SPECIALTY PRODUCTS DIVISION

Consolidated Cigar's Specialty Products Division assembles lipstick containers for Revlon Products, an 83% owned subsidiary of Mafco Holdings. Revlon Products purchased lipstick containers from the Company for approximately $958,000, $874,000 and $763,000 for the years ended December 31, 1996, 1995 and 1994, respectively The Company believes that the terms of such arrangements with Revlon Products were no less favorable to Consolidated Cigar than those obtainable in an arm's length transaction with an independent third party

LICENSE AGREEMENT

Pursuant to a license agreement, Mafco Holdings has licensed to Pneumo Abex on a royalty-free basis the right to use the name "MacAndrews & Forbes" until November 12, 1997.

REGISTRATION RIGHTS AGREEMENTS

Pursuant to a Registration Rights Agreement, Mafco Consolidated Holdings has the right to require the Company to use its best efforts to register under the Securities Act and the securities or blue sky laws of any jurisdiction designated by Mafco Consolidated Holdings all or a portion of the shares of Company Common Stock acquired by Mafco Consolidated Holdmgs pursuant to the Abex Transactions (the "Registrable Shares") The Company is not required to (i) effect a demand registration more than once in any 12 month period, (ii) effect more than two demand registrations with respect to the Registrable Shares or (iii) file a registration statement during periods (not to exceed 60 days) when (a) the Company is contemplating a public offering, (b) the Company is in possession of certain material non-public information or (c) audited financial statements are not available and their inclusion in a registration statement is required In addition, and subject to certain conditions described in the Registration Rights Agreement, if at any time the Company proposes to register under the Securities Act an offering of shares of Company Common Stock or any other classes of equity securities, then Mafco Consolidated Holdmgs would have the right to require the Company to use its best efforts to effect the registration under the Securities Act and the securities or blue sky laws of any jurisdiction designated by Mafco Consolidated Holdings of all or a portion of the Registrable Shares as designated by Mafco Consolidated Holdings The Company is responsible for all expenses relating to the performance of, or compliance with, the Registration Rights Agreement, except that Mafco Consolidated Holdings is responsible for underwriters' discounts and selling commissions with respect to the Registrable Shares being sold

Prior to the consummation of the Cigar IPO, the Company and Cigar Holdings entered into a Registration Rights Agreement pursuant to which the Company and certain transferees of the Class B

Common Stock, par value $0 01 per share (the "Class B Common Stock") of Cigar Holdings held by the Company (the "Holders") have the right to require Cigar Holdings to register (a "Demand Registration") all or part of the Class A Common Stock issuable upon conversion of the Class B Common Stock owned by such Holders under the Securities Act), provided that Cigar Holdings (i) will not be obligated to effect a Demand Registration within 180 days of the closing date of the Cigar IPO unless the managing underwriter in the Cigar IPO has given its consent and (ii) may postpone giving effect to a Demand Registration for up to a period of 30 days if Cigar Holdings believes such registration might have a material adverse effect on any plan or proposal by Cigar Holdmgs with respect to any financing, acquisition, recapitalization, reorganization or other material transaction, or Cigar Holdings is in possession of material non-public information that, if publicly disclosed, could result in a material disruption of a major corporate development or transaction then pending or in progress or in other