

NEWS

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NEW VALLEY CORPORATION REPORTS FOURTH QUARTER AND FULL YEAR 2002 RESULTS

MIAMI, FL, March 31, 2003 -- New Valley Corporation (NASDAQ: NVAL) today announced financial results for the fourth quarter and full year ended December 31, 2002.

Fourth quarter 2002 revenues were \$0.4 million, compared to revenues of \$1.7 million in the fourth quarter of 2001. The Company recorded a net loss of \$12.0 million, or \$0.54 per diluted common share, in the 2002 fourth quarter versus a net loss of \$7.6 million, or \$0.33 per share, in the 2001 period.

For the full year ended December 31, 2002, revenues were \$5.0 million, compared to \$12.7 million for 2001. The Company recorded a net loss of \$21.9 million, or \$0.96 per share, in the 2002, compared to a loss of \$17.2 million, or \$0.75 per share, in 2001.

New Valley is currently engaged in the real estate business and is seeking to acquire additional operating companies. New Valley has a 50% ownership interest in Montauk Battery Realty LLC, which owns Prudential Douglas Elliman, the largest residential real estate brokerage company in the New York metropolitan area.

[Financial Table Follows]

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New Valley Corporation
Unaudited Condensed Consolidated Statements of Operations
(Dollars in thousands, except for per share amounts)

	Three months ended December 31,		Twelve months ended December 31,	
	2002	2001	2002	2001
Revenues:				
Real estate leasing	\$ 340	\$ 2,362	\$ 1,001	\$ 9,966
(Loss) gain on sale of investments, net	(357)	(1,469)	1,850	(1,003)
Interest and dividend income	447	832	2,163	3,738
Total	<u>430</u>	<u>1,725</u>	<u>5,014</u>	<u>12,701</u>
Costs and expenses:				
General and administrative	4,363	3,614	12,939	13,377
Rental real estate activities, excluding interest	108	2,278	1,607	9,553
Interest expense	145	915	483	2,592
Total	<u>4,616</u>	<u>6,807</u>	<u>15,029</u>	<u>25,522</u>
Other results from continuing operations:				
Loss from real estate business	(1,090)	-	(749)	-
(Loss) gain on sale of real estate	-	(21,842)	9,048	(20,945)
Gain on lawsuit settlement	-	17,620	-	17,620
Gain on sale of assets	-	-	-	250
Provision for gain (loss) on net investment in subsidiary	50	-	(338)	-
Provision for uncollectibility of notes receivable	-	-	(13,198)	-
Provision for loss on investments	(6,776)	(71)	(6,776)	(71)
Other (loss) income	(25)	65	(35)	(68)
Total	<u>(7,841)</u>	<u>(4,228)</u>	<u>(12,048)</u>	<u>(3,214)</u>
Loss from continuing operations before income taxes and minority interests	(12,027)	(9,310)	(22,063)	(16,035)
Income tax provision	-	(168)	-	260
Minority interests in income (loss) from continuing operations of consolidated subsidiaries	16	(416)	(151)	(594)
Loss from continuing operations	(12,043)	(8,726)	(21,912)	(15,701)
Discontinued operations:				
Loss from discontinued operations, net	-	(935)	-	(5,829)
Gain on disposal of discontinued operations	-	2,067	-	4,346
Income (loss) from discontinued operations	<u>-</u>	<u>1,132</u>	<u>-</u>	<u>(1,483)</u>
Net loss	<u>\$ (12,043)</u>	<u>\$ (7,594)</u>	<u>\$ (21,912)</u>	<u>\$ (17,184)</u>
Loss per Common Share (basic and diluted):				
Continuing operations	\$ (0.54)	\$ (0.38)	\$ (0.96)	\$ (0.69)
Discontinued operations	-	0.05	-	(0.06)
Net loss per Common Share	<u>\$ (0.54)</u>	<u>\$ (0.33)</u>	<u>\$ (0.96)</u>	<u>\$ (0.75)</u>
Number of shares used in computation	<u>22,446,099</u>	<u>22,813,063</u>	<u>22,757,296</u>	<u>22,826,226</u>