1996 and through maturity are $20 million under the Working Capital Facility and $14.9 million under the Revolving Credit Facility Outstanding letters of credit of

approximately $1.7 million reduced the available borrowings under the Cigar Credit Agreement at December 31, 1996.

The following indicates the Cigar Credit Agreement's established and amended interest payment rates available at the option of Consolidated Cigar

		Initial Rate	1996 Rate	Rate Effective March 1997
Base Rate Loans	Prime plus	1 3/4%	1%	0%
936 Loans	936 Rate plus	2 3/4%	2%	1%
Eurodollar Funds	Eurodollar plus	2 3/4%	2%	1%

The average interest rate under the Cigar Credit Agreement was approximately 7 7% at December 31, 1996.

The Cigar Credit Agreement is secured by perfected first priority liens on all of the material assets of Consolidated Cigar and its domestic subsidiaries and perfected pledges of the stock of all Consolidated Cigar's subsidiaries (with certain exceptions for the stock of foreign subsidiaries). The Cigar Credit Agreement is guaranteed by the Company and by all of the domestic subsidiaries of Consolidated Cigar The guarantee by the Company is secured by a pledge of all the outstanding stock of Consolidated Cigar.

The Cigar Credit Agreement contains various covenants which govern, among other things, the ability to incur indebtedness, pay dividends, incur lease rental obligations, make capital expenditures, use proceeds from asset sales, participate in mergers and other activities. The Cigar Credit Agreement also requires Consolidated Cigar to satisfy certain financial covenants related to net worth, capital expenditures and various ratios.

(b) Represents the $90.0 million in principal amount of 10 1/2% Senior Subordinated Notes Due 2003 (the "Senior Subordinated Notes") issued in connection with the 1993 Acquisition

The Senior Subordinated Notes bear interest at the rate of 10 1/2% per annum, mature on March 1, 2003 and are redeemable at a premium prior to maturity starting March 1, 1998. The Senior Subordinated Notes are redeemable earlier at a premium in the event of a change of control

The indenture relating to the Senior Subordinated Notes limits, among other things, dividends and other distributions, certain types of indebtedness, certain mergers, consolidations and sales of assets.

The terms of the Cigar Credit Agreement and the Senior Subordinated Notes of Consolidated Cigar limit