
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): September 5, 2018

VECTOR GROUP LTD.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

1-5759

(Commission File Number)

65-0949535

(I.R.S. Employer Identification No.)

4400 Biscayne Boulevard, Miami, Florida

(Address of Principal Executive Offices)

33137

(Zip Code)

(305) 579-8000

(Registrant's Telephone Number, Including Area Code)

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):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 7.01. Regulation FD Disclosure.

Vector Group Ltd. has prepared materials for presentations to investors, including the Barclays Global Consumer Staples Conference on September 6, 2018. The materials are furnished (not filed) as Exhibits 99.1, 99.2 and 99.3 to this Current Report on Form 8-K pursuant to Regulation FD.

Non-GAAP Financial Measures

Exhibits 99.1, 99.2 and 99.3 contain the Non-GAAP Financial Measures discussed below.

Please refer to Current Reports on Form 8-K dated August 7, 2018, November 24, 2017, November 15, 2016 and October 2, 2015 for reconciliations of GAAP Financial Measures to Non-GAAP Financial Measures. Non-GAAP Financial Measures include adjustments for the one-time non-cash benefit from the Tax Cuts and Jobs Act of 2017 arising out of the remeasurement of certain tax assets and liabilities, purchase accounting associated with the Company's acquisition of its additional 20.59% interest in Douglas Elliman Realty, LLC, as well as the related purchase accounting adjustments. Non-GAAP Financial Measures also include adjustments for litigation settlement and judgment expenses in the Tobacco segment, settlements of long-standing disputes related to the Master Settlement Agreement in the Tobacco segment, restructuring and pension settlement expenses in the Tobacco segment, non-cash stock compensation expenses (for purposes of Adjusted EBITDA only) and non-cash interest items associated with the Company's convertible debt.

Adjusted Revenues and Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Income, Tobacco Adjusted Operating Income, New Valley LLC Adjusted EBITDA and Douglas Elliman Realty, LLC Adjusted EBITDA (hereafter, along with the Non-GAAP Revenue Measures referred to as "the Non-GAAP Financial Measures") are financial measures not prepared in accordance with generally accepted accounting principles ("GAAP"). The Company believes that the Non-GAAP Financial Measures are important measures that supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance. The Company believes the Non-GAAP Financial Measures provide investors and analysts with a useful measure of operating results unaffected by differences in capital structures and ages of related assets among otherwise comparable companies. In the case of Adjusted Revenues, management believes revenue growth in its real estate segment is an important measure of growth because increased revenues generally result in increased gross margin as a result of absorption of fixed operating costs, which management believes will lead to increased future profitability as well as increased capacity to expand into new and existing markets. A key strategy of the Company is its ability to move into new markets and therefore gross revenues provide information with respect to the Company's ability to achieve its strategic objectives. Management also believes increased revenues generally indicate increased market share in existing markets as well as expansion into new markets. Consequently, management believes Adjusted Revenue is meaningful indicators of operating performance.

Management uses the Non-GAAP Financial Measures 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 (the Non-GAAP Financial Measures) of the Company's business. While management considers the Non-GAAP Financial Measures 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, the Non-GAAP Financial Measures are susceptible to varying calculations and the Company's measurement of the Non-GAAP Financial Measures may not be comparable to those of other companies.

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. 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 (for purposes of Adjusted EBITDA only), litigation settlement and judgment expense, settlements of long-standing disputes related to the Master Settlement Agreement ("MSA"), restructuring and pension settlement expense, and other charges.

New Valley LLC ("New Valley"), the real estate subsidiary of the Company, owns real estate and 70.59% of Douglas Elliman, the largest residential brokerage firm in the New York metropolitan area, as well as a minority stake in numerous real estate investments. New Valley LLC Adjusted EBITDA is defined as the portion of Adjusted EBITDA that relates to New Valley. New Valley's Adjusted EBITDA does not include an allocation of expenses from the Corporate and Other segment of Vector Group Ltd.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, which involve risk and uncertainties. The words "could", "believe," "expect," "estimate," "may," "will," "could," "plan," or "continue" and similar expressions are intended to identify forward-looking statements. The Company's actual results could differ significantly from the results discussed in such forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Current Report on Form 8-K. The Company undertakes no obligation to (and expressly disclaims any obligation to) revise or update any forward-looking statement, whether as a result of new information, subsequent events, or otherwise (except as may be required by law), in order to reflect any event or circumstance which may arise after the date of this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibit

(d) Exhibit.

<u>Exhibit No.</u>	<u>Exhibit</u>
<u>99.1</u>	Investor presentation of Vector Group Ltd. dated September 2018 (furnished pursuant to Regulation FD).
<u>99.2</u>	Fact Sheet of Vector Group Ltd. dated September 2018 (furnished pursuant to Regulation FD).
<u>99.3</u>	Fact Sheet of New Valley LLC dated September 2018 (furnished pursuant to Regulation FD).

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

Senior Vice President, Treasurer and Chief Financial Officer

Date: September 5, 2018



INVESTOR PRESENTATION

September

DISCLAIMER

This document and any related oral presentation does not constitute an offer or invitation to subscribe for, purchase or otherwise acquire any equity securities or debt securities instruments of Vector Group Ltd. ("Vector," "Vector Group Ltd." or "the Company") and nothing contained herein or its presentation shall form the basis of any contract or commitment whatsoever.

The distribution of this document and any related oral presentation in certain jurisdictions may be restricted by law and persons into whose possession this document or any related oral presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction.

The information contained herein does not constitute investment, legal, accounting, regulatory, taxation or other advice and the information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the information. You are solely responsible for seeking independent professional advice in relation to the information and any action taken on the basis of the information.

The following presentation may contain "forward-looking statements," including any statements that may be contained in the presentation that reflect Vector's 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 Vector's capital expenditures impact its expected free cash flow and the other risk factors described in Vector's annual report on Form 10-K for the year ended December 31, 2017 and quarterly report on Form 10-Q for the quarterly period ended June 30, 2018, as filed with the SEC. Please also refer to Vector's Current Reports on Forms 8-K, filed on October 2, 2015, November 15, 2016, November 24, 2017, March 1, 2018, June 14, 2018 and August 7, 2018 (Commission File Number 1-5759) as filed with the SEC for information, including cautionary and explanatory language, relating to Non-GAAP Financial Measures in this Presentation labeled "Adjusted".

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.

INVESTMENT HIGHLIGHTS & PORTFOLIO

Overview

- Diversified Holding Company with two unrelated, but complementary, businesses with iconic brand names: tobacco (Liggett Group) and real estate (Douglas Elliman)
- History of strong earnings, and Adjusted EBITDA has increased from \$178.3 million in 2011⁽¹⁾ to \$238.8 million for the twelve months ended June 30, 2018⁽²⁾
 - Tobacco Adjusted EBITDA of \$248.0 million for the twelve months ended June 30, 2018⁽³⁾
 - Douglas Elliman, which is a 70.59%-owned subsidiary, produced Revenues of \$733.1 million and Adjusted EBITDA of \$5.9 million for the twelve months ended June 30, 2018⁽⁴⁾
- Diversified portfolio of consolidated and non-consolidated real estate investments at New Valley
- Maintains substantial liquidity with cash, marketable securities and long-term investments of \$626.2 million as of June 30, 2018⁽⁵⁾
- Uninterrupted quarterly cash dividends since 1995 and an annual 5% stock dividend since 1999
- Seasoned management team with average tenure of 25 years with Vector Group
- Management team and directors beneficially own approximately 12% of Vector Group
- Perpetual cost advantage over the largest U.S. tobacco companies – annual cost advantage ranged between \$163 million and \$169 million from 2012 to 2017⁽⁶⁾

(1) Vector's Net income for the year ended December 31, 2011 was \$74.5M. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.2 of the Company's Current Report on Form 8-K, dated November 15, 2016 (Table 2) for a reconciliation of Net income to Adjusted EBITDA as well as the Disclaimer to this document on Page 2.

(2) Vector's Net income for the twelve months ended June 30, 2018 was \$87.0 million. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed on August 7, 2018 (Table 2), for a reconciliation of Net income to Adjusted EBITDA as well as the Disclaimer to this document on Page 2.

(3) All "Liggett" and "Tobacco" financial information in this presentation includes the operations of Liggett Group LLC, Vector Tobacco Inc., and Liggett Vector Brands LLC unless otherwise noted. Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 2 of Exhibit 99.1 to the Company's Current Report on Form 8-K, filed on August 7, 2018.

(4) Douglas Elliman's Net income was \$2.9 million for the twelve months ended June 30, 2018. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed on August 7, 2018, for a reconciliation of Adjusted EBITDA to net income (Table 7) as well as the Disclaimer to this document.

(5) At June 30, 2018 this amount includes cash at Douglas Elliman, a 70.59%-owned subsidiary, of \$81 million and cash at Liggett, a wholly-owned subsidiary of \$54 million. Excludes real estate investments.

(6) Cost advantage applies only to cigarettes sold below applicable market share exemption.



TOBACCO OPERATIONS

LIGGETT GROUP OVERVIEW

- Fourth-largest U.S. tobacco company; founded in 1873
 - Core Discount Brands – *Eagle 20's, Pyramid, Grand Prix, Liggett Select and Eve*
 - Partner Brands – *USA, Bronson and Tourney*
- Consistent and strong cash flow
 - Tobacco Adjusted EBITDA of \$248.0 million for the twelve months ended June 30, 2018⁽¹⁾
 - Low capital requirements with capital expenditures of \$3.7 million related to tobacco operations for the twelve months ended June 30, 2018
- Current cost advantage of approximately \$0.70 per pack compared to the 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 annual cost advantage ranged between \$163 million and \$169 million for Liggett and Vector Tobacco from 2012 to 2017.



⁽¹⁾ Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in the Company's Current Report on Forms 8-K, filed on August 7, 2018. Please also refer to the Disclaimer to this document on Page 2.

LIGGETT GROUP HISTORY



1999: Introduced deep discount brand *Liggett Select* taking advantage of the Company's cost advantage resulting from the MSA

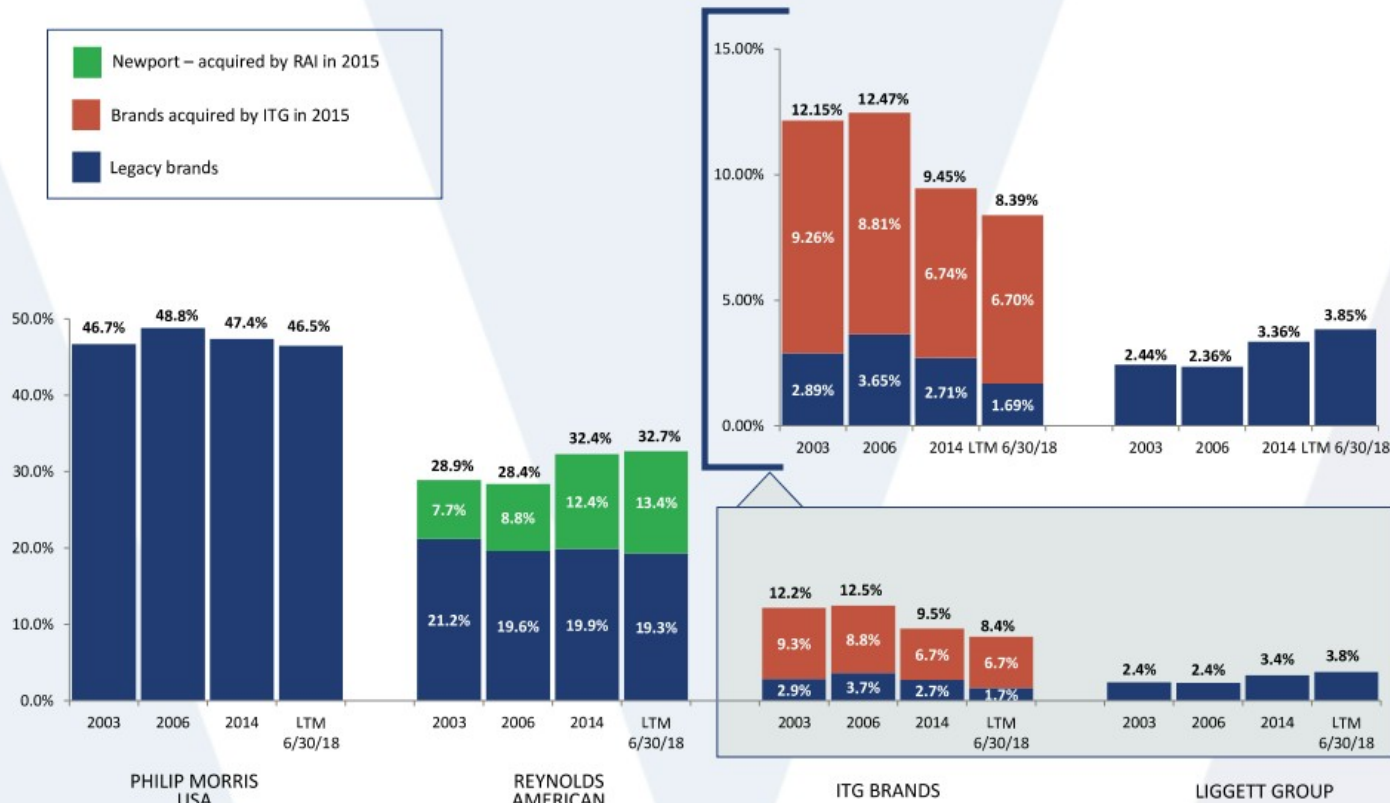
2009: Repositioned *Pyramid* as a deep-discount brand in response to a large Federal Excise Tax increase



Source: MSA CRA wholesale shipment database.
 Note: The Liggett and Vector Tobacco businesses have been combined into a single segment for all periods since 2007.

(1) Tobacco Adjusted EBITDA is a Non-GAAP Financial Measure and is defined in Table 2 of Exhibit 99.1 of the Company's Current Reports on Form 8-K, filed on August 7, 2018 as well as Table 2 to Exhibit 99.2 of the Company's Current Report on Form 8-K, dated October 2, 2015, November 15, 2016, March 1, 2018 and June 14, 2018.

ADJUSTED U.S. TOBACCO INDUSTRY MARKET SHARE



Source: The Maxwell Report's sales estimates for the cigarette industry for the years ended 2003 (February 2004), 2006 (February 2007) and 2014 (March 2015) and internal estimates for LTM 6/30/18.

- (1) All 2017 percentages are from internal company estimates. Actual Market Share in 2003, 2006 and 2014 reported in the Maxwell Report for Reynolds American was 29.6%, 27.6% and 23.1%, respectively, and, for ITG Brands, was 2.9%, 3.7% and 2.7%, respectively. Adjusted market share has been computed by Vector Group Ltd. by applying historical market share of each brand to the present owner of brand. Thus, the graph assumes each company owned its current brands on January 1, 2003. The legacy brands market share of Reynolds American in 2003 includes the market share of Brown & Williamson, which was acquired by Reynolds American in 2004. In 2015, Reynolds American acquired Lorillard Tobacco Company, which manufactured the Newport brand, and sold a portfolio of brands, including the Winston, Salem, Kool and Maverick brands to ITG Brands.
- (2) Does not include smaller manufacturers, whose cumulative market shares were 9.8%, 7.9%, 8.8% and 8.5% in 2003, 2006, 2014 and LTM 6/30/18, respectively.

TOBACCO LITIGATION AND REGULATORY UPDATES

Litigation

- In 2013, Liggett reached a settlement with approximately 4,900 *Engle* progeny plaintiffs, which represented a substantial portion of Liggett's pending litigation
 - Liggett agreed to pay \$60 million in a lump sum in 2014 and the balance in installments of \$3.4 million in each of the following 14 years (2015 – 2028)
- In 2016 and 2017, Liggett settled an additional 163 *Engle* progeny cases for \$26.7 million.
 - Approximately 75 *Engle* progeny plaintiffs remain at June 30, 2018.
- Liggett is also a defendant in 29 non-*Engle* smoking-related individual cases and three (3) smoking-related actions where either a class had been certified or plaintiffs were seeking class certification
- In January 2016, the Mississippi Attorney General filed a motion to enforce Mississippi's 1996 settlement agreement with Liggett and alleged that Liggett owes Mississippi at least \$27 million in damages plus punitive damages and legal fees.

Regulatory

- 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 that ban cigarettes.
 - In 2018, FDA issued a Notice of Proposed Rulemaking to consider reducing nicotine in tobacco
- Federal Excise Tax is \$1.01/pack (since April 1, 2009) and additional state and municipal excise taxes exist

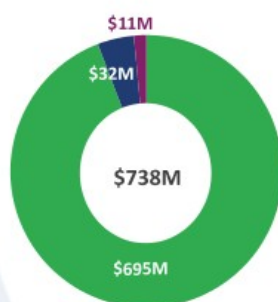


REAL ESTATE OPERATIONS

REAL ESTATE OVERVIEW

- New Valley, which owns 70.59% of Douglas Elliman Realty, LLC, is a diversified real estate company that is seeking to acquire or invest in additional real estate properties or projects
- New Valley has invested approximately \$175 million⁽¹⁾, as of June 30, 2018, in a broad portfolio of real estate projects

New Valley Revenues – LTM June 30, 2018



New Valley Adjusted EBITDA⁽²⁾



⁽¹⁾ Net of cash returned.

⁽²⁾ New Valley's net income was \$11.7M, \$13.5M, \$37.6M and \$8.9M for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Net income to Adjusted EBITDA, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on March 8, 2016, March 1, 2017, March 1, 2018 and August 7, 2018, Form 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended June 30, 2018 (Commission File Number 1-5759) as well as the Disclaimer to this document on Page 2. New Valley's Adjusted EBITDA do not include an allocation of Vector Group Ltd.'s Corporate and Other Expenses (for purposes of computing Adjusted EBITDA) of \$13.2M, \$15.3M, \$15.7M and \$15.2M for the periods presented, respectively.

DOUGLAS ELLIMAN REALTY, LLC

- Largest residential real estate brokerage firm in the highly competitive New York metropolitan area and third-largest residential brokerage firm in the U.S.
- Approximately 7,000 affiliated agents and 100 offices in the U.S.
- Alliance with Knight Frank provides a network with 520 offices across 60 countries with 21,550 affiliated agents
- Also offers title and settlement services, relocation services, and residential property management services through various subsidiaries

Douglas Elliman Closed Sales – LTM June 30, 2018



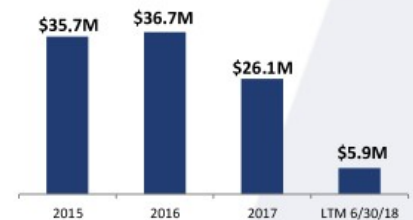
Douglas Elliman Closed Sales



Douglas Elliman Revenues – LTM June 30, 2018



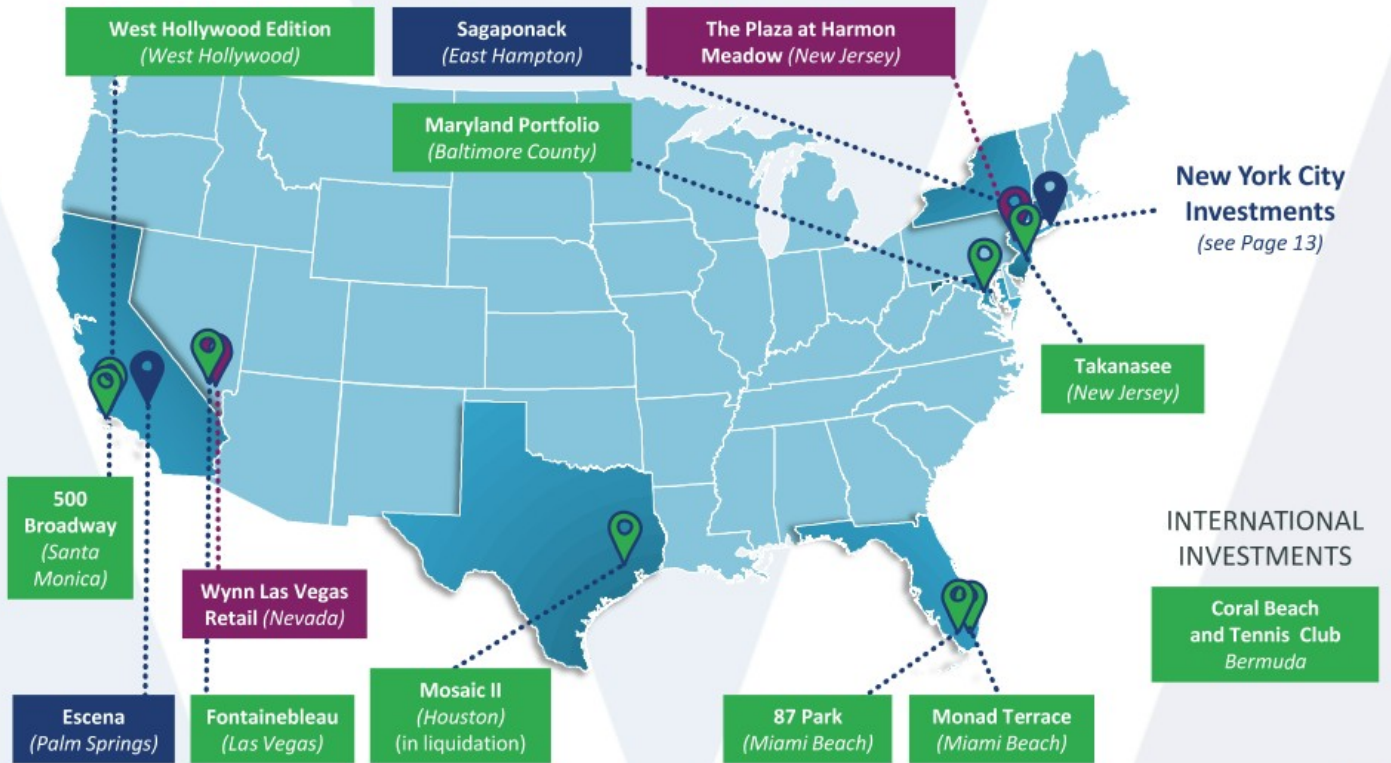
Douglas Elliman Adjusted EBITDA⁽¹⁾



(1) Douglas Elliman's net income was \$22.2M, \$21.1M, \$21.4M and \$2.9M for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on March 8, 2016, March 1, 2017, March 1, 2018 and August 7, 2018, Form 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended June 30, 2018 (Commission File Number 1-5759) as well as the Disclaimer to this document on Page 2.

NEW VALLEY'S REAL ESTATE INVESTMENTS AT JUNE 30, 2018 ⁽¹⁾

■ Land Development/Real Estate Held for Sale, net	■ Apartments/Condominiums/Hotels	■ Commercial Retail/Office Assets
--	---	--



(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" of Vector Group Ltd.'s Form 10-Q for the quarterly period ended June 30, 2018 (Commission File Number 1-5759).

NEW VALLEY'S REAL ESTATE INVESTMENTS IN NEW YORK CITY⁽¹⁾



1. **The Marquand** Upper East Side
2. **10 Madison Square West** Flatiron District/NoMad (in liquidation)
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square (in liquidation)
5. **111 Murray Street** TriBeCa
6. **160 Leroy Street** Greenwich Village
7. **215 Chrystie Street** Lower East Side
8. **The Dutch** Long Island City
9. **1 QPS Tower** Long Island City
10. **Park Lane Hotel** Central Park South
11. **125 Greenwich Street** Financial District
12. **The Eleventh** West Chelsea
13. **New Brookland** Flatbush
14. **The Dime (Havemeyer Street)** Brooklyn

(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - of Vector Group Ltd.'s Form 10-Q for the quarterly period ended June 30, 2018 (Commission File Number 1-5759).

NEW VALLEY'S REAL ESTATE SUMMARY AS OF JUNE 30, 2018 ⁽¹⁾

	Net cash invested	Cummulative earnings / (loss) ⁽²⁾	Carrying value ⁽²⁾⁽³⁾	Projected construction end date	Range of ownership	Number of investments
Land owned						
New York City SMSA	\$ 14,476	\$ -	\$ 14,476	N/A	100.0%	1
All other U.S. areas	2,699	7,606	10,305	N/A	100.0%	1
	\$ 17,175	\$ 7,606	\$ 24,781			2
Condominium and Mixed Use Development (Minority interest owned)						
New York City SMSA	\$ (9,492)	\$ 73,372	\$ 63,880	2018 - 2020	3.1% - 49.5%	13
All other U.S. areas	27,424	3,979	31,403	2018 - 2020	15% - 48.5%	4
	\$ 17,932	\$ 77,351	\$ 95,283			17
Apartments (Minority interest owned)						
New York City SMSA	\$ 14,711	\$ (7,084)	\$ 7,627	N/A	45.4%	1
All other U.S. areas	(674)	717	43	N/A	7.6% - 16.3%	2
	\$ 14,037	\$ (6,367)	\$ 7,670			3
Hotels (Minority interest owned)						
New York City SMSA	31,556	(12,730)	18,826	N/A	5.2% - 15%	2
All other U.S. areas	6,048	(3,817)	2,231	N/A	15%	1
International	7,615	(548)	7,067	N/A	49%	1
	\$ 45,219	\$ (17,095)	\$ 28,124			4
Commercial (Minority interest owned)						
New York City SMSA	4,826	(2,776)	2,050	N/A	49.0%	1
All other U.S. areas	14,898	1,546	16,444	N/A	1.9%	1
	\$ 19,724	\$ (1,230)	\$ 18,494			2
Total	\$ 114,087	\$ 60,265	\$ 174,352			28
Summary						
New York City SMSA	\$ 56,077	\$ 50,782	\$ 106,859			18
All other U.S. areas	50,395	10,031	60,426			9
International	7,615	(548)	7,067			1
	\$ 114,087	\$ 60,265	\$ 174,352			28

(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations of Vector Group Ltd.'s Form 10-Q for the period ended June 30, 2018 (Commission File Number 1-5759).

(2) Includes interest expense capitalized to real estate ventures of \$31,455.

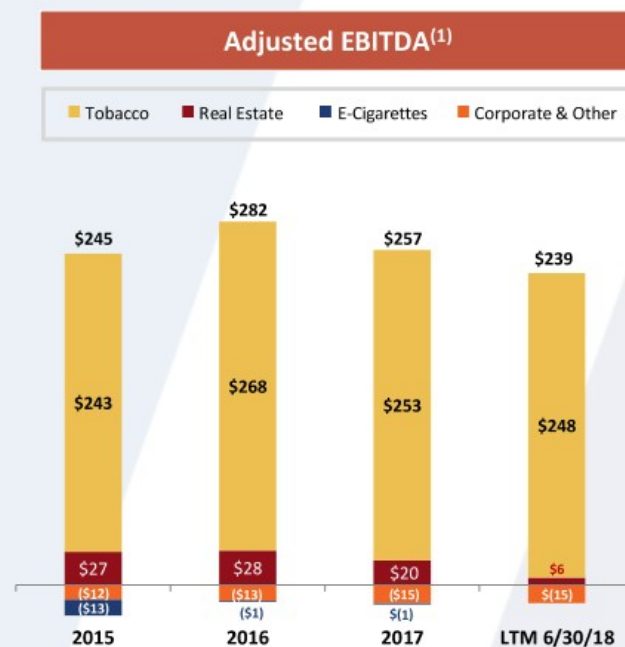
(3) Carrying value includes non-controlling interest of \$2,050.



FINANCIAL DATA

ADJUSTED HISTORICAL FINANCIAL DATA

(Dollars in millions)



⁽¹⁾ Vector's revenues for the periods presented were \$1,657, \$1,691, \$1,807 and \$1,830, respectively. Vector's Net income for the periods presented was \$59.2, \$71.1, \$84.6 and \$87.0 respectively. Adjusted Revenues and Adjusted EBITDA are Non-GAAP Financial Measures. Please refer to the Company's Current Report on Form 8-K, filed on March 8, 2016, March 1, 2017, March 1, 2018, June 14, 2018 and August 7, 2018 (Exhibit 99.1) for a reconciliation of Non-GAAP financial measures to GAAP as well as the Disclaimer to this document on Page 2.



SUMMARY

SUMMARY

- Vector Group, a holding company, owning Tobacco and Real Estate businesses and holding consolidated cash, investment securities and long-term investments of **\$622 million** (\$491 million at holding company level) at June 30, 2018
 - Vector's management team has an average tenure of **25 years** with the Company and, along with directors, beneficially owns **12% of Vector's common stock**

- Tobacco segment
 - Liggett is the fourth-largest U.S. Cigarette company with **3.85%** market wholesale market share and **4.10%** retail market share over LTM June 30, 2018.
 - Only major U.S. cigarette manufacturer to **increase both market share and unit volumes** over the last 10 years
 - **\$248 million⁽¹⁾** of EBITDA (LTM 6/30/18)

- Real Estate segment
 - New Valley owns a diversified portfolio of consolidated and non-consolidated real estate investments totaling **\$175 million** at June 30, 2018.
 - New Valley owns **70.59%** of Douglas Elliman Realty
 - Largest residential real estate brokerage firm in New York Metropolitan area and third-largest residential brokerage firm in the U.S.
 - Closed sales volume of **\$26.9 billion** over LTM 6/30/18
 - Revenues have increased from **\$503 million⁽²⁾** during LTM 6/30/14 to **\$733 million⁽²⁾** over LTM 6/30/18

(1) Vector's operating income from the tobacco segment for the twelve months ended June 30, 2018 was \$242.4 million. Adjusted EBITDA is a Non-GAAP Financial Measure. Please refer to Exhibit 99.1 of the Company's Current Report on Form S-K, filed on August 7, 2018 (Table 5), for a reconciliation of Net income to Adjusted EBITDA as well as the Disclaimer to this document on Page 2.

(2) Douglas Elliman's revenues for the twelve months ended June 30, 2014 and June 30, 2018 were \$484.6 million and \$733 million, respectively.

Vector Group Ltd. owns Liggett Group, Vector Tobacco and New Valley.
New Valley owns a 70% interest in Douglas Elliman.

TOBACCO

- Fourth-largest cigarette manufacturer in the U.S. with a strong family of brands — *Pyramid*, *Grand Prix*, *Liggett Select*, *Eve* and *Eagle 20's* — representing 14% share of the discount market.
- Focused on brand strength and long-term profit growth, while continuing to evaluate opportunities to pursue incremental volume and margin growth.
- Annual cost advantage due to favorable treatment under the Master Settlement Agreement that ranged between \$163 million and \$169 million from 2012 to 2017.
- The only cigarette company to have reached a comprehensive settlement resolving substantially all of the individual *Engle* progeny product liability cases pending in Florida. The *Engle* progeny cases have represented a substantial portion of Liggett's pending litigation.

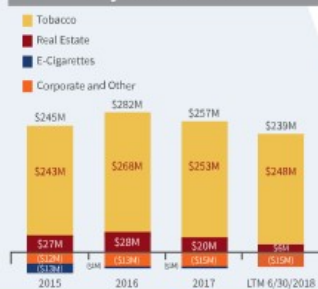


REAL ESTATE

- New Valley, which owns 70.59% of Douglas Elliman Realty, LLC, is a diversified real estate company that is seeking to acquire additional operating companies and real estate properties.
- New Valley has invested approximately \$175 million, as of June 30, 2018, in a broad portfolio of real estate investments.
- Douglas Elliman is the largest residential real estate brokerage firm in the New York metropolitan area and the third-largest in the U.S.
- Douglas Elliman's closings totaled \$26.9 billion for the last twelve months ended June 30, 2018, and it has approximately 7,000 affiliated agents and 100 offices throughout the New York metropolitan area, South Florida, Aspen, Greenwich, Los Angeles, and Massachusetts.



Adjusted EBITDA



10-Year Stockholder Return



LTM 6/30/18 Revenues



¹ Net income attributable to Vector Group Ltd. for the periods presented was approximately \$90M, \$71M, \$85M and \$87M, respectively. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Net Income to Adjusted EBITDA, please see Vector Group Ltd's Current Reports on Forms 8-K, filed on March 8, 2018, March 1, 2017, March 1, 2016, June 14, 2015 and August 7, 2014 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended June 30, 2018 (Commission File Number 1-575).

² 10-Year Return from August 31, 2008 to August 31, 2018 and assumes reinvestment of dividends received.

³ At June 30, 2018 has amount includes cash at Douglas Elliman, a 70.59% owned subsidiary, of \$81 million and cash at Liggett, a wholly-owned subsidiary of \$54 million. Excludes real estate investments.

This summary contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have identified these forward-looking statements using words such as "could" and similar expressions. These statements reflect our current beliefs. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements.



New Valley LLC, the real estate subsidiary of Vector Group Ltd. (NYSE: VGR), owns real estate and 70% of Douglas Elliman, the largest residential brokerage firm in the New York metropolitan area, as well as a minority stake¹ in numerous real estate investments.

NEW VALLEY REAL ESTATE INVESTMENTS¹

New Valley has invested approximately \$175 million, as of June 30, 2018, in a broad portfolio of real estate projects.

New Valley's Real Estate Investment Portfolio¹



New Valley's New York Real Estate Investments¹

1. **The Marquand** Upper East Side
2. **10 Madison Square West** Flatiron District/NoMad (in liquidation)
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square (in liquidation)
5. **111 Murray Street** TriBeCa
6. **160 Leroy Street** Greenwich Village
7. **215 Chrystie Street** Lower East Side
8. **The Dutch** Long Island City
9. **1 QPS Tower** Long Island City
10. **Park Lane Hotel** Central Park South
11. **125 Greenwich Street** Financial District
12. **The Eleventh** West Chelsea
13. **New Brookland** Flatbush
14. **The Dime (Havemeyer Street)** Brooklyn

International Investments¹

- Coral Beach and Tennis Club Bermuda

DOUGLAS ELLIMAN

- Largest residential real estate brokerage firm in New York metropolitan area and third-largest in the United States.
- Closings of \$26.9 billion for the last twelve months ended June 30, 2018; Douglas Elliman has approximately 7,000 affiliated agents and 100 offices throughout the New York metropolitan area, South Florida, Aspen, Greenwich, Los Angeles, and Massachusetts.
- Maintains an alliance with Knight Frank—the largest independent residential brokerage in the United Kingdom—to jointly market high-end properties, providing a network with 520 offices across 60 countries with 21,550 affiliated agents.
- Revenues and Adjusted EBITDA of Douglas Elliman of \$733 million and \$5.9 million,² respectively, for the last twelve months ended June 30, 2018.

EXECUTIVE MANAGEMENT

Howard M. Lorber
President and Chief Executive Officer

Richard J. Lampen
Executive Vice President

J. Bryant Kirkland III
Senior Vice President, Treasurer and Chief Financial Officer

Marc N. Bell
Senior Vice President, Secretary and General Counsel

Bennett P. Borko
Executive Vice President of New Valley Realty division

COMPANY HIGHLIGHTS

- Executive offices in Manhattan and Miami
- Employs approximately 900 people

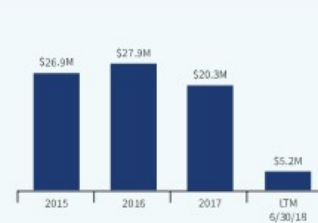
Douglas Elliman Closings



New Valley Revenues – TTM 6/30/18



New Valley Adjusted EBITDA²



¹ Please refer to Vector Group Ltd.'s Form 10-Q (Commission File Number 1-5759) for the quarterly period ended June 30, 2018 in the section "Summary of Real Estate Investments" in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations.

² Douglas Elliman's net income was \$3M for the twelve months ended June 30, 2018. New Valley's net income was \$12M, \$14M, \$33M and \$2M for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. New Valley's Adjusted EBITDA do not include an allocation of Vector Group Ltd.'s Corporate and Other Expenses for purposes of computing Adjusted EBITDA of approximately \$13M, \$15M, \$15M and \$10M for the periods presented, respectively. For a reconciliation of Net Income to Adjusted EBITDA, please see Vector Group Ltd.'s Current Reports on Forms 9-K, filed on March 6, 2015, March 1, 2017, March 1, 2018 and August 7, 2018, Form 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended June 30, 2018 (Commission File Number 1-5759).

