the Merger, the Company recorded the assets acquired and liabilities assumed at their estimated fair market value, with the difference recorded as a credit to additional paid-in-capital, as follows (in millions):

Cash, net of transaction expenses of $6 7..	$174 8
Other current assets.....	12 9
Pension asset.....	60.8
Other long term assets	98 5
Accrued expense and other.....	37.2
Abex VSR obligation..	62.0
Other liabilities....	176.4
Stockholders' equity.	71.4

The Abex VSRs were designed to help ensure that, within a stated time period and subject to certain limitations, the combined market values of the securities received in the Merger by Abex's stockholders was at least $10 per share. The Abex VSRs were valued based on 20,667,142 Abex VSRs issued at the maximum payment per Abex VSR of $3 00. The Abex VSRs expired in accordance with their terms without the need for any payment on September 19, 1995 As a result of the purchase of Abex VSRs by the Company and the expiration of all the Abex VSRs, stockholders' equity increased by $61.6 million.

On December 11, 1992, Triple C, Mafco Holdings and its wholly owned subsidiary Consolidated Cigar Holdmgs Inc ("CCC Holdings"), entered into an agreement and plan of merger (the "Cigar Merger Agreement"), pursuant to which CCC Holdings was merged into Triple C with Triple C being the surviving corporation. Pursuant to the merger which was consummated on March 3, 1993, Mafco Holdings acquired all the outstanding shares of Triple C common stock and warrants to purchase Triple C common stock (the "1993 Acquisition"), for an aggregate purchase price of approximately $188.0 million, including fees and expenses Immediately following the 1993 Acquisition, Triple C merged into Consolidated Cigar with Consolidated Cigar being the surviving corporation As a result, Consolidated Cigar became an indirect wholly owned subsidiary of Mafco Holdings

On November 25, 1996, MC Group and PCT consummated the transactions contemplated by a Stock and VSR Purchase Agreement (the "Purchase Agreement"). Pursuant to the Purchase Agreement, among other things, all the issued and outstanding shares (the "Shares") of capital stock of Flavors were sold (see Note 3).

The financial statements have been restated to reflect the Company's equity in the discontinued operations of PCT Certain financial statement items and financial statement disclosures for prior years have been reclassified to be comparable with the 1995 presentation

MAFCO CONSOLIDATED GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company currently operates in the tobacco products business. The Company's tobacco products include cigars and pipe tobacco products manufactured and distributed by Consolidated Cigar and licorice extract and flavoring agents manufactured and distributed by Mafco Worldwide through November 25, 1996, the date of the Flavors Disposition (See Note 3).