
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) : May 10, 2005

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.)

100 S.E. Second Street, Miami, Florida

(Address of Principal Executive Offices)

33131

(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):

- 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))
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Item 2.02. Results of Operations and Financial Condition

On May 10, 2005, Vector Group Ltd. announced its financial results for the three months ended March 31, 2005. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K and the Exhibit attached hereto is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibit

(c) Exhibit.

| <u>Exhibit No.</u> | <u>Exhibit</u> |
|--------------------|-----------------------------------|
| 99.1 | Press Release issued May 10, 2005 |

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/ Joselynn D. Van Siclen

Joselynn D. Van Siclen

Vice President and Chief Financial Officer

Date: May 10, 2005

VECTOR GROUP REPORTS FIRST QUARTER 2005 FINANCIAL RESULTS

MIAMI, FL, MAY 10, 2005 — Vector Group Ltd. (NYSE: VGR) today announced financial results for the first quarter ended March 31, 2005.

First quarter 2005 revenues were \$104.2 million, compared to revenues of \$126.6 million for the first quarter of 2004. The Company recorded operating income of \$18.6 million for the 2005 first quarter, compared to operating income of \$12.8 million for the first quarter of 2004. Income from continuing operations for the 2005 first quarter was \$8.3 million, or \$.19 per diluted common share, compared to income from continuing operations of \$4.5 million, or \$0.10 per diluted common share, for the 2004 first quarter. Net income for the 2005 first quarter was \$11.3 million, or \$.26 per diluted share, compared to \$4.6 million, or \$0.11 per diluted share, for the 2004 first quarter.

For the three months ended March 31, 2005, the Company's conventional cigarette business, which includes Liggett Group cigarettes and USA brand cigarettes, had revenues of \$101.6 million, compared to \$122.2 million for the three months ended March 31, 2004. Operating income was \$31.9 million for the first quarter of 2005, compared to \$27.8 million for the first quarter of 2004. The 2004 results for the conventional cigarette business included a pre-tax restructuring charge of \$0.4 million.

Conference Call To Discuss First Quarter 2005 Results

As previously announced, the Company will host a conference call and webcast on Wednesday, May 11, 2005 at 11:00 A.M. (EDT) to discuss first quarter 2005 results. Investors can access the call by dialing 877-692-2590 or via live webcast at www.vcall.com.

A replay of the call will also be available shortly after the call ends on May 11, 2005 through May 25, 2005. To access the replay, dial 877-519-4471 and enter 6040114 as the conference ID number. The archived webcast will also be available at www.vcall.com for 30 days.

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

[Financial Table Follows]

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

| | Three Months Ended | |
|--|--------------------|-------------------|
| | March 31, 2005 | March 31, 2004 |
| Revenues* | \$ 104,173 | \$ 126,573 |
| Expenses: | | |
| Cost of goods sold* | 58,998 | 74,100 |
| Operating, selling, administrative and general expenses | 26,527 | 38,979 |
| Restructuring and impairment charges | — | 653 |
| Operating income | <u>18,648</u> | <u>12,841</u> |
| Other income (expenses): | | |
| Interest and dividend income | 710 | 695 |
| Interest expense | (6,647) | (6,101) |
| Gain on investments, net | 1,430 | 251 |
| Gain on LTS conversion | 9,461 | — |
| Equity (loss) income from non-consolidated real estate businesses | (306) | 646 |
| Equity loss from LTS | (299) | — |
| Other, net | <u>(1)</u> | <u>(5)</u> |
| Income from continuing operations before provision for income taxes and minority interests | 22,996 | 8,327 |
| Provision for income taxes | 12,704 | 4,370 |
| Minority interests | <u>(2,016)</u> | <u>536</u> |
| Income from continuing operations | <u>8,276</u> | <u>4,493</u> |
| Discontinued operations: | | |
| Income from discontinued operations, net of minority interest and taxes | 82 | 134 |
| Gain on disposal of discontinued operations, net of minority interest and taxes | 2,952 | — |
| Gain from discontinued operations | <u>3,034</u> | <u>134</u> |
| Net income | <u>\$ 11,310</u> | <u>\$ 4,627</u> |
| Per basic common share: | | |
| Income from continuing operations | <u>\$ 0.20</u> | <u>\$ 0.11</u> |
| Income from discontinued operations | <u>\$ 0.07</u> | <u>\$ —</u> |
| Net income applicable to common shares | <u>\$ 0.27</u> | <u>\$ 0.11</u> |
| Basic weighted average common shares outstanding | <u>41,793,658</u> | <u>41,016,149</u> |
| Per diluted common share: | | |
| Income from continuing operations | <u>\$ 0.19</u> | <u>\$ 0.10</u> |
| Income from discontinued operations | <u>\$ 0.07</u> | <u>\$ —</u> |
| Net income applicable to common shares | <u>\$ 0.26</u> | <u>\$ 0.11</u> |
| Diluted weighted average common shares outstanding | <u>43,554,881</u> | <u>43,322,966</u> |

* Revenues and Cost of goods sold include excise taxes of \$33,432 and \$46,170 for the three months ended March 31, 2005 and 2004, respectively.