other facilities for a total cost of approximately $4.0 million. In 1996, $0 5 million of cash flows was also invested, as part of an equity investment, in the Jamaican joint venture

Cash flows from financing activities in 1996 reflects the proceeds of $127 8 million from the Cigar IPO partially offset by net repayments of borrowings of $22 5 million. Cash flows used for financing activities in 1995 reflect the repurchase of Company Common Stock for $29.9 million, net repayments of borrowings of $20 6 million and dividends of $14.0 million paid to Mafco Holdings immediately prior to the Merger. Cash flows used for financing activities in 1994 primarily reflect repayments of borrowings of $76 5 million and the issuance of long term debt of $50.0 million

On February 5, 1996, MC Group entered into a reimbursement agreement with Chemical Bank and PCT, through Pneumo Abex, under which MC Group has a reimbursement obligation relating to letters of credit totaling $20.8 million which have been issued to cover certain environmental issues, not related to the aerospace business of PCT To secure its obligation under such agreement, MC Group pledged the PCT Preferred Stock and its ownership of 5,939,400 shares of PCT Common Stock.

In 1993 and 1994, Consolidated Cigar entered into two five-year interest rate swap agreements in an aggregate notional amount of $85 0 million Under the terms of the agreements, Consolidated Cigar receives a fixed interest rate averaging approximately 5.8% and pays a variable interest rate equal to the six-month London interbank offered rate (LIBOR) Consolidated Cigar entered into such agreements to take advantage of the differential between long-term and short-term interest rates and effectively converted the interest rate on $85.0 million of fixed-rate indebtedness under the Senior Subordinated Notes to a variable rate From the inception of the agreements through January 1997, Consolidated Cigar has paid $0 8 million in settlement, which occurs at the end of each six month period of the agreements. Had Consolidated Cigar terminated these agreements, which the Company considers to be held for other than trading purposes, on January 31, 1997, the Company would have realized a combined loss of approximately $1.1 million Future positive or negative cash flows associated with these agreements will depend upon the trend of short-term interest rates during the remaining life of the agreements In the event of non-performance of the counterparties at anytime during the remaining lives of these agreements, which expire at December 1998 and January 1999, the Company could lose some or all of any future positive cash flows However, the Company does not anticipate non-performance by such counterparties. The Company does not currently anticipate terminating these agreements, however, the Company will from time to time continue to review its financing alternatives with respect to its fixed and floating rate debt

Consolidated Cigar intends to fund working capital requirements, capital expenditures and debt service requirements for the foreseeable future through cash flows from operations and borrowings under the Cigar Credit Agreement The terms of the Cigar Credit Agreement and the Senior Subordinated Notes limit the payment of dividends or distributions to Cigar Holdings by Consolidated Cigar to an amount (based on a formula set forth in the Senior Subordinated Notes Indenture) equal to approximately $9.3 million as of December 31, 1996

The Cigar Credit Agreement consists of a revolving credit facility (the "Revolving Credit Facility") and a working capital facility (the "Working Capital Facility") The Revolving Credit Facility and the Working Capital Facility have final maturities on April 3, 1999 and have no scheduled amortization requirements. The Cigar Credit Agreement is secured by first priority liens on all of the material assets of Consolidated Cigar and its domestic subsidiaries and pledges of the capital stock of all of Consolidated Cigar's subsidiaries (with certain exceptions for the capital stock of foreign subsidiaries) Consolidated Cigar's obligations under the Credit Cigar Agreement are guaranteed by Cigar Holdings