9. RELATED PARTY TRANSACTIONS

Included in the consolidated statements of earnings are sales to Consolidated Cigar Corporation ("Cigar") of $0.2, $0.3 and $0.3 for the years ended December 31, 1996, 1995 and 1994, respectively.

10. COMMITMENTS AND CONTINGENCIES

Rental expense, which includes rent for facilities, equipment and automobiles under operating leases expiring through 2001, amounted to $0.5, $0.5 and $0.6 for the years ended December 31, 1996, 1995 and 1994, respectively. Future minimum rental commitments for operating leases with noncancelable terms in excess of one year from December 31, 1996 are as follows:

1997	$0.5
1998	0.3
1999	0.2
2000	0.2
2001 and thereafter	0.1
	$1.3

The Company had outstanding letters of credit totaling $2.3 and $2.5 at December 31, 1996 and 1995, respectively. Restricted cash of $1.7 at December 31, 1996 included in other assets reflects segregated cash held for the benefit of certain parties to cover certain insurance obligations.

At December 31, 1996, the Company had obligations to purchase approximately $14.8 of raw materials.

The Company is indemnified by third parties with respect to certain of its contingent liabilities, such as certain environmental and asbestos matters, as well as certain tax and other matters. In order to implement the Transfer, a subsidiary of Abex and PCT, the Company and certain other subsidiaries of PCT entered into a transfer agreement (the "Transfer Agreement"). Under the Transfer Agreement, substantially all of Abex's consolidated assets and liabilities, other than those relating to the Aerospace Business, were transferred to a subsidiary of Mafco, with the remainder being retained by the Company. The Transfer Agreement provides for appropriate transfer, indemnification and tax sharing arrangements, in a manner consistent with applicable law and existing contractual arrangements.

The Transfer Agreement requires such subsidiary of Mafco to undertake certain administrative and funding obligations with respect to certain asbestos claims and other liabilities retained by the Company. The Company will be obligated to make reimbursement for the amounts so funded only when amounts are received by the Company under related indemnification and insurance agreements. Such administrative and funding obligations would be terminated as to asbestos products claims in the case of bankruptcy of the Company or PCT or of certain other events affecting the availability of coverage for such claims from third party indemnitors and insurers. The Transfer Agreement further provides for certain funding indemnification and cooperation arrangements between PCT, the Company and such subsidiary in respect of certain liabilities which may arise under the Employee Retirement Security Act of 1974 in respect of the sale of Pneumo Abex's friction products division in 1995.