6	4.3	1.9	0.7
Pro-Forma Capital Expenditures	14.3	15.9	17.6	6.5	4.3
Pro-Forma Capital Expenditures Attributed to Non-Controlling Interest	(0.7)	(1.4)	(1.3)	(0.4)	(0.2)
Pro-Forma Capital Expenditures Attributed to Vector Group Ltd.	13.6	14.6	16.3	6.1	4.1
Pro-Forma Free Cash Flow Attributed to Vector Group Ltd.	***$165.4***	***$178.8***	***$220.3***	***$43.6***	***$37.2***

Source: Company filings.
Note: Free Cash Flow defined as Pro-Forma Adjusted EBITDA minus Pro-Forma Capital Expenditures Attributed to Vector Group Ltd. Separate components may not foot due to rounding.
Note: Pro-Forma Adjusted EBITDA defined as Net Income before Interest, Taxes, Depreciation & Amortization.

Selected Financial Data

The following table sets forth our summary condensed consolidated financial data for the periods presented below. The summary condensed consolidated financial data as of March 31, 2014 have been derived from our unaudited condensed consolidated financial statements. Our unaudited condensed consolidated financial statements include only normal and recurring adjustments, necessary to state fairly the data included therein.

As a result of the acquisition of an additional 20.59% interest in Douglas Elliman on December 13, 2013, we were required to disclose real estate revenues and costs separately on the face of our condensed consolidated statements of operations rather than reflect the net results as was reported previously. Effective for the quarterly period ended March 31, 2014, we revised prior periods to present our revenues and costs of other consolidated real estate investments, the result of which were previously netted against operating, selling, administrative and general expenses. The revisions on our condensed consolidated statements of operations for the three months ended December 31, 2013, September 30, 2013, June 30, 2013 and March 31, 2013 as well as the annual periods ended December 31, 2013, 2012, 2011 and 2010 are presented in Exhibit 99.3. The prior period financial statements are not materially misstated and we have concluded the revisions are not material to any previously issued financial statements and will be revised in future filings. In addition, the condensed consolidated statements of operations presented in this Exhibit 99.3 have been recast to conform to the current year separate presentation of tobacco, real estate,and other operations.

Our historical results are not necessarily indicative of the results of operations for future periods, and our results of operations for the three-month period ended March 31, 2014 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2014. You should read the following summary condensed consolidated financial data in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our condensed consolidated financial statements and related notes included in our Current Report on Form 8-K filed on June 19, 2014 and in our Quarterly Report on Form 10-Q for the period ended March 31, 2014.

	Year Ended December 31,					
	2013			2012		
	As Previously Reported	Revision	As Revised	As Previously Reported	Revision	As Revised
Revenues	$ 1,056,200	$ (1,056,200)	$ —	$ 1,084,546	$ (1,084,546)	$ —
Tobacco revenues	—	1,014,341	1,014,341	—	1,084,546	1,084,546
Real estate revenues	—	65,580	65,580	—	10,987	10,987
Total revenue	1,056,200	23,721	1,079,921	1,084,546	10,987	1,095,533
Cost of Sales	747,186	(747,186)	—	823,452	(823,452)	—
Tobacco cost of sales	—	729,393	729,393	—	823,452	823,452
Real estate cost of sales	—	37,638	37,638	—	8,876	8,876
Total cost of sales	747,186	19,845	767,031	823,452	8,876	832,328
Operating, selling, administrative and general expenses	$ 108,872	$ 3,876	$ 112,748	$ 106,161	$ 2,111	$ 108,272

	Year Ended December 31,					
	2011			2010		
	As Previously Reported	Revision	As Revised	As Previously Reported	Revision	As Revised
Revenues	$ 1,133,380	$ (1,133,380)	$ —	$ 1,063,289	$ (1,063,289)	$ —
Tobacco revenues	—	1,133,380	1,133,380	—	1,063,289	1,063,289
Real estate revenues	—	4,266	4,266	—	3,257	3,257
Total revenue	1,133,380	4,266	1,137,646	1,063,289	3,257	1,066,546
Cost of Sales	892,883	(892,883)	—	845,106	(845,106)	—
Tobacco cost of sales	—	892,883	892,883	—	845,106	845,106
Real estate cost of sales	—	3,547	3,547	—	2,752	2,752
Total cost of sales	892,883	3,547	896,430	845,106	2,752	847,858
Operating, selling, administrative and general expenses	$ 97,176	$ 719	$ 97,895	$ 90,709	$ 505	$ 91,214

	For the Three Months Ended											
	December 31, 2013						September 30, 2013					
	As Previously Reported		Revision		As Revised		As Previously Reported		Revision		As Revised	
Revenues	$	295,162	$	(295,162)	$	—	$	271,516	$	(271,516)	$	—
Tobacco revenues		—		253,303		253,303		—		271,516		271,516
Real estate revenues		—		46,282		46,282		—		6,425		6,425
Total revenue		295,162		4,423		299,585		271,516		6,425		277,941
Cost of Sales		198,809		(198,809)		—		194,991		(194,991)		—
Tobacco cost of sales		—		181,016		181,016		—		194,991		194,991
Real estate cost of sales		—		21,558		21,558		—		5,844		5,844
Total cost of sales		198,809		3,765		202,574		194,991		5,844		200,835
Operating, selling, administrative and general expenses	$	34,175	$	658	$	34,833	$	25,897	$	581	$	26,478

	For the Three Months Ended											
	June 30, 2013						March 31, 2013					
	As Previously Reported		Revision		As Revised		As Previously Reported		Revision		As Revised	
Revenues	$	249,120	$	(249,120)	$	—	$	240,402	$	(240,402)	$	—
Tobacco revenues		—		249,120		249,120		—		240,402		240,402
Real estate revenues		—		7,106		7,106		—		5,767		5,767
Total revenue		249,120		7,106		256,226		240,402		5,767		246,169
Cost of Sales		180,430		(180,430)		—		172,956		(172,956)		—
Tobacco cost of sales		—		180,430		180,430		—		172,956		172,956
Real estate cost of sales		—		6,015		6,015		—		4,221		4,221
Total cost of sales		180,430		6,015		186,445		172,956		4,221		177,177
Operating, selling, administrative and general expenses	$	24,450	$	1,091	$	25,541	$	24,350	$	1,546	$	25,896

	Year Ended December 31,			
	2013	2012	2011	2010
Statement of Operations Data:				
Revenues:				
Tobacco (1)	$ 1,014,341	$ 1,084,546	$ 1,133,380	$ 1,063,289
Real estate	65,580	10,987	4,266	3,257
E-Cigarettes	—	—	—	—
Total revenues	1,079,921	1,095,533	1,137,646	1,066,546
Expenses:				
Cost of sales:				
Tobacco (1)	729,393	823,452	892,883	845,106
Real estate	37,638	8,876	3,547	2,752
E-Cigarettes	—	—	—	—
Total cost of sales	767,031	832,328	896,430	847,858
Operating, selling, administrative and general expenses	112,748	108,272	97,895	91,214
Litigation judgment expense	88,106	—	—	16,161
Operating income	112,036	154,933	143,321	111,313
Net income attributed to Vector Group Ltd.	38,944	30,622	75,020	54,084
Per basic common share (3)				
Net income attributed to Vector Group Ltd. applicable to common shares	$ 0.41	$ 0.34	$ 0.85	$ 0.62
Per diluted common share (3)				
Net income attributed to Vector Group Ltd. applicable to common shares	$ 0.41	$ 0.34	$ 0.84	$ 0.61
Cash distributions declared per common share (3)	$ 1.54	$ 1.47	$ 1.40	$ 1.33

	For the Three Months Ended				
	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Statement of Operations Data:					
Revenues:					
Tobacco (2)	$ 233,392	$ 253,303	$ 271,516	$ 249,120	$ 240,402
Real estate	108,044	46,282	6,425	7,106	5,767
E-Cigarettes	5,800	—	—	—	—
Total revenues	347,236	299,585	277,941	256,226	246,169
Expenses:					
Cost of sales:					
Tobacco (2)	168,166	181,016	194,991	180,430	172,956
Real estate	67,324	21,558	5,844	6,015	4,221
E-Cigarettes	3,547	—	—	—	—
Total cost of sales	239,037	202,574	200,835	186,445	177,177
Operating, selling, administrative and general expenses	65,477	34,833	26,478	25,541	25,896
Litigation judgment expense	—	193	87,913	—	—
Operating income (loss)	42,722	61,985	(37,285)	44,240	43,096
Net income (loss) attributable to Vector Group Ltd.	2,580	64,005	(36,891)	13,511	(1,681)
Per basic common share (3)					
Net income (loss) attributable to Vector Group Ltd.	$ 0.03	$ 0.67	$ (0.40)	$ 0.14	$ (0.02)
Per diluted common share (3)					
Net income (loss) attributable to Vector Group Ltd.	$ 0.03	$ 0.61	$ (0.40)	$ 0.14	$ (0.02)
Cash distributions declared per common share (3)	$ 0.40	$ 0.40	$ 0.38	$ 0.38	$ 0.38

(1) Revenues and cost of sales include excise taxes of $456,703, $508,027, $552,965, and $538,328, respectively.

(2) Revenues include excise taxes of $102,413, $113,409, $121,787, $112,596, and $108,911, respectively.

(3) Per share computations include the impact of 5% stock dividends on September 27, 2013, September 28, 2012, September 29, 2011, and September 29, 2010.