

NEWS

FOR IMMEDIATE RELEASE

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NEW VALLEY CORPORATION FORMS SPECIAL COMMITTEE TO EVALUATE VECTOR GROUP OFFER

MIAMI, FL, September 30, 2005 – New Valley Corporation (NASDAQ: NVAL) announced today that a special committee of independent directors will evaluate the previously announced proposal by Vector Group (NYSE: VGR) to commence an exchange offer to New Valley stockholders to purchase all of the outstanding shares of common stock of New Valley that it does not already own. The special committee will retain an independent financial advisor and legal counsel.

New Valley requests its stockholders to defer making a determination whether to accept or reject the exchange offer until they have been advised of New Valley’s special committee’s position with respect to the exchange offer.

New Valley is currently engaged in the real estate business and is seeking to acquire additional operating companies and real estate properties. New Valley has a 50% ownership interest in Douglas Elliman Realty, LLC, which operates the largest residential real estate brokerage company in the New York metropolitan area. Additional information concerning the company is available on the company’s website, www.newvalley.com.

Forward-Looking Statements

This press release contains certain forward-looking statements. New Valley has tried, whenever possible, to identify these forward-looking statements using words such as “anticipates”, “believes”, “estimates”, “expects”, “plans”, “intends” and similar expressions. These statements reflect New Valley’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 New Valley's actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include those set forth in New Valley's Annual Report on Form 10-K, and other factors detailed from time to time in its other filings with the Securities and Exchange Commission (the "SEC"). New Valley does not undertake any 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.

In connection with the exchange offer, New Valley will be filing certain materials with the SEC, including a Solicitation/Recommendation Statement on Schedule 14D-9. Stockholders are urged to read the Solicitation/Recommendation when it becomes available because it will contain important information. Investors can obtain a free copy of the Solicitation/Recommendation Statement, when it becomes available, and other materials filed by New Valley with the SEC at the SEC's website at <http://www.sec.gov>. In addition, these materials may be obtained for free from New Valley by directing a request to New Valley Corporation, 100 S.E. Second Street, Miami, Florida 33131, Attention: Investor Relations.

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