MAFCO CONSOLIDATED GROUP INC. AND SUBSIDIARIES

ITEM 8, ITEM 14 (A)(1) AND (2) AND (D)
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE
YEAR ENDED DECEMBER 31, 1996

The following consolidated financial statements of Mafco Consolidated Group Inc. and Subsidiaries are included in Item 8.

The following financial statement schedule of Mafco Consolidated Group Inc included in Item 14(d)

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Mafco Consolidated Group Inc

We have audited the accompanying consolidated balance sheets of Mafco Consolidated Group Inc. and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of earnings, stockholders' equity (deficit) and cash flows for each of the three years m the period ended December 31, 1996 Our audits also included the financial statement schedule listed in the Index at Item 14(a) These financial statements and schedule are the responsibility of the Company's management Our responsibility is to express an opinion on these financial statements and schedule based on our audits The 1995 financial statements of Power Control Technologies Inc (a corporation in which the Company has a 29% common equity interest), have been audited by other auditors whose report has been furnished to us, insofar as our opinion on the 1995 consolidated financial statements relates to data