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VECTOR GROUP REPORTS 2001 FOURTH QUARTER AND FULL YEAR FINANCIAL RESULTS

Vector Group Reports 2001 Fourth Quarter and Full Year Financial Results

MIAMI, FL, April 1, 2002 -- Vector Group Ltd. (NYSE: VGR) today announced financial results for the 2001 fourth quarter and the full year ended December 31, 2001.

Full year 2001 revenues were \$744.2 million, compared to \$649.5 million for 2000. The 2000 results include \$107.3 million of revenues from the Company's former Russian tobacco business, Liggett-Ducat Ltd., sold in August 2000. The Company recorded operating income of \$31.3 million for 2001, compared to operating income of \$40.1 million for 2000. Net income for 2001 was \$20.7 million, or \$0.58 per diluted common share, compared to net income of \$174.2 million, or \$5.99 per diluted common share, for the 2000 period, which included a gain of \$161.0 million (including the Company's share of New Valley's gain), net of income taxes and minority interests, from the sale of Liggett-Ducat.

Fourth quarter 2001 revenues were \$225.1 million, compared to revenues of \$145.2 million in the fourth quarter of 2000. The Company recorded an operating loss of \$6.2 million in the 2001 fourth quarter compared to operating income of \$17.7 million in the fourth quarter of 2000. Net loss in the 2001 fourth quarter was \$1.1 million, or \$0.03 per diluted common share, compared to net income of \$13.7 million, or \$0.47 per diluted common share in the 2000 fourth quarter.

For the three months and year ended December 31, 2001, Liggett Group Inc. had revenues of \$216.6 million and \$728.2 million, respectively, compared to \$144.4 million and \$539.1 million for the three months and year ended December 31, 2000, respectively. Liggett's operating income before factory relocation, non-cash compensation and settlement expense was \$30.0 million for the fourth quarter of 2001 and \$116.5 million for 2001, compared to \$21.5 million for the fourth quarter of 2000 and \$73.0 million for full year 2000, respectively.

CONFERENCE CALL TO DISCUSS FOURTH QUARTER AND YEAR-END RESULTS

As previously announced, the Company will host a conference call and webcast on Tuesday, April 2, 2002 at 10:00 A.M. (EST) to discuss fourth-quarter and year-end results. Investors can access the call by dialing 877-692-2591 or via live webcast at www.vcall.com

A replay of the call will also be available shortly after the call ends on April 2, 2002 through April 9, 2002. To access the replay, dial 877-519-4471 and enter 3189166 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.

