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 14, 2018

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

During the first quarter of 2018, Vector Group Ltd. (the “Company”) adopted Accounting Standards Updates (“ASU”) ASU 2017-07, Compensation-Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (“ASU 2017-07”). ASU 2017-07 provides guidance that requires an employer to report the service cost component separate from the other components of net benefit pension costs. The Company adopted ASU 2017-07 during the first quarter of 2018 using a retrospective adoption method. Other than the revised statement of operations presentation, the adoption of ASU 2017-07 did not have an impact on the Company’s condensed consolidated financial statements. The Company is filing updated Selected Financial Data and Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") to reflect the impact of the retrospective adoption as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure

Vector Group Ltd. has prepared materials for presentations to investors updated for the last twelve months ended March 31, 2018. The materials are furnished (not filed) as Exhibits 99.3 and 99.4 to this Current Report on Form 8-K pursuant to Regulation FD.

Non-GAAP Financial Measures

The Company is also filing this Current Report on Form 8-K to revise previously reported non-GAAP financial measures to reflect the impact of its adoption of ASU 2017-07 during the first quarter of 2018 and the recasting of the Corporate and Other Segment to included the results of the Company's E-cigarette operations. All Non-GAAP financial measures and their reconciliations to GAAP measures have been presented as part of Exhibit 99.2. The Non-GAAP financial measures included in Exhibit 99.2 were previously reported in the Current Reports on Form 8-K, which were filed on March 1, 2018, November 24, 2017, November 7, 2017, August 4, 2017, May 5, 2017, March 1, 2017, and November 15, 2016.

Exhibits 99.2, 99.3 and 99.4 contain the Non-GAAP Financial Measures discussed below.

Tables 1 and 2 of Exhibit 99.2 contain information relating to the Company's Non-GAAP Financial Measures for the years ended December 31, 2017, 2016, 2015, 2014, and 2013 and the three months ended December 31, 2017, September 30, 2017, June 30, 2017, and March 31, 2017.

Non-GAAP Financial Measures include adjustments for purchase accounting associated with the Company's acquisition of its additional 20.59% interest in Douglas Elliman Realty, LLC, and the related purchase accounting adjustments, occurred prior to the beginning of each period presented. Non-GAAP Financial Measures also include adjustments for litigation related expenses and awards, settlements of long-standing disputes related to the Master Settlement Agreement (“MSA”) in the Tobacco segment, restructuring and pension settlement expense in the Tobacco segment, non-cash stock compensation expense (for purposes of Adjusted EBITDA only) and non-cash interest items associated with the Company's convertible debt.

Adjusted EBITDA, Adjusted Net Income, New Valley LLC Adjusted EBITDA, and Douglas Elliman Realty, LLC Adjusted EBITDA (hereafter 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. 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.

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 in earnings (losses) on long-term investments, gains (losses) on sale of investment securities available for sale, equity in earnings (losses) from real estate ventures, 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 MSA, restructuring and pension settlement expense, gains on acquisition of Douglas Elliman, changes to EBITDA as a result of the consolidation of Douglas Elliman 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 are defined as the portion of Adjusted EBITDA that relates to New Valley. New Valley's Adjusted EBITDA do 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 and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018. 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. Condensed Consolidated Financial Statements and Exhibit

(c) Exhibit.

Exhibit No.	Exhibit
99.1	Selected Financial Data and MD&A adjusted to reflect the adoption of ASU 2017-07.
99.2	Non-GAAP Financial Measures (furnished pursuant to Regulation FD).
99.3	Investor presentation of Vector Group Ltd. dated June 2018 (furnished pursuant to Regulation FD).
99.4	Fact Sheet of Vector Group Ltd. dated June 2018 (furnished pursuant to Regulation FD).
99.5	Fact Sheet of New Valley LLC dated June 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

Sr. Vice President, Treasurer and Chief Financial Officer

Date: June 14, 2018

Selected Financial Data

Explanatory Note

During the first quarter of 2018, Vector Group Ltd. (the “Company”) adopted Accounting Standards Updates (“ASU”) ASU 2017-07, Compensation-Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (“ASU 2017-07”). ASU 2017-07 provides guidance that requires an employer to report the service cost component separate from the other components of net benefit pension costs. The Company adopted ASU 2017-07 during the first quarter of 2018 using a retrospective adoption method. Other than the revised statement of operations presentation, the adoption of ASU 2017-07 did not have a material impact on the Company’s condensed consolidated financial statements.

The following table sets forth our summary condensed consolidated financial data for the periods presented below and our earnings per share as adjusted for the ASU described above. The summary condensed consolidated financial data as of December 31, 2017 have been derived from our audited condensed consolidated financial statements. Our audited condensed consolidated financial statements include only normal and recurring adjustments, necessary to state fairly the data included therein.

Our historical results are not necessarily indicative of the results of operations for future periods. 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 Quarterly Report on Form 10-Q for the period ended March 31, 2018 and our Annual Report on Form 10-K for the period ended December 31,2017.

	As Previously Reported	Adoption of ASU 2017-07	As Revised
Statement of Operations Data:			
		Year ended December 31, 2017	
Operating income (1)	$ 233,688	$ 1,958	$ 235,646
Other, net	7,022	(1,958)	5,064
Net income attributed to Vector Group Ltd.	84,572	—	84,572
		Year ended December 31, 2016	
Operating income (1)	232,997	1,508	234,505
Other, net	4,732	(1,508)	3,224
Net income attributed to Vector Group Ltd.	71,127	—	71,127
		Year ended December 31, 2015	
Operating income (1)	199,920	6,016	205,936
Other, net	6,409	(6,016)	393
Net income attributed to Vector Group Ltd.	59,198	—	59,198
		Year ended December 31, 2014	
Operating income (1)	212,438	(877)	211,561
Other, net	9,396	877	10,273
Net income attributed to Vector Group Ltd.	36,856	—	36,856
		Year ended December 31, 2013	
Operating income (1)	111,186	119	111,305
Other, net	4,573	(119)	4,454
Net income attributed to Vector Group Ltd. (2)	$ 37,300	$ —	$ 37,300

(1) Operating income includes $2,721 $4,364, $1,419 and $11,823 of income from MSA Settlements for the years ended December 31, 2017, 2015, 2014, and 2013, respectively and $247 of expense from MSA Settlements for the year ended December 31, 2016; and $6,591, $20,000, $20,072, $2,475 and $88,106 of litigation judgment and settlement expense for the years ended December 31, 2017, 2016, 2015, 2014, and 2013, respectively; and $41 and $1,819 of restructuring charges for the years ended December 31, 2016 and 2015, respectively; and $1,607 of pension settlement expense for the year ended December 31, 2015 prior to the Adoption of ASU 2017-07.

(2) Net income attributed to Vector Group Ltd. includes a gain of $36,140, net of taxes, to account for the difference between the carrying value and the fair value of the previously held 50% interest in Douglas Elliman.

	As Previously Reported	Adoption of ASU 2017-07	As Revised
Statement of Operations Data:			
		Three months December 31, 2017	
Operating income (1)	$ 47,714	$ 490	$ 48,204
Other, net	2,204	(490)	1,714
Net income attributed to Vector Group Ltd.	42,724	—	42,724
		Three months September 30, 2017	
Operating income (1)	59,233	490	59,723
Other, net	1,821	(490)	1,331
Net income attributed to Vector Group Ltd.	19,264	—	19,264
		Three months June 30, 2017	
Operating income (1)	73,810	490	74,300
Other, net	1,338	(490)	848
Net income attributed to Vector Group Ltd.	26,811	—	26,811
		Three months March 31, 2017	
Operating income (1)	52,931	490	53,421
Other, net	1,659	(490)	1,169
Net income attributed to Vector Group Ltd.	(4,227)	—	(4,227)

(1) Operating income includes $0, $1,836, $0, $895 of income from MSA Settlement for the three months ended December 31, 2017, September 30, 2017, June 30, 2017, and March 31, 2017, respectively, and $800, $4,104, $102, and $1,585 of litigation judgment expense for the three months ended December 31, 2017, September 30, 2017, June 30, 2017, and March 31, 2017, respectively.

ITEM 6. *SELECTED FINANCIAL DATA (AS REVISED)*

	Year Ended December 31,				
	2017	2016	2015	2014	2013
	(dollars in thousands, except per share amounts)				
Statement of Operations Data:					
Revenues (1)	$ 1,807,476	$ 1,690,949	$ 1,657,197	$ 1,591,315	$ 1,079,921
Operating income (3)	$ 235,646	$ 234,505	$ 205,936	$ 211,561	$ 111,305
Net income attributed to Vector Group Ltd.	$ 84,572	$ 71,127	$ 59,198	$ 36,856	$ 37,300 (4)
Per basic common share (2):					
Net income applicable to common shares attributed to Vector Group Ltd.	$ 0.59	$ 0.53	$ 0.44	$ 0.30	$ 0.33
Per diluted common share (2):					
Net income applicable to common shares attributed to Vector Group Ltd.	$ 0.59	$ 0.53	$ 0.44	$ 0.30	$ 0.33
Cash distributions declared per common share (2)	$ 1.54	$ 1.47	$ 1.40	$ 1.33	$ 1.27
Balance Sheet Data:					
Current assets	$ 613,709	$ 705,463	$ 583,739	$ 751,397	$ 484,388
Total assets	$ 1,328,278	$ 1,404,035	$ 1,280,615	$ 1,389,042	$ 1,089,965
Current liabilities	$ 204,639	$ 196,148	$ 216,292	$ 212,424	$ 359,376
Notes payable, embedded derivatives, long-term debt and other obligations, less current portion	$ 1,270,657	$ 1,245,275	$ 1,000,150	$ 995,001	$ 607,872
Non-current employee benefits, deferred income taxes and other long-term liabilities	$ 184,742	$ 215,884	$ 186,334	$ 202,297	$ 173,322
Stockholders' deficiency	$ (331,760)	$ (253,272)	$ (122,161)	$ (20,680)	$ (50,605)

(1) Revenues include federal excise taxes of $460,561, $425,980, $439,647, $446,086 and $456,703, respectively.

(2) Per share computations include the impact of 5% stock dividends on September 28, 2017, September 29, 2016, September 29, 2015, September 26, 2014, and September 27, 2013.

(3) Operating income includes $2,721 $4,364, $1,419 and $11,823 of income from MSA Settlements for the years ended December 31, 2017, 2015, 2014, and 2013, respectively and $247 of expense from MSA Settlements for the year ended December 31, 2016; and $6,591, $20,000, $20,072, $2,475 and $88,106 of litigation judgment and settlement expense for the years ended December 31, 2017, 2016, 2015, 2014, and 2013, respectively; and $41 and $1,819 of restructuring charges for the years ended December 31, 2016 and 2015, respectively.

(4) Net income attributed to Vector Group Ltd. includes a gain of $36,140, net of taxes, to account for the difference between the carrying value and the fair value of the previously held 50% interest in Douglas Elliman.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (AS REVISED)*

Explanatory Note

During the first quarter of 2018, the Company adopted ASU 2017-07. ASU 2017-07 provides guidance that requires an employer to report the service cost component separate from the other components of net benefit pension costs. The Company adopted ASU 2017-07 during the first quarter of 2018 using a retrospective adoption method. Other than the revised statement of operations presentation, the adoption of ASU 2017-07 did not have a material impact on the Company's condensed consolidated financial statements. The Company has revised its MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS to reflect the adoption of this ASU.

Results of Operations

The following discussion provides an assessment of our results of operations, capital resources and liquidity and should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this report. The consolidated financial statements include the accounts of Liggett, Vector Tobacco, Liggett Vector Brands, New Valley, Zoom and other less significant subsidiaries.

Our business segments were Tobacco, E-Cigarettes and Real Estate for the three years ended December 31, 2017, 2016 and 2015. The Tobacco segment consists of the manufacture and sale of cigarettes. The E-Cigarettes segment includes the operations of Zoom. The Real Estate segment includes our investment in New Valley, which includes Douglas Elliman, Escena, Sagaponack, and investments in real estate ventures.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies and can be found in Note 1 to our consolidated financial statements.

	Year Ended December 31,		
	2017	2016	2015
	(Dollars in thousands)		
Revenues:			
Tobacco	$ 1,080,950	$ 1,011,620	$ 1,017,761
E-Cigarettes	(838)	(776)	(1,970)
Real Estate	727,364	680,105	641,406
Total revenues	$ 1,807,476	$ 1,690,949	$ 1,657,197
Operating income (loss):			
Tobacco	$ 240,398 (1)	$ 237,524 (2)	$ 214,131 (3)
E-Cigarettes	(888)	(1,403)	(13,037)
Real Estate	21,439	23,001	24,087
Corporate and Other	(25,303)	(24,617)	(19,245)
Total operating income	$ 235,646	$ 234,505	$ 205,936

(1) Operating income includes $2,721 of income from MSA Settlement, and $6,591 of litigation settlement and judgment expense.

(2) Operating income includes $247 of expense from MSA Settlement, $20,000 of litigation settlement and judgment expense, and $41 of restructuring expense.

(3) Operating income includes $4,364 of income from MSA Settlement, $20,072 of litigation judgment expense, and $7,257 of restructuring expense.

2017 Compared to 2016

Revenues. Total revenues were $1,807,476 for the year ended December 31, 2017 compared to $1,690,949 for the year ended December 31, 2016. The $116,527 (6.9%) increase in revenues was due to a $69,330 increase in Tobacco revenues due primarily to the increase in EAGLE 20's sales and a $47,259 increase in Real Estate revenues, primarily related to increases in Douglas Elliman's brokerage revenues.

Cost of sales. Total cost of sales was $1,228,046 for the year ended December 31, 2017 compared to $1,097,344 for the year ended December 31, 2016. The $130,702 (11.9%) increase in cost of sales was due to a $78,337 increase in Tobacco cost of sales related to increased MSA expense due to higher sales volume, offset by lower per unit manufacturing expense and a $52,449 increase in Real Estate cost of sales, which was primarily related to Douglas Elliman's increased commissions.

Expenses. Operating, selling, general and administrative expenses were $337,193 for the year ended December 31, 2017 compared to $339,059 for the year ended December 31, 2016. The $1,866 (0.6%) decline in operating, selling and administrative expenses is due to a $3,628 decline in Real Estate operating, selling and administrative expenses primarily at Douglas Elliman and a $493 decline in E-Cigarette expenses. This was offset by an $686 increase in Corporate and Other expenses and a $1,569 increase in Tobacco expenses.

Operating income. Operating income was $235,646 for the year ended December 31, 2017 compared to $234,505 for the year ended December 31, 2016, an increase of $1,141 (0.5%). Tobacco operating income increased by $2,874 and E-cigarettes operating loss declined by $515. This was offset by a $1,562 decline in Real Estate operating income, primarily related to Douglas Elliman, and an $686 increase in Corporate and Other expenses.

Other expenses. Other expenses were $146,478 and $108,076 for the years ended December 31, 2017 and 2016, respectively. For the year ended December 31, 2017, other expenses primarily consisted of interest expense of $173,685, loss on extinguishment of debt of $34,110, impairment of investment securities available for sale of $465 and equity in losses from investments of $765. This was offset by income of $35,919 from changes in fair value of derivatives embedded within convertible debt, equity in earnings from real estate ventures of $21,395, other income of $5,064 and gain on sale of investment securities available for sale of $169. For the year ended December 31, 2016, other expenses primarily consisted of interest expense of $142,982, impairment of investment securities available for sale of $5,381 and equity in losses from long-term investments of $2,754. This was offset by income of $31,710 from changes in fair value of derivatives embedded within convertible debt, equity in earnings from real estate ventures of $5,200, other income of $3,224 and gain on sale of investment securities available for sale of $2,907.

The value of the embedded derivatives is contingent on changes in interest rates of debt instruments maturing over the duration of the convertible debt, our stock price as well as projections of future cash and stock dividends over the term of the debt. The interest rate component of the value of the embedded derivative is computed by calculating an equivalent non-convertible, unsecured and subordinated borrowing cost. This rate is determined by calculating the implied rate on each of the two series of our Convertible Notes after removing the embedded option value within the convertible security. This rate is based upon market observable inputs and influenced by our stock price, convertible bond trading price, risk-free interest rates and stock volatility. We recognized benefits from reductions in the value of embedded derivatives of $35,919 and $31,710 for the years ended December 31, 2017 and 2016, respectively. The increase in income was primarily due to the the amortization of the 2017 interest payments associated with the derivative liability as well as higher interest rates December 31, 2017.

Income before provision for income taxes. Income before income taxes was $89,168 and $126,429 for the years ended December 31, 2017, and 2016, respectively. The decline was primarily attributable to increased interest expense, which was primarily due to increased non-cash interest expense related to the amortization debt discount, and a loss on extinguishment of our 7.75% Senior Secured Notes due 2021 and was offset by increased income from real estate ventures due to the monetization of the 10 Madison West project.

Income tax expense. Income tax benefit was $1,582 for the year ended December 31, 2017 compared to income tax expense of $49,163 for the year ended December 31, 2016. Included in our income tax benefit for the year ended December 31, 2017 is the remeasurement of certain deferred income tax assets and liabilities as a result of the Tax Act, which resulted in a one-time deferred benefit of $28,845. In addition, our income tax rates for the years ended December 31, 2017 and 2016 do not bear a customary relationship to statutory income tax rates as a result of the impact of nondeductible expenses as well as state income taxes, interest and penalties accrued on unrecognized tax benefits offset by the impact of the domestic production activities deduction.

Tobacco.

Tobacco revenues. Liggett increased the list price of PYRAMID, LIGGETT SELECT, EVE and GRAND PRIX by $0.70 per carton in May 2016, $0.80 per carton in each of November 2016 and March 2017, and $1.00 in September 2017. Liggett increased the list price of EAGLE 20's by $1.00 per carton in each of December 2016 and in November 2017.

All of our Tobacco sales were in the discount category in 2017 and 2016. For the year ended December 31, 2017, Tobacco revenues were $1,080,950 compared to $1,011,620 for the year ended December 31, 2016. Revenues for 2017 increased by $69,330 (6.9%) due to an 8.1% increase in sales volume of $82,081 (686.7 million units), offset by an unfavorable price variance of $12,751.

Tobacco cost of sales. The major components of our Tobacco cost of sales were as follows:

	Year Ended December 31,	
	2017	2016
Manufacturing overhead, raw materials and labor	$ 122,562	$ 116,713
Federal excise taxes	460,561	425,980
FDA expense	21,011	19,252
MSA expense, net of market share exemption	146,634 (1)	110,486 (2)
Total cost of sales	$ 750,768	$ 672,431

(1) Includes $2,721 reduction in expense from MSA Settlement.

(2) Includes $247 increase in expense from MSA Settlement.

Tobacco gross profit was $330,182 for the year ended December 31, 2017 compared to $339,189 for the year ended December 31, 2016. The $9,007 (2.7%) decline was due to increased MSA expense and higher per unit promotional spending in 2017 which was associated with the increased unit sales of Eagle 20's. As a percentage of revenues (excluding Federal Excise Taxes), Tobacco gross profit was 53.2% in the 2017 period and 57.9% in the 2016 period.

Tobacco expenses. Tobacco operating, selling, general and administrative expenses were $83,193 for the year ended December 31, 2017 compared to $81,624 for the year ended December 31, 2016. Tobacco product liability legal expenses, including settlements and judgments, were $12,809 and $26,611 for the years ended December 31, 2017 and 2016. In December 2016, the Company entered into a settlement of 124 *Engle* progeny plaintiffs resulting in a charge of $17,650.

Tobacco operating income. Tobacco operating income was $240,398 for the year ended December 31, 2017 compared to $237,524 for the year ended December 31, 2016. The Tobacco operating income increase of $2,874 was primarily due to the lower product liability settlement expenses discussed above offset by lower gross profit margins.

E-Cigarettes.

E-Cigarettes revenues. E-Cigarettes had negative revenues of $838 for the year ended December 31, 2017 compared to negative revenues of $776 for the year ended December 31, 2016. The negative revenues for the year ended December 31, 2017 were the result of an increase in the estimated allowance for the return of products sold in prior years.

E-Cigarettes cost of sales. There was no E-cigarette cost of sales for the year ended December 31, 2017 compared to $84 for the year ended December 31, 2016.

E-Cigarettes expenses. E-Cigarettes operating, selling, general and administrative expenses were $50 and $543 for the years ended December 31, 2017 and 2016, respectively. Operating losses from E-Cigarettes were $888 and $1,403 for the years ended December 31, 2017 and 2016, respectively.

Real Estate.

Real Estate revenues. Real Estate revenues were $727,364 and $680,105 for the years ended December 31, 2017 and 2016, respectively. Real Estate revenues increased by $47,259 (6.9%), which was primarily related to an increase of $44,103 in Douglas Elliman's commission and other brokerage income. This increase in commission and other brokerage income was related to increased commission and other brokerage income from Douglas Elliman's existing-home sales and was offset by lower revenues generated from Douglas Elliman's development marketing division.

Real Estate revenues and cost of sales were as follows:

	Year Ended December 31,	
	2017	2016
Real Estate Revenues:		
Commission and other brokerage income	$ 685,154	$ 641,051
Property management income	31,924	29,883
Title fees	5,265	4,324
Sales on facilities primarily from Escena	5,021	4,844
Other	—	3
Total real estate revenues	$ 727,364	$ 680,105
Real Estate Cost of Sales:		
Real estate agent commissions	$ 472,753	$ 420,317
Cost of sales on facilities primarily from Escena	3,882	3,833
Title fees	643	679
Total real estate cost of sales	$ 477,278	$ 424,829

Brokerage cost of sales. Douglas Elliman real estate agent commissions increased by $52,436 due primarily to an increase in sales volume as well as an increase in the proportion of sales to markets with higher commission percentages and a lower percentage of commission revenues generated from the development marketing division, which generally pays lower commission rates than the existing-home resale market, in 2017.

Real Estate expenses. Real Estate operating, selling, general and administrative expenses were $228,647 and $232,275 for the years ended December 31, 2017 and 2016, respectively. The decline of $3,628 was primarily due to lower expenses associated with Douglas Elliman's expansion, promotional expenses associated with Douglas Elliman's development marketing division and Douglas Elliman's property management division.

Real Estate operating income. The Real Estate segment had operating income of $21,439 and $23,001 for the years ended December 31, 2017 and 2016, respectively. The decline in operating income of $1,562 was primarily related to decreased gross margin, which was associated with higher commission payments at Douglas Elliman.

Corporate and other.

Corporate and other loss. The operating loss at the corporate segment was $25,303 for the year ended December 31, 2017 compared to $24,617 for the same period in 2016. The increase of $686 was primarily due to increased stock-based compensation expense for the year ended December 31, 2017.

2016 Compared to 2015

Revenues. Total revenues were $1,690,949 for the year ended December 31, 2016 compared to $1,657,197 for the year ended December 31, 2015. The $33,752 (2.0%) increase in revenues was due to a $38,699 increase in Real Estate revenues, primarily related to increases in Douglas Elliman's commissions, and a $1,194 decline in E-Cigarettes negative revenues, associated with an adjustment to the allowance for customer sales returns, offset by a $6,141 decline in Tobacco revenues.

Cost of sales. Total cost of sales was $1,097,344 for the year ended December 31, 2016 compared to $1,109,727 for the year ended December 31, 2015. The $12,383 (1.1%) decline in cost of sales was due to a $25,469 decline in Tobacco cost of sales due to lower sales volume and lower per unit manufacturing and MSA expense and a $1,456 decline in E-Cigarettes cost of sales due to lower sales volume, offset by a $14,542 increase in Real Estate cost of sales, primarily related to an increase in Douglas Elliman's commissions expense.

Expenses. Operating, selling, general and administrative expenses were $339,059 for the year ended December 31, 2016 compared to $314,205 for the year ended December 31, 2015. The $24,854 (7.3%) increase in operating, selling and administrative expenses is due to a $25,243 increase in Real Estate operating, selling and administrative expenses, primarily related to the Douglas Elliman brokerage expenses, a $3,223 increase in Tobacco expenses and a $5,372 increase in Corporate and Other expenses. This was offset by an $8,984 decline in E-Cigarettes expenses.

Operating income. Operating income was $232,997 for the year ended December 31, 2016 compared to $199,920 for the same period last year, an increase of $28,569 (12.2%). Tobacco operating income increased by $23,393 and E-Cigarettes operating loss declined by $11,634. This was offset by a $1,086 decline in Real Estate operating income, primarily related to Douglas Elliman, and a $5,372 increase in Corporate and Other expenses.

Other expenses. Other expenses were $108,076 and $98,231 for the years ended December 31, 2016 and 2015, respectively. For the year ended December 31, 2016, other expenses primarily consisted of interest expense of $142,982, impairment of investment securities available for sale of $5,381 and equity in losses from long-term investments of $2,754. This was offset by income of $31,710 from changes in fair value of derivatives embedded within convertible debt, equity in earnings from real estate ventures of $5,200, other income of $3,224, and gain on sale of investment securities available for sale of $2,907. For the year ended December 31, 2015, other expenses primarily consisted of equity in losses from long-term investments of $2,681, impairment of investment securities available for sale of $12,846 and interest expense of $120,691. This was offset by income of $24,455 from changes in fair value of derivatives embedded within convertible debt, gain on sale of investment securities available for sale of $11,138, equity in earnings from real estate ventures of $2,001 and interest and other income of $393.

The value of the embedded derivatives is contingent on changes in interest rates of debt instruments maturing over the duration of the convertible debt, our stock price as well as projections of future cash and stock dividends over the term of the debt. The interest rate component of the value of the embedded derivative is computed by calculating an equivalent non-convertible, unsecured and subordinated borrowing cost. This rate is determined by calculating the implied rate on our 7.5% Convertible Notes and our 5.5% Convertible Notes when removing the embedded option value within the convertible security. This rate is based upon market observable inputs and influenced by our stock price, convertible bond trading price, risk-free interest rates and stock volatility. We recognized benefits from reductions in the value of embedded derivatives of $31,710 and $24,455 for the years ended December 31, 2016 and 2015, respectively.

Income before income taxes. Income before income taxes was $126,429 and $107,705 for the years ended December 31, 2016 and 2015, respectively. The increase is attributable to the items discussed above.

Income tax expense. The income tax expense was $49,163 for the year ended December 31, 2016 compared to $41,233 for the year ended December 31, 2015. Our income tax rates for the years ended December 31, 2016 and 2015 do not bear a customary relationship to statutory income tax rates as a result of the impact of nondeductible expenses as well as state income taxes, interest and penalties accrued on unrecognized tax benefits offset by the impact of the domestic production activities deduction.

Tobacco.

Tobacco revenues. Liggett increased the list price of PYRAMID, LIGGETT SELECT, EVE and GRAND PRIX by $0.70 per carton in each of May 2015, November 2015 and May 2016, and by $0.80 per carton in November 2016. Liggett increased the list price of EAGLE 20's by $1.00 per carton in each of December 2015 and December 2016.

All of our Tobacco sales were in the discount category in 2016 and 2015. For the year ended December 31, 2016, Tobacco revenues were $1,011,620 compared to $1,017,761 for the year ended December 31, 2015. Revenues for 2016 declined by $6,141 (0.6%) due to a 2.6% decline in sales volume of $38,973 (227.1 million units), offset by a favorable price variance of $32,832.

Tobacco cost of sales. Our Tobacco cost of sales declined from $697,900 for the year ended December 31, 2015 to $672,431 for the year ended December 31, 2016. The major components of our Tobacco cost of sales are as follows:

	Year Ended December 31,	
	2016	2015
Manufacturing overhead, raw materials and labor	$ 116,713	$ 124,814
Federal excise taxes	425,980	439,647
Tobacco quota buyout expense	—	664 (1)
FDA expense	19,252	18,856
MSA expense, net of market share exemption	110,486 (2)	113,919 (3)
Total cost of sales	$ 672,431	$ 697,900

(1) The quarterly assessments due under the Fair and Equitable Tobacco Reform Act (shown as "Tobacco quota buyout expense" above) expired at the end of 2014. The $664 for the year ended December 31, 2015 represents a final assessment for the fourth quarter of 2014 that was received in 2015.

(2) Includes $247 increase in expense from MSA Settlement.

(3) Includes $4,364 reduction in expense from MSA Settlement.

Tobacco gross profit was $339,189 for the year ended December 31, 2016 compared to $319,861 for the year ended December 31, 2015. The $19,328 (6.0%) increase was due to higher margins generated from price increases in 2016, primarily on the PYRAMID brand, and lower manufacturing and MSA unit costs. As a percentage of revenues (excluding Federal Excise Taxes), Tobacco gross profit was 57.9% in the 2016 period and 55.3% in the 2015 period.

Tobacco expenses. Tobacco operating, selling, general and administrative expenses were $81,624 for the year ended December 31, 2016 compared to $78,401 for the year ended December 31, 2015. The $3,223 increase in expenses primarily related to the adoption of ASU 2017-07 that recast certain pensions costs from operating, selling, general and administrative expenses to Other, net. This was offset by savings from the October 2015 restructuring in 2016 due to the absence of $7,216 of restructuring expense. Tobacco product liability legal expenses, including settlements and judgments, were $26,611 and $26,987 for the years ended December 31, 2016 and 2015, respectively.

Tobacco operating income. Tobacco operating income was $237,524 for the year ended December 31, 2016 compared to $214,131 for the year ended December 31, 2015. The Tobacco operating income increase of $23,393 was primarily due to the higher margins and lower operating expenses discussed above.

E-Cigarettes.

E-Cigarettes revenues. E-Cigarettes revenues were negative $776 for the year ended December 31, 2016 compared to negative revenues of $1,970 for the year ended December 31, 2015. These negative revenues were associated with an adjustment to the allowance for customer sales returns.

E-Cigarettes cost of sales. *C*ost of sales associated with our E-Cigarettes segment were $84 for the year ended December 31, 2016 compared to $1,540 for the year ended December 31, 2015. Cost of sales declined by $1,456 due to lower sales volumes.

E-Cigarettes expenses. E-Cigarettes operating, selling, general and administrative expenses were $543 and $9,527 for the years ended December 31, 2016 and 2015, respectively. The decline was due to lower advertising and marketing expenses. Operating losses from E-Cigarettes were $1,403 and $13,037 for the years ended December 31, 2016 and 2015, respectively.

Real Estate.

Real Estate revenues. Real Estate revenues were $680,105 and $641,406 for the years ended ended December 31, 2016 and 2015, respectively. Real Estate revenues increased by $38,699 (6.0%), primarily related to an increase of $39,114 in commission and other brokerage income, which was primarily due to an increase in Douglas Elliman’s existing home sales.

Real Estate revenues and cost of sales were as follows:

	Year Ended December 31,	
	2016	2015
Real Estate Revenues:		
Commission and other brokerage income	$ 641,051	$ 601,937
Property management income	29,883	28,522
Title fees	4,324	4,616
Real estate held for sale	—	1,166
Sales on facilities primarily from Escena	4,844	5,165
Other	3	—
Total Real Estate revenues	$ 680,105	$ 641,406
Real Estate Cost of Sales:		
Real estate agent commissions	$ 420,317	$ 405,678
Cost of sales on facilities primarily from Escena	3,833	3,866
Title fees	679	743
Total Real Estate cost of sales	$ 424,829	$ 410,287

Brokerage cost of sales. Douglas Elliman commission cost of sales increased by $14,639 due to increased sales volume.

Real Estate expenses. Real Estate operating, selling, general and administrative expenses were $232,275 and $207,032 for the years ended December 31, 2016 and 2015, respectively. The increase of $25,243 was primarily due to increased expenses at Douglas Elliman from Douglas Elliman's development marketing division and continued expansion into new markets as well as incremental professional fees in 2016 associated with the costs of being a subsidiary of a public company.

Real Estate operating income. The Real Estate segment had operating income of $23,001 and $24,087 for the years ended December 31, 2016 and 2015, respectively. The decline in operating income of $1,086 was primarily related to an increase in Douglas Elliman operating, selling, general and administrative expenses, offset by higher gross profit at Douglas Elliman.

Corporate and other.

Corporate and other loss. The operating loss at the corporate segment was $24,617 for the year ended December 31, 2016 compared to $19,245 for the same period in 2015. The increase of $5,372 was primarily due to increased stock-based compensation expense, executive pension expense and increased professional fees for the year ended December 31, 2016.

EXHIBIT 99.2

TABLE 1
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED EBITDA
(Unaudited)
(Dollars in Thousands)

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net income attributed to Vector Group Ltd.	$ 84,572	$ 71,127	$ 59,198	$ 36,856	$ 37,300
Interest expense	173,685	142,982	120,691	160,991	132,147
Income (benefit) tax expense	(1,582)	49,163	41,233	33,165	23,672
Net income (loss) attributed to non-controlling interest	6,178	6,139	7,274	12,258	(252)
Depreciation and amortization	18,614	22,359	25,654	24,499	12,631
EBITDA	$ 281,467	$ 291,770	$ 254,050	$ 267,769	$ 205,498
Change in fair value of derivatives embedded within convertible debt (a)	(35,919)	(31,710)	(24,455)	(19,409)	(18,935)
Equity in losses (earnings) on long-term investments (b)	765	2,754	2,681	(3,140)	(3,126)
Impairment of investment securities	465	5,381	12,846	—	—
(Gain) loss on sale of investment securities available for sale	(169)	(2,907)	(11,138)	11	(5,152)
Equity in earnings from real estate ventures (c)	(21,395)	(5,200)	(2,001)	(4,103)	(22,925)
Loss on extinguishment of debt	34,110	—	—	—	21,458
Acceleration of interest expense related to debt conversion	—	—	—	5,205	12,414
Stock-based compensation expense (d)	10,887	10,052	5,620	3,251	2,519
Litigation settlement and judgment expense (e)	6,591	20,000	20,072	2,475	88,106
Impact of MSA Settlement (f)	(2,721)	247	(4,364)	(1,419)	(11,823)
Restructuring expense	—	41	1,819	—	—
Gain on acquisition of Douglas Elliman	—	—	—	—	(60,842)
Reclassification of EBITDA as a result of the consolidation of Douglas Elliman (g)	—	—	—	—	46,640
Purchase accounting adjustments (h)	(2,102)	5,230	1,435	1,478	—
Other, net	(5,064)	(3,224)	(393)	(10,273)	(4,454)
Adjusted EBITDA	$ 266,915	$ 292,434	$ 256,172	$ 241,845	$ 249,378
Adjusted EBITDA attributed to non-controlling interest	(7,576)	(10,696)	(11,267)	(15,858)	(13,717)
Adjusted EBITDA attributed to Vector Group Ltd.	$ 259,339	$ 281,738	$ 244,905	$ 225,987	$ 235,661
Adjusted EBITDA by Segment					
Tobacco	$ 253,179	$ 268,121	$ 243,067	$ 208,997	$ 197,741
E-cigarettes	(888)	(1,403)	(13,037)	(13,124)	(1,019)
Real Estate (i)	27,848	38,716	38,111	56,036	64,866
Corporate and Other	(13,224)	(13,000)	(11,969)	(10,064)	(12,210)
Total	$ 266,915	$ 292,434	$ 256,172	$ 241,845	$ 249,378
Adjusted EBITDA Attributed to Vector Group by Segment					
Tobacco	$ 253,179	$ 268,121	$ 243,067	$ 208,997	$ 197,741
E-cigarettes	(888)	(1,403)	(13,037)	(13,124)	(1,019)
Real Estate (j)	20,272	28,020	26,844	40,178	51,149
Corporate and Other	(15,688)	(13,000)	(11,969)	(10,064)	(12,210)
Total	$ 256,875	$ 281,738	$ 244,905	$ 225,987	$ 235,661

a. Represents income or losses recognized from changes in the fair value of the derivatives embedded in the Company's convertible debt.
b. Represents equity in losses (earnings) recognized from investments that the Company accounts for under the equity method.

c. Represents equity in earnings 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 accruals for settlements of judgment expenses in the *Engle* progeny tobacco litigation.
f. Represents the Company's tobacco segment'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. Amounts represent purchase accounting adjustments recorded in the periods presented in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.
i. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC of $26,110, $36,657, $35,740, $50,655, and $45,710 for the years ended December 31, 2017, 2016, 2015, 2014, and 2013, respectively. Amounts reported in this footnote reflect 100% of Douglas Elliman Realty, LLC's entire Adjusted EBITDA.
j. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC less non-controlling interest of $18,431, $25,876, $25,229, $35,757, and $31,993 for the years ended December 31, 2017, 2016, 2015, 2014, and 2013, respectively. Amounts reported in this footnote have adjusted Douglas Elliman Realty, LLC's Adjusted EBITDA for non-controlling interest.

TABLE 2
VECTOR GROUP LTD. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED EBITDA
(Unaudited)
(Dollars in Thousands)

	For the three months ended			
	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Net income attributed to Vector Group Ltd.	$ 42,724	$ 19,264	$ 26,811	$ (4,227)
Interest expense	37,539	43,234	46,691	46,221
Income tax (benefit) expense	(24,099)	6,472	18,827	(2,782)
Net income attributed to non-controlling interest	227	1,214	4,735	2
Depreciation and amortization	4,586	4,386	4,613	5,029
EBITDA	$ 60,977	$ 74,570	$ 101,677	$ 44,243
Change in fair value of derivatives embedded within convertible debt (a)	(9,777)	(9,437)	(8,134)	(8,571)
Equity in (earnings) losses on long-term investments (b)	(2,058)	303	1,459	1,061
Impairment of investment securities	286	53	87	39
Loss (gain) on sale of investment securities available for sale	114	(96)	(37)	(150)
Equity in earnings (losses) from real estate ventures (c)	4,962	47	(15,291)	(11,113)
Loss on extinguishment of debt	—	—	—	34,110
Stock-based compensation expense (d)	2,431	2,430	3,020	3,006
Litigation settlement and judgment expense (e)	800	4,104	102	1,585
Impact of MSA Settlement (f)	—	(1,826)	—	(895)
Purchase accounting adjustments (g)	(14)	(2,345)	144	113
Other, net	(1,714)	(1,821)	(848)	(1,169)
Adjusted EBITDA	$ 56,007	$ 65,982	$ 82,179	$ 62,259
Adjusted EBITDA attributed to non-controlling interest	(653)	(1,091)	(5,347)	(485)
Adjusted EBITDA attributed to Vector Group Ltd.	$ 55,354	$ 64,891	$ 76,832	$ 61,774
Adjusted EBITDA by Segment				
Tobacco	$ 57,719	$ 66,076	$ 66,737	$ 62,775
E-cigarettes	(283)	(527)	(1)	(77)
Real Estate (h)	2,531	3,719	18,643	2,955
Corporate and Other	(3,960)	(3,286)	(3,200)	(3,394)
Total	$ 56,007	$ 65,982	$ 82,179	$ 62,259
Adjusted EBITDA Attributed to Vector Group by Segment				
Tobacco	$ 57,719	$ 66,076	$ 66,737	$ 62,775
E-cigarettes	(283)	(527)	(1)	(77)
Real Estate (i)	1,878	2,628	13,296	2,470
Corporate and Other	(3,960)	(3,286)	(3,200)	(3,394)
Total	$ 55,354	$ 64,891	$ 76,832	$ 61,774

a. Represents income or losses recognized from changes in the fair value of the derivatives embedded in the Company's convertible debt.
b. Represents equity in losses (earnings) recognized from investments that the Company accounts for under the equity method.
c. Represents equity in earnings 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 accruals for settlements of judgment expenses in the *Engle* progeny tobacco litigation.
f. Represents the Company's tobacco segment's settlement of a long-standing dispute related to the Master Settlement Agreement.
g. Amounts represent purchase accounting adjustments recorded in the periods presented in connection with the increase of the Company's ownership of Douglas Elliman Realty, LLC, which occurred in 2013.

h. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC of $2,357, $3,772, $18,225, and $1,756 for the three months ended December 31, 2017, September 30, 2017, June 30, 2017 and March 31, 2017, respectively. Amounts reported in this footnote reflect 100% of Douglas Elliman Realty, LLC's entire Adjusted EBITDA.

i. Includes Adjusted EBITDA for Douglas Elliman Realty, LLC less non-controlling interest of $1,664, $2,663, $12,865, and $1,240 for the three months ended December 31, 2017, September 30, 2017, June 30, 2017 and March 31, 2017, respectively. Amounts reported in this footnote have adjusted Douglas Elliman Realty, LLC's Adjusted EBITDA for non-controlling interest.

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VECTOR GROUP LTD

INVESTOR PRESENTATION

June 2018

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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 March 31, 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 and May 9, 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 $250.5 million for the twelve months ended March 31, 2018[(2)]
  - Tobacco Adjusted EBITDA of $252.4 million for the twelve months ended March 31, 2018[(3)]
  - Douglas Elliman, which is a 70.59%-owned subsidiary, produced Revenues of $726.2 million and Adjusted EBITDA of $15.8 million for the twelve months ended March 31, 2018[(4)]
- Diversified New Valley portfolio of consolidated and non-consolidated real estate investments
- Maintains substantial liquidity with cash, marketable securities and long-term investments of $572 million as of March 31, 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 March 31, 2018 was $96.0 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 May 9, 2018, 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 3 of Exhibit 99.1 to the Company's Current Report on Form 8-K, dated May 9, 2018.
(4) Douglas Elliman's Net income was $13.1 million for the twelve months ended March 31, 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, dated May 9, 2018, for a reconciliation of Adjusted EBITDA to net income (Table 7) as well as the Disclaimer to this document.
(5) At March 31, 2018 this amount includes cash at Douglas Elliman, a 70.59%-owned subsidiary, of $72 million and cash at Liggett, a wholly-owned subsidiary of $26 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 – *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 $252.4 million for the twelve months ended March 31, 2018 (1)
  - Low capital requirements with capital expenditures of $3.5 million related to tobacco operations for the twelve months ended March 31, 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, dated May 9, 2018. Please also refer to the Disclaimer to this document on Page 2.

LIGGETT GROUP HISTORY

1998 — Signed the MSA as a Subsequent Participating Manufacturer, which established perpetual cost advantage over three largest U.S. tobacco companies

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

2005 — Relaunched deep discount brand *Grand Prix*

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

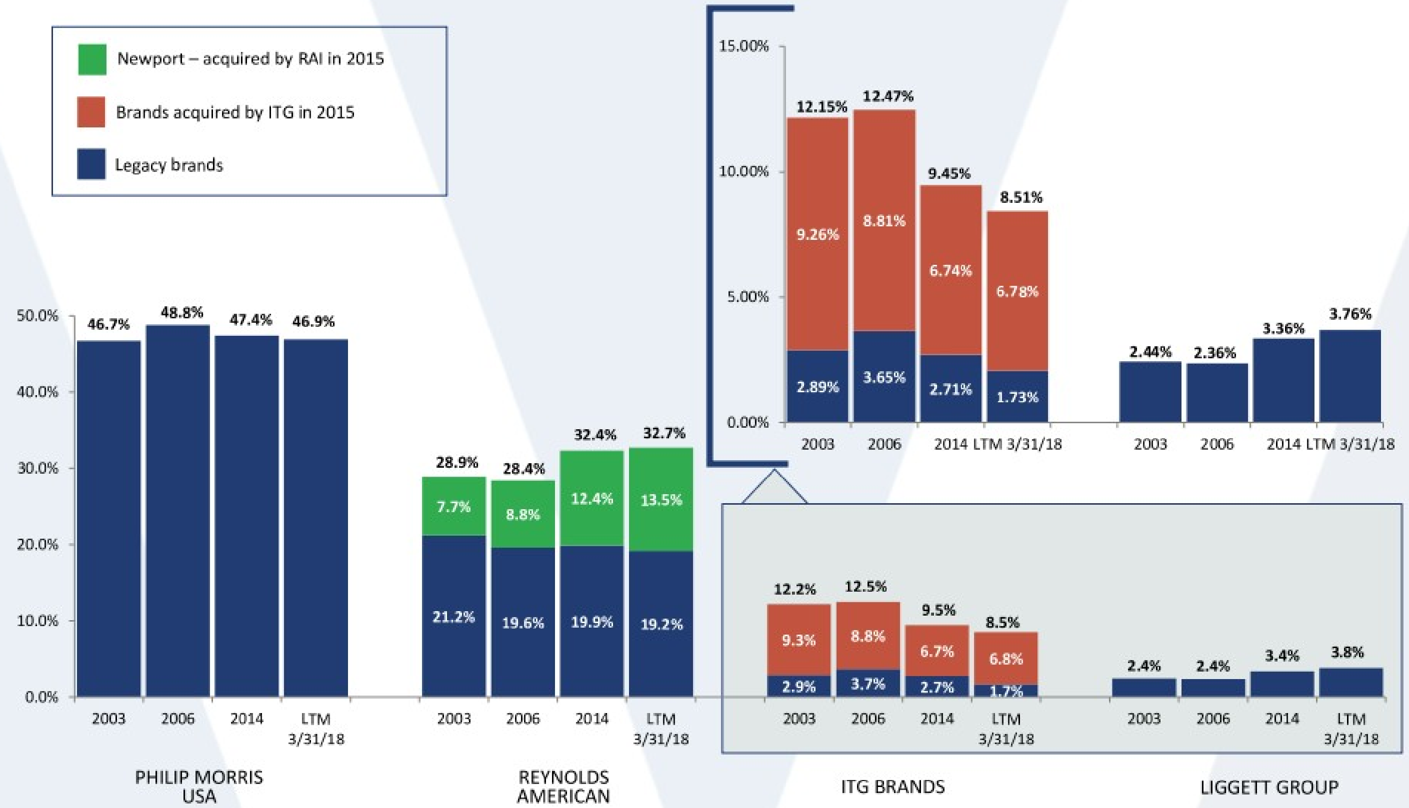
2013 — Repositioned Eagle 20's as a national deep discount brand

Today — Liggett maintains its long-term focus by balancing market share and profit growth, which maximizes long-term Tobacco Adjusted EBITDA.

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, dated May 9, 2018 as well as Table 2 to Exhibit 99.2 of the Company's Current Report son Form 8-K, dated October 2, 2015, November 15, 2016 and March 1, 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 3/31/18.

(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 8.4% in 2003, 2006, 2014 and LTM 3/31/18, 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 80 *Engle* progeny plaintiffs remain at March 31, 2018.
- Liggett is also a defendant in 28 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

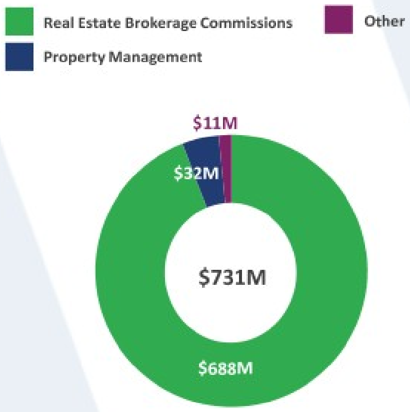
REAL ESTATE OPERATIONS

VECTOR GROUP LTD

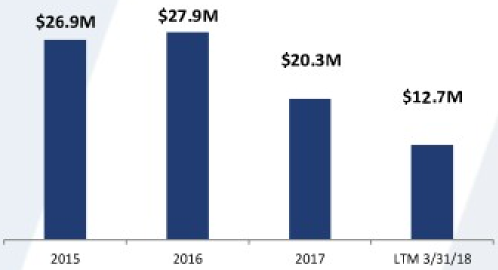
REAL ESTATE OVERVIEW

- 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 $195 million[1], as of March 31, 2018, in a broad portfolio of real estate projects

New Valley Revenues – LTM March 31, 2018



New Valley Adjusted EBITDA[2]

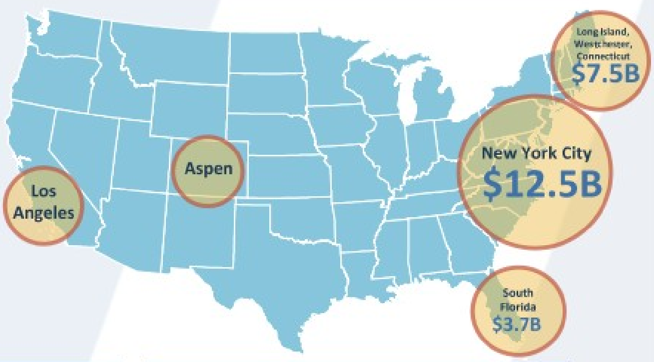


(1) Net of cash returned.
(2) New Valley's net income was $11.7M, $13.5M, $37.6M and $22.0M for the periods presented. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Net income to Adjusted EBITDA, please see Vector Group Ltd.'s Current Reports on Forms 8-K, filed on March 8, 2016, March 1, 2017, March 1, 2018 and May 9, 2018, Form 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended March 31, 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 $14.6M for the periods presented, respectively.

DOUGLAS ELLIMAN REALTY, LLC

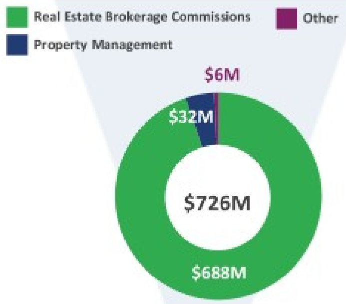
- Largest residential real estate brokerage firm in the highly competitive New York metropolitan area and third-largest residential brokerage firm in the U.S.
- Approximately 7,000 affiliated agents and 100 offices in the U.S.
- Alliance with Knight Frank provides a network with 520 offices across 60 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 March 31, 2018

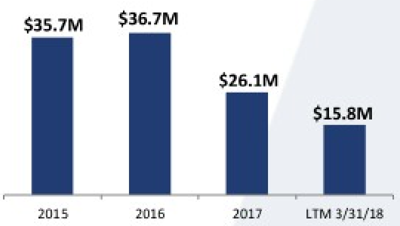


Douglas Elliman Closed Sales

Douglas Elliman Revenues – LTM March 31, 2018

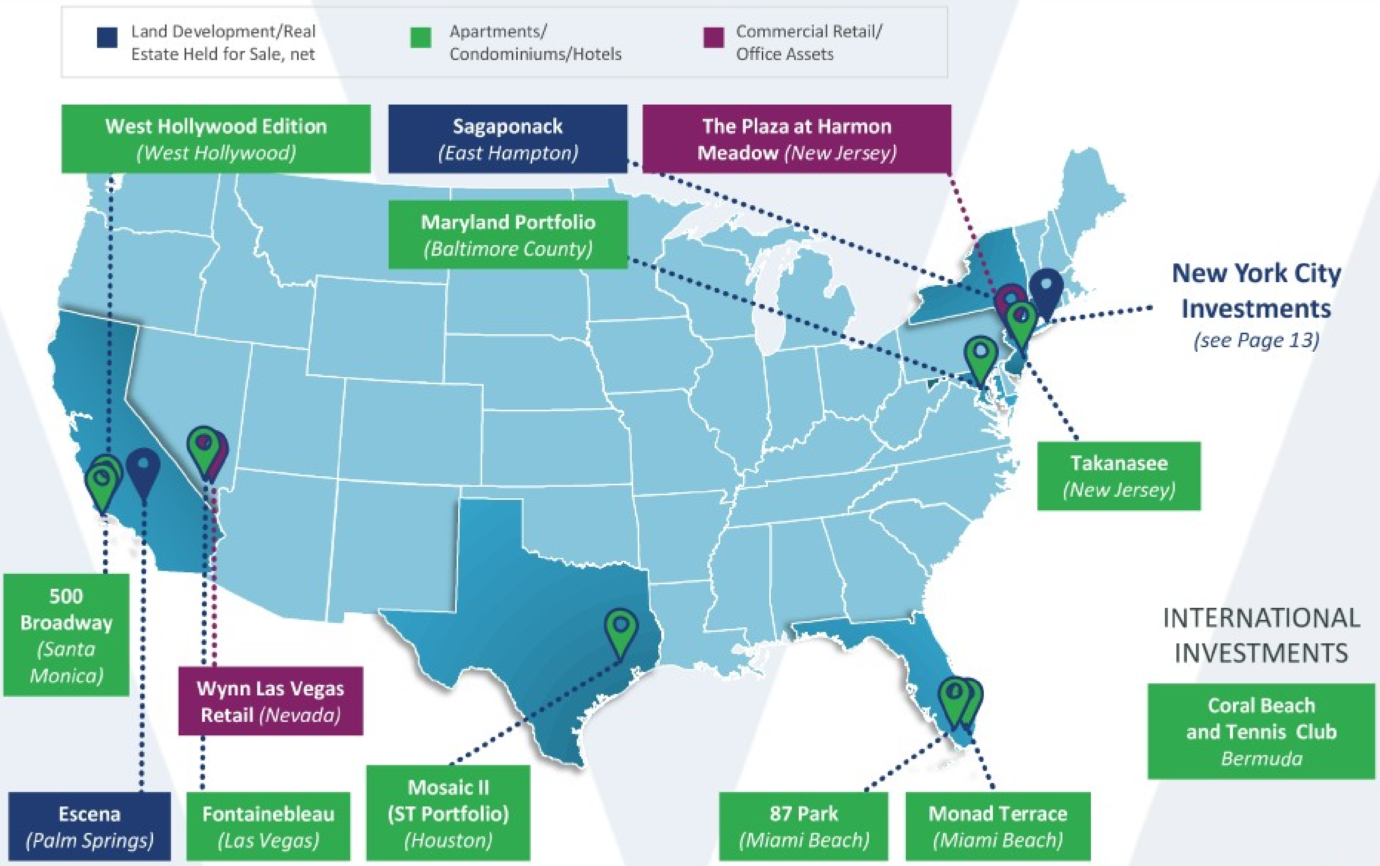


Douglas Elliman Adjusted EBITDA(1)



(1) Douglas Elliman's net income was $22.2M, $21.1M, $21.4M and $13.1M 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 May 9, 2018, Form 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended March 31, 2018 (Commission File Number 1-5759) as well as the Disclaimer to this document on Page 2.

NEW VALLEY'S REAL ESTATE INVESTMENTS AT MARCH 31, 2018 (1)



(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 March 31, 2018 (Commission File Number 1-5759).

VECTOR GROUP LTD

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
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square
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 March 31, 2018 (Commission File Number 1-5759).

NEW VALLEY'S REAL ESTATE SUMMARY AS OF MARCH 31, 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	$ 13,822	$ -	$ 13,822	N/A	100.0%	1
All other U.S. areas	2,780	7,626	10,406	N/A	100.0%	1
	$ 16,602	$ 7,626	$ 24,228			2
Condominium and Mixed Use Development (Minority interest owned)						
New York City SMSA	$ 19,547	$ 72,363	$ 91,910	2018 - 2020	3.1% - 49.5%	13
All other U.S. areas	27,432	3,361	30,793	2018 - 2020	15% - 48.5%	4
	$ 46,979	$ 75,724	$ 122,703			17
Apartments (Minority interest owned)						
New York City SMSA	$ 14,711	$ (5,367)	$ 9,344	N/A	45.4%	1
All other U.S. areas	(674)	716	42	N/A	7.6% - 16.3%	2
	$ 14,037	$ (4,651)	$ 9,386			3
Hotels (Minority interest owned)						
New York City SMSA	31,347	(12,085)	19,262	N/A	5.2% - 15%	2
All other U.S. areas	7,675	(359)	7,316	N/A	15%	1
International	6,048	(3,673)	2,375	N/A	49%	1
	$ 45,070	$ (16,117)	$ 28,953			4
Commercial (Minority interest owned)						
New York City SMSA	4,826	(2,656)	2,170	N/A	49.0%	1
All other U.S. areas	15,024	633	15,657	N/A	1.9%	1
	$ 19,850	$ (2,023)	$ 17,827			2
Total	**$ 142,538**	**$ 60,559**	**$ 203,097**			**28**
Summary						
New York City SMSA	$ 84,253	$ 52,255	$ 136,508			18
All other U.S. areas	52,237	11,977	64,214			9
International	6,048	(3,673)	2,375			1
	$ 142,538	$ 60,559	$ 203,097			28

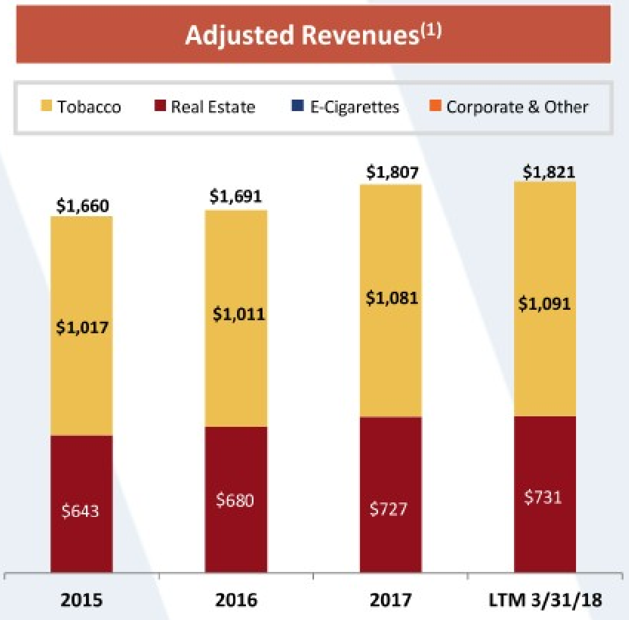
(1) For the percentage of each real estate project owned, please refer to the "Summary of Real Estate Investments" section of Item 7 -Management's Discussion and Analysis of Financial Condition and Results of Operations of Vector Group Ltd.'s Form 10-Q for the period ended March 31, 2018 (Commission File Number 1-5759).
(2) Includes interest expense capitalized to real estate ventures of $29,700.
(3) Carrying value includes non-controlling interest of $2,608.

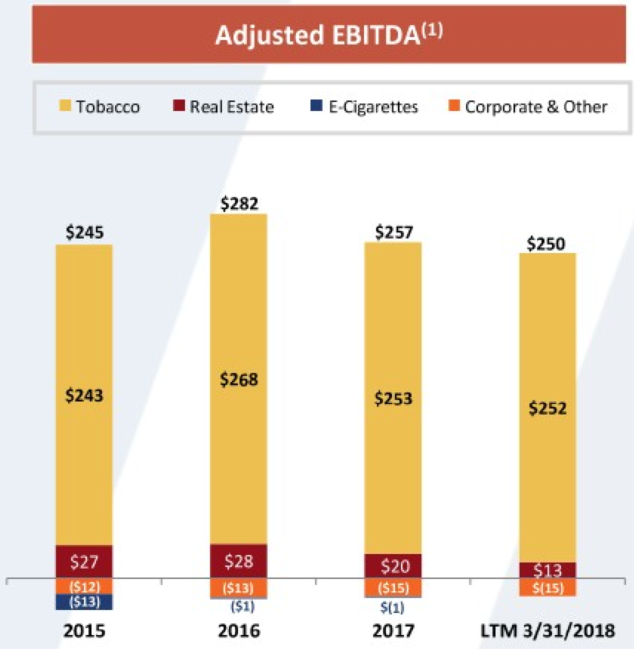
FINANCIAL DATA

Vector Group Ltd

ADJUSTED HISTORICAL FINANCIAL DATA

(Dollars in millions)

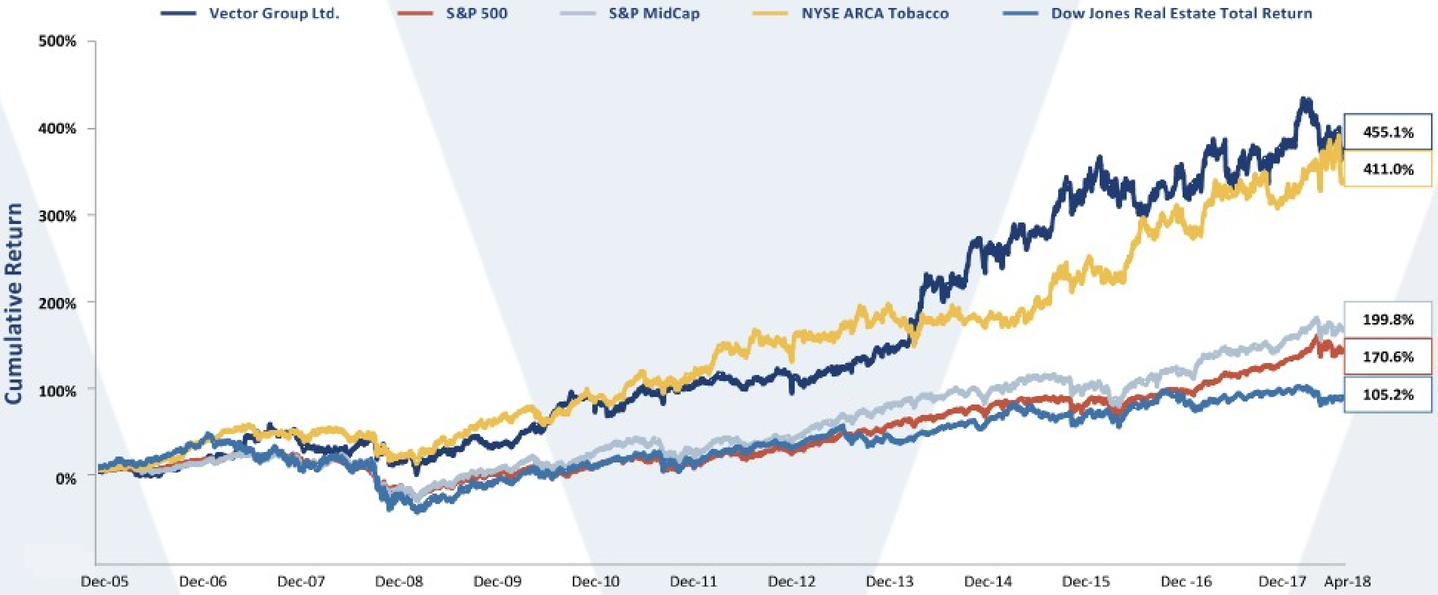




(1) Vector's revenues for the periods presented were $1,657, $1,691, $1,807 and $1,821, respectively. Vector's Net income for the periods presented was $59.2, $71.1, $84.6 and $96.0, respectively Adjusted Revenues and Adjusted EBITDA are Non-GAAP Financial Measures. Please refer to the Company's Current Report on Forms 8-K, filed on March 8, 2016, March 1, 2017, March 1, 2018 and May 9, 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.

VECTOR GROUP LTD

HISTORICAL STOCK PERFORMANCE



Value of $100 Invested – December 31, 2005

Vector Group Ltd.	100.0	112.1	143.4	112.5	135.4	192.7	227.0	219.3	279.5	411.4	513.2	557.6	620.5	555.1
S&P 500	100.0	115.8	122.2	77.0	97.4	112.0	114.4	132.7	175.6	199.7	202.4	226.6	276.1	270.6
S&P MidCap	100.0	110.3	119.1	76.0	104.3	132.1	129.8	152.9	204.1	224.0	219.1	264.5	307.5	299.8
NYSE ARCA Tobacco	100.0	140.2	154.2	123.0	173.7	207.4	243.9	289.5	319.0	317.0	384.1	484.4	529.7	511.0
Dow Jones Real Estate Total Return	100.0	135.5	110.9	66.5	86.9	110.4	117.1	139.2	141.6	180.2	184.1	198.0	217.5	205.2

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 and the Dow Jones Real Estate Total Return for the period from December31,2005 through April 30, 2018. The graph assumes that all dividends and distributions were reinvested. Source: Bloomberg LP

VECTOR GROUP LTD

June 2018

VGR LISTED NYSE

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 $195 million, as of March 31, 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 $26.6 billion for the last twelve months ended March 31, 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.

EXECUTIVE MANAGEMENT

Howard M. Lorber
President and Chief Executive Officer

Richard J. Lampen
Executive Vice President

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

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

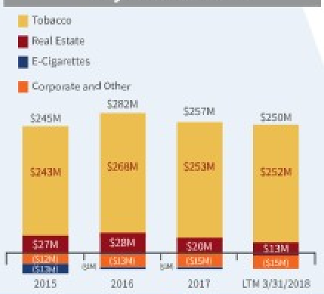
Ronald J. Bernstein
President and Chief Executive Officer of Liggett Group LLC and Liggett Vector Brands LLC

COMPANY HIGHLIGHTS

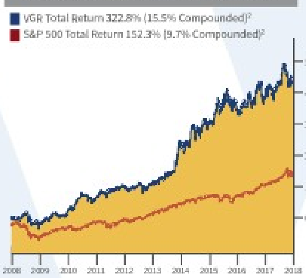
- Headquartered in Miami with an executive office in Manhattan and tobacco operations in North Carolina
- Employs approximately 1,500 people
- Executive management and directors beneficially own 13% of the Company
- Reported cash of $282[3] million and investments with fair value of $290 million at March 31, 2018.
- Recognized as one of America's Most Trustworthy Companies by *Forbes* in 2013

Forbes | 2013 AMERICA'S MOST TRUSTWORTHY COMPANIES

Adjusted EBITDA[1]



10-Year Stockholder Return



LTM 3/31/18 Revenues

Liggett Vector Brands | Douglas Elliman Real Estate | New Valley

[1] Net income attributable to Vector Group Ltd. for the periods presented was approximately $60M, $71M, $85M and $96M, 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, 2016, March 1, 2017, March 1, 2018 and May 9, 2018, Form 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended March 31, 2018 (Commission File Number 1-5759)

[2] 10-Year Return from April 30, 2008 to April 30, 2018 and assumes reinvestment of dividends received

[3] At March 31, 2018 this amount includes cash at Douglas Elliman, a 70.59%-owned subsidiary, of $72 million and cash at Liggett, a wholly-owned subsidiary of $26 million. Excludes real estate investments

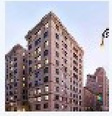
This summary contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have identified these forward-looking statements using words such as "could" and similar expressions. These statements reflect our current beliefs. Accordingly, such 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.

Contact: Emily Claffey / Ben Spicehandler / Columbia Clancy of Sard Verbinnen & Co (212) 687-8080

vectorgroupltd.com

NEW VALLEY




June 2018

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 stake[1] in numerous real estate investments.

NEW VALLEY REAL ESTATE INVESTMENTS[1]

New Valley has invested approximately $195 million, as of March 31, 2018, in a broad portfolio of real estate projects.

New Valley's Real Estate Investment Portfolio[1]

New Valley's New York Real Estate Investments[1]

1. **The Marquand** Upper East Side
2. **10 Madison Square West** Flatiron District/NoMad
3. **11 Beach Street** TriBeCa
4. **20 Times Square** Times Square
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 Investments[1]

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 $26.6 billion for the last twelve months ended March 31, 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 $726 million and $15.8 million,[2] respectively, for the last twelve months ended March 31, 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

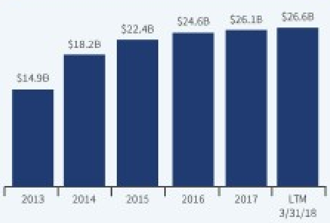
Marc N. Bell
Senior Vice President, Secretary and General Counsel

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

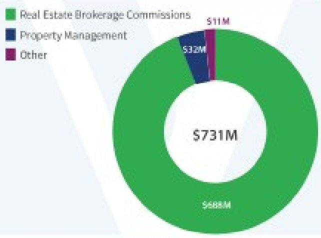
COMPANY HIGHLIGHTS

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

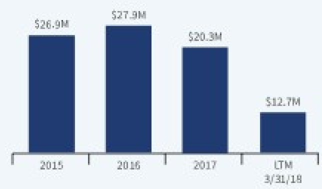
Douglas Elliman Closings



New Valley Revenues – LTM 3/31/18



New Valley Adjusted EBITDA[2]



[1] Please refer to Vector Group Ltd.'s Form 10-Q (Commission File Number 1-5759) for the quarterly period ended March 31, 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 $13M for the twelve months ended March 31, 2018. New Valley's net income was $12M, $14M, $38M and $22M 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, $16M and $15M for the periods presented, respectively. 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 May 9, 2018, Form 10-K for the fiscal year ended December 31, 2017 and Form 10-Q for the quarterly period ended March 31, 2018 (Commission File Number 1-5759)

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