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## **NICOTINE-FREE CIGARETTES SHOW PROMISE IN NEW QUIT-SMOKING STUDY; ONE OUT OF THREE SMOKERS QUIT USING QUEST 3**

### **Vector Group Seeking Guidance from FDA on Additional Tests and Regulatory Pathway for Making Smoking Cessation Claim**

**MIAMI, FL, October 6, 2003** -- Vector Group Ltd. (NYSE: VGR) today announced that in a preliminary study on its reduced nicotine and nicotine-free Quest cigarettes, 33% of Quest 3 smokers were able to achieve four-week continuous abstinence, a standard threshold for smoking cessation. Jed E. Rose, Ph.D., Director of Duke University Medical Center's Nicotine Research Program and co-inventor of the nicotine patch, conducted the study at Duke University Medical Center to provide preliminary evaluation of the use of the Quest technology as a smoking cessation aid. Quest brand cigarettes are currently marketed solely to permit smokers who wish to continue smoking to gradually reduce their intake of nicotine. The products are not labeled or advertised for smoking cessation or as a safer form of smoking.

The study took place over an 18-week period and examined 45 participants divided into three groups: one group that smoked Quest 1, 2 and 3; one group that smoked Quest 3 cigarettes while phasing out their usual brand and temporarily using a nicotine patch; and one group that smoked Quest 3 while phasing out their usual brand without wearing a nicotine patch. The last subgroup performed the best, achieving a 33% quitting success rate. Of those participants who smoked Quest 3 exclusively after week 13, 54% succeeded in quitting.

Bennett S. LeBow, Chairman and Chief Executive Officer of Vector Group, said, "We are extremely encouraged by these test results. Although more research is necessary, we believe these results show real promise for the Quest technology as a smoking cessation aid." LeBow added, "We have asked the FDA to supply us with guidance as to the additional research and regulatory filings necessary to market Quest as a smoking cessation product. With 50 million U.S. smokers, we implore the public health community to provide immediate support to our research efforts on this potentially breakthrough technology."

Dr. Rose said, "After completing our initial study on the Quest nicotine reduction approach, we believe the technology has considerable promise as a smoking cessation aid. We were also pleased to discover that those subjects who succeeded experienced very few withdrawal symptoms and did not experience usual cravings upon quitting. The Quest cigarettes addressed the habit component of smoking, which is not currently addressed by nicotine patches." Dr. Rose added, "Clearly, much more work needs to be done to determine the efficacy of the Quest technology in quitting smoking. We plan to begin a larger study that compares Quest cigarettes against other cessation products on the market and evaluates various methods for using Quest as a cessation tool."

"With millions of Americans hooked on cigarettes, experts agree smokers need new and effective strategies to help them quit," said Dr. Tony Albino, Vice President of Public Health Affairs, Vector Group. Dr. Albino, who has more than 30 years of experience in public health at organizations such as the American Health Foundation and Memorial Sloan Kettering Cancer Center, added, "These preliminary results show that reducing the nicotine in tobacco is potentially a viable strategy for smoking cessation."

Quest is designed for adult smokers who are interested in reducing their levels of nicotine intake and is available in three different varieties, each with decreasing amounts of nicotine – Quest 1, 2 and 3. Quest 1, the low nicotine variety, contains 0.6 milligrams of nicotine. Quest 2, the extra-low nicotine variety, contains 0.3 milligrams of nicotine. Quest 3, the nicotine-free variety, contains only trace levels of nicotine – no more than 0.05 milligrams of nicotine per cigarette. Quest cigarettes utilize a proprietary process that enables the production of nicotine-free tobacco that tastes and smokes like the tobacco in other cigarette products.

Quest 1, 2 and 3 are available in retail outlets throughout New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois and Michigan in hard packs and are priced comparable to other premium brands. Quest Menthol will also be available in these seven states beginning this November.

For more information about Quest, please visit [www.questcigs.com](http://www.questcigs.com).

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](http://www.VectorGroupLtd.com).

*This press release contains certain forward-looking statements within the meaning of the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect the Company's current beliefs and are based upon information currently available to it. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors*

*which could cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the Company's substantial amount of indebtedness, intense price competition and declining unit volume in the domestic tobacco industry, significant smoking-related litigation, the adverse impact of increases in excise and similar taxes on sales of cigarettes, the challenges inherent in new product development initiatives, the Company's ability to raise the capital necessary to grow its business, potential disputes concerning the Company's intellectual property, market acceptance of the Company's new products, allegations by federal or state regulators, public health organizations and other tobacco manufacturers that the Company's reduced carcinogen and low nicotine and nicotine-free cigarette products are unlawful or bear deceptive or unsubstantiated product claims, competition from companies with greater resources than the Company and the Company's dependence on key employees. See additional discussion under "Risk Factors" in Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2002, and other factors detailed from time to time in the Company's other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or advise upon any such forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.*