

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2001

OR
--- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-11178

REVLON, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	13-3662955 (I.R.S. Employer Identification No.)
625 MADISON AVENUE, NEW YORK, NEW YORK (Address of principal executive offices)	10022 (Zip Code)

Registrant's telephone number, including area code: 212-527-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

As of June 30, 2001, 20,115,935 shares of Class A Common Stock and 31,250,000 shares of Class B Common Stock were outstanding. 11,250,000 shares of Class A Common Stock and all the shares of Class B Common Stock were held by REV Holdings Inc., an indirect wholly owned subsidiary of Mafco Holdings Inc.

Total Pages - 21

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(dollars in millions, except per share data)

ASSETS	JUNE 30, 2001	DECEMBER 31, 2000
	(Unaudited)	
Current assets:		
Cash and cash equivalents.....	\$ 34.4	\$ 56.3
Trade receivables, less allowances of \$15.3 and \$16.1, respectively.....	205.7	220.3
Inventories.....	188.3	184.7
Prepaid expenses and other.....	40.5	66.1
Total current assets.....	468.9	527.4
Property, plant and equipment, net.....	190.5	221.7
Other assets.....	156.6	146.3
Intangible assets, net.....	202.4	206.1
Total assets.....	\$ 1,018.4	\$ 1,101.5
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings - third parties.....	\$ 30.0	\$ 30.7
Current portion of long-term debt - third parties.....	403.1	-
Accounts payable.....	105.2	86.3
Accrued expenses and other.....	293.0	309.9
Total current liabilities.....	831.3	426.9
Long-term debt - third parties	1,149.4	1,539.0
Long-term debt - affiliates.....	24.1	24.1
Other long-term liabilities.....	216.2	217.6
Stockholders' deficiency:		
Preferred stock, par value \$.01 per share; 20,000,000 shares authorized, 546 shares of Series A Preferred Stock issued and outstanding.....	54.6	54.6
Class B Common Stock, par value \$.01 per share; 200,000,000 shares authorized, 31,250,000 issued and outstanding.....	0.3	0.3
Class A Common Stock, par value \$.01 per share; 350,000,000 shares authorized, 20,115,935 issued and outstanding.....	0.2	0.2
Capital deficiency.....	(217.3)	(227.3)
Accumulated deficit since June 24, 1992.....	(1,007.6)	(904.1)
Accumulated other comprehensive loss.....	(32.8)	(29.8)
Total stockholders' deficiency.....	(1,202.6)	(1,106.1)
Total liabilities and stockholders' deficiency.....	\$ 1,018.4	\$ 1,101.5

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
 (dollars in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Net sales.....	\$ 336.7	\$ 339.3	\$ 660.0	\$ 788.1
Cost of sales.....	142.7	129.5	274.1	304.7
Gross profit.....	194.0	209.8	385.9	483.4
Selling, general and administrative expenses.....	198.0	187.5	385.2	440.5
Restructuring costs.....	7.9	5.1	22.5	14.6
Operating (loss) income	(11.9)	17.2	(21.8)	28.3
Other expenses (income):				
Interest expense.....	35.5	33.9	70.7	73.3
Interest income.....	(0.6)	(0.4)	(1.5)	(0.8)
Amortization of debt issuance costs.....	1.2	1.0	3.0	3.5
Foreign currency losses (gains), net.....	0.2	2.6	(0.2)	2.1
Loss (gain) on sale of product line and brand, net.....	7.1	3.2	7.1	(3.0)
Miscellaneous, net.....	-	0.4	0.8	0.9
Other expenses, net.....	43.4	40.7	79.9	76.0
Loss before income taxes.....	(55.3)	(23.5)	(101.7)	(47.7)
Provision for income taxes.....	1.2	1.1	1.8	4.8
Net loss.....	\$ (56.5)	\$ (24.6)	\$ (103.5)	\$ (52.5)
Basic and diluted loss per common share.....	\$ (1.10)	\$ (0.48)	\$ (2.01)	\$ (1.02)
Weighted average number of common shares outstanding:				
Basic and diluted.....	51,365,935	51,359,171	51,365,935	51,301,004

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
 AND COMPREHENSIVE LOSS
 (DOLLARS IN MILLIONS)

	PREFERRED STOCK -----	COMMON STOCK -----	CAPITAL DEFICIENCY -----	ACCUMULATED DEFICIT -----	ACCUMULATED OTHER COMPREHENSIVE LOSS (a) -----	TOTAL STOCKHOLDERS' DEFICIENCY -----
Balance, January 1, 2000.....	\$ 54.6	\$ 0.5	\$(228.4)	\$ (773.5)	\$ (68.1)	\$(1,014.9)
Issuance of common stock.....			1.1			1.1
Comprehensive loss:						
Net loss.....				(52.5)		(52.5)
Currency translation adjustment.....					38.4(b)	38.4
Total comprehensive loss.....						(14.1)
Balance, June 30, 2000.....	\$ 54.6 =====	\$ 0.5 =====	\$(227.3) =====	\$ (826.0) =====	\$ (29.7) =====	\$(1,027.9) =====
Balance, January 1, 2001.....	\$ 54.6	\$ 0.5	\$(227.3)	\$ (904.1)	\$ (29.8)	\$(1,106.1)
Capital contribution from indirect parent.....			10.0			10.0
Comprehensive loss:						
Net loss.....				(103.5)		(103.5)
Currency translation adjustment.....					(3.6)(b)	(3.6)
Revaluation of forward currency contracts..					0.6	0.6
Total comprehensive loss.....						(106.5)
Balance, June 30, 2001.....	\$ 54.6 =====	\$ 0.5 =====	\$(217.3) =====	\$(1,007.6) =====	\$ (32.8) =====	\$(1,202.6) =====

(a) Accumulated other comprehensive loss includes revaluations of forward currency contracts of \$0.6 as of June 30, 2001, unrealized losses on marketable securities of \$3.8 as of June 30, 2000, cumulative net translation losses of \$29.8 and \$21.0 as of June 30, 2001 and 2000, respectively, and adjustments for the minimum pension liability of \$3.6 and \$4.9 as of June 30, 2001 and 2000, respectively.

(b) The currency translation adjustment as of June 30, 2001 and June 30, 2000 includes a reclassification adjustment of \$7.1 and \$48.3, respectively, for realized losses on foreign currency adjustments associated primarily with the sale of the Colorama brand in Brazil and the Company's worldwide professional products line.

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
 (dollars in millions)

	SIX MONTHS ENDED JUNE 30,	
	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss.....	\$(103.5)	\$ (52.5)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:		
Depreciation and amortization.....	61.5	61.8
Loss (gain) on sale of product line and brand, net.....	7.1	(3.0)
Change in assets and liabilities, net of acquisitions and dispositions:		
Decrease in trade receivables.....	6.0	25.0
(Increase) decrease in inventories.....	(7.5)	7.6
(Increase) decrease in prepaid expenses and other current assets.....	(4.7)	9.5
Increase (decrease) in accounts payable.....	20.5	(18.3)
Decrease in accrued expenses and other current liabilities.....	(8.2)	(103.4)
Purchase of permanent displays.....	(29.3)	(26.8)
Other, net.....	(3.2)	(0.1)
Net cash used for operating activities.....	(61.3)	(100.2)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures.....	(9.4)	(6.1)
Acquisition of technology right.....	-	(3.0)
Net proceeds from the sale of product line, brand and certain assets.....	35.2	339.6
Net cash provided by investing activities.....	25.8	330.5
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in short-term borrowings - third parties.....	0.3	2.7
Proceeds from the issuance of long-term debt - third parties.....	157.5	231.2
Repayment of long-term debt - third parties.....	(139.1)	(449.8)
Payment of debt issuance costs.....	(2.4)	-
Net cash provided by (used for) financing activities.....	16.3	(215.9)
Effect of exchange rate changes on cash and cash equivalents.....	(2.7)	(1.7)
Net (decrease) increase in cash and cash equivalents.....	(21.9)	12.7
Cash and cash equivalents at beginning of period.....	56.3	25.4
Cash and cash equivalents at end of period.....	\$ 34.4	\$ 38.1
Supplemental schedule of cash flow information:		
Cash paid (received) during the period for:		
Interest	\$ 68.4	\$ 73.0
Income taxes, net of refunds.....	2.2	2.4
Supplemental schedule of noncash financing activities:		
Noncash capital contribution from indirect parent pursuant to the amended tax sharing agreement.....	\$ 10.0	\$ -
Issuance of common stock.....	-	1.1

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS)

(1) BASIS OF PRESENTATION

Revlon, Inc. (the "Company") is a holding company, formed in April 1992, that conducts its business exclusively through its direct subsidiary, Revlon Consumer Products Corporation and its subsidiaries ("Products Corporation"). The Company is an indirect majority owned subsidiary of MacAndrews & Forbes Holdings Inc. ("MacAndrews Holdings"), a corporation wholly owned through Mafco Holdings Inc. ("Mafco Holdings" and, together with MacAndrews Holdings, "MacAndrews & Forbes") by Ronald O. Perelman.

The accompanying Consolidated Condensed Financial Statements are unaudited. In management's opinion, all adjustments (consisting of only normal recurring accruals) necessary for a fair presentation have been made.

The Unaudited Consolidated Condensed Financial Statements include the accounts of the Company after elimination of all material intercompany balances and transactions. The Company has made a number of estimates and assumptions relating to the assets and liabilities, the disclosure of contingent assets and liabilities and the reporting of revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates. The Unaudited Consolidated Condensed Financial Statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

The results of operations and financial position, including working capital, for interim periods are not necessarily indicative of those to be expected for a full year.

Prior to January 1, 2001, advertising and promotion expenses estimated for a full year were charged to earnings for interim reporting purposes in proportion to the relationship that net sales for such period bore to estimated full year net sales. As a result, for the first half of 2000, disbursements and commitments for advertising and promotion exceeded advertising and promotion expenses by \$31.2 and such amount was deferred. Effective January 1, 2001, the Company recognizes advertising and promotional expenses during the quarter in which they are incurred.

In May 2000, the FASB Emerging Issues Task Force (the "EITF") reached a consensus EITF 00-14 entitled, "Accounting for Certain Sales Incentives" (the "Guidelines"), which addresses when sales incentives and discounts should be recognized, as well as where the related revenues and expenses should be classified in the financial statements. The Company has adopted these new Guidelines effective January 1, 2001, and accordingly the accompanying Unaudited Consolidated Condensed Financial Statements reflect the implementation of the EITF Guidelines for all periods presented.

On January 1, 2001, the Company adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. The standard requires the recognition of all derivative instruments on the balance sheet as either assets or liabilities measured at fair value. Changes in fair value are recognized immediately in earnings unless the derivatives qualify as hedges of future cash flows. For derivatives qualifying as hedges of future cash flows, the effective portion of changes in fair value is recorded as a component of Other Comprehensive Income and recognized in earnings when the hedged transaction is recognized in earnings. Any ineffective portion (representing the extent that the change in fair value of the hedges does not completely offset the change in the anticipated net payments being hedged) is recognized in earnings as it occurs. There was no cumulative effect recognized for adopting this accounting change.

The Company formally designates and documents each financial instrument as a hedge of a specific underlying exposure as well as the risk management objectives and strategies for entering into the hedge transaction upon inception. The Company also formally assesses upon inception and quarterly

REVLON, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS)

thereafter whether the financial instruments used in hedging transactions are effective in offsetting changes in the fair value or cash flows of the hedged items.

The Company uses derivative financial instruments, primarily forward foreign exchange contracts, to reduce the exposure of adverse effects of fluctuating foreign currency exchange rates. These contracts, which have been designated as cash flow hedges, were entered into primarily to hedge anticipated inventory purchases and certain intercompany payments denominated in foreign currencies, which have maturities of less than one year. The unrecognized income (loss) on the revaluation of forward currency contracts will be recognized in earnings by December 31, 2001. The Company has entered into these contracts with a counterparty that is a major financial institution, and accordingly the Company believes that the risk of counterparty nonperformance is remote.

In accordance with the provisions of the statement, the Company recorded an asset of \$0.6 on the balance sheet and a credit of \$0.6 in Other Comprehensive Loss for the fair value effects of the foreign currency forward exchange contracts outstanding at June 30, 2001. The amount of the hedges' ineffectiveness as of June 30, 2001 recorded in the Unaudited Consolidated Condensed Statements of Operations was not significant.

Certain amounts in the prior year financial statements have been reclassified to conform to the current year's presentation.

2. INVENTORIES

	JUNE 30, 2001 -----	DECEMBER 31, 2000 -----
Raw materials and supplies.....	\$ 61.5	\$ 56.2
Work-in-process.....	12.8	9.4
Finished goods.....	114.0	119.1
	-----	-----
	\$ 188.3	\$ 184.7
	=====	=====

(3) BASIC AND DILUTED LOSS PER COMMON SHARE

The basic loss per common share has been computed based upon the weighted average number of shares of common stock outstanding during each of the periods presented. Diluted loss per common share has been computed based upon the weighted average number of shares of common stock outstanding. The Company's outstanding stock options represent the only potential dilutive common stock outstanding. The number of shares used in the calculation of basic and diluted loss per common share was the same in each period presented, as it does not include any incremental shares that would have been outstanding assuming the exercise of stock options because the effect of those incremental shares would have been antidilutive. For each period presented, the amount of loss used in the calculation of diluted loss per common share was the same as the amount of loss used in the calculation of basic loss per common share.

(4) RESTRUCTURING COSTS, NET

In the fourth quarter of 1999, the Company began a new restructuring program principally for additional employee severance and other personnel benefits and to restructure certain operations outside the United States, including certain operations in Japan (the "1999 Restructuring Plan"). In the first quarter of 2000, the Company recorded a charge of \$9.5 relating to the 1999 Restructuring Plan. The Company

REVLON, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS)

continued to implement the 1999 Restructuring Plan during the second quarter of 2000 during which it recorded a charge of \$5.1.

During the third quarter of 2000, the Company continued to re-evaluate its organizational structure. As part of this re-evaluation, the Company developed a new restructuring plan designed to improve profitability by reducing personnel and consolidating manufacturing facilities (the "2000 Restructuring Plan"). The 2000 Restructuring Plan focused on the Company's plans to close its manufacturing operations in Phoenix, Arizona and Mississauga, Canada and to consolidate its cosmetics production into its plant in Oxford, North Carolina. The 2000 Restructuring Plan also includes the remaining obligation for excess leased real estate in the Company's headquarters, consolidation costs associated with the Company closing its facility in New Zealand, and the elimination of several domestic and international executive and operational positions, both of which were effected to reduce and streamline corporate overhead costs. In the first quarter of 2001, the Company recorded a charge of \$14.6 related to the 2000 Restructuring Plan, principally for additional employee severance and other personnel benefits and to consolidate worldwide operations. In the second quarter of 2001, the Company continued to implement the 2000 Restructuring Plan and recorded a charge of \$7.9, principally for additional employee severance and other personnel benefits and other costs related to the consolidation of worldwide operations.

In connection with the 1999 Restructuring Plan and the 2000 Restructuring Plan, 403 employees and 1,930 employees, respectively, were included in the Company's restructuring charges. Of the 1,930 employees for whom severance and other personnel benefits were included in the 2000 Restructuring Plan, the Company had terminated 1,186 employees by June 30, 2001. Substantially all the employees from the 1999 Restructuring Plan have been terminated as of June 30, 2001.

Details of the activity described above during the six month period ended June 30, 2001, are as follows:

	BALANCE AS OF 1/1/01	EXPENSES, NET	UTILIZED, NET ----- CASH NONCASH -----		BALANCE AS OF 6/30/01
	-----	-----	-----	-----	-----
Employee severance and other personnel benefits.....	\$ 28.6	\$ 19.0	\$ (24.2)	\$ -	\$ 23.4
Factory, warehouse, office and other costs.....	7.4	3.5	(2.4)	(1.4)	7.1
	-----	-----	-----	-----	-----
	\$ 36.0	\$ 22.5	\$ (26.6)	\$ (1.4)	\$ 30.5
	=====	=====	=====	=====	=====

(5) GEOGRAPHIC INFORMATION

The Company manages its business on the basis of one reportable operating segment. The Company is exposed to the risk of changes in social, political and economic conditions inherent in foreign operations and the Company's results of operations and the value of its foreign assets and liabilities are affected by fluctuations in foreign currency exchange rates. The Company's operations in Brazil have accounted for approximately 3.4% and 4.7% of the Company's net sales for the second quarter of 2001 and 2000, respectively and for approximately 4.3% and 4.5% of the Company's net sales for the first half of 2001 and 2000, respectively. While the Company's operations in Brazil have historically been significant, as a result of the sale of the Colorama brand in Brazil in July 2001, the Company's ongoing operations in Brazil are no longer significant to the Company's consolidated ongoing operations. (See Note 7).

REVLON, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS)

During the first quarter of 2001, to reflect the integration of management reporting responsibilities, the Company reclassified Canada's results from its international operations to its United States operations. The geographic information reflects this change for both the 2001 and 2000 periods.

GEOGRAPHIC AREAS:	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
Net sales:	2001	2000	2001	2000
	----	----	----	----
United States.....	\$ 215.5	\$ 199.0	\$ 423.0	\$ 456.3
Canada.....	11.8	14.2	22.7	25.8
	-----	-----	-----	-----
United States and Canada....	227.3	213.2	445.7	482.1
International.....	109.4	126.1	214.3	306.0
	-----	-----	-----	-----
	\$ 336.7	\$ 339.3	\$ 660.0	\$ 788.1
	=====	=====	=====	=====

Long-lived Assets:	JUNE 30,	DECEMBER 31,
	2001	2000
	-----	-----
United States.....	\$ 383.9	\$ 398.8
Canada.....	6.7	8.1
	-----	-----
United States and Canada.....	390.6	406.9
International.....	158.9	167.2
	-----	-----
	\$ 549.5	\$ 574.1
	=====	=====

CLASSES OF SIMILAR PRODUCTS:	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
Net sales:	2001	2000	2001	2000
	----	----	----	----
Cosmetics, skin care and fragrances.....	\$ 208.0	\$ 225.2	\$ 421.6	\$ 479.5
Personal care and professional.....	128.7	114.1	238.4	308.6
	-----	-----	-----	-----
	\$ 336.7	\$ 339.3	\$ 660.0	\$ 788.1
	=====	=====	=====	=====

(6) ASSET SALES

In April 2001, Products Corporation sold land in Minami Aoyama near Tokyo, Japan and related rights for the construction of a building on such land (the "Aoyama Property") for approximately \$28. In connection with such disposition the Company recognized a pre-tax and after-tax loss of \$0.8 during the second quarter of 2001.

In May 2001, Products Corporation sold its Phoenix facility for approximately \$7 and leased it back for a certain period of time. After recognition of accelerated depreciation in the first quarter of 2001, the Company recorded a loss on the sale of \$3.7 in the second quarter of 2001.

REVLON, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS)

(7) SUBSEQUENT EVENTS

In July 2001, Products Corporation completed the disposition of the Colorama brand of cosmetics and hair care products as well as Products Corporation's manufacturing facility located in Sao Paulo, Brazil for approximately \$56. Products Corporation used \$22 of the net proceeds after transaction costs and retained liabilities to permanently reduce commitments under the Credit Agreement (as hereinafter defined). In connection with such disposition the Company recognized a pre-tax and after-tax loss of \$6.3 during the second quarter of 2001.

In July 2001, Products Corporation completed the disposition of its subsidiary that owned and operated its manufacturing facility in Maesteg, Wales, UK, including all production equipment. Products Corporation will receive approximately \$20.0, \$10.0 was received on the closing date and \$10.0 is to be received over a six year period a portion of which is contingent upon certain future events. The Company does not expect to recognize a material loss on this transaction.

REVLON, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS
(DOLLARS IN MILLIONS)

OVERVIEW

The Company operates in a single segment and manufactures, markets and sells an extensive array of cosmetics and skin care, fragrances and personal care products. In addition, the Company has a licensing group.

On March 30, 2000 and May 8, 2000, Products Corporation completed the dispositions of its worldwide professional products line and Plusbelle brand in Argentina, respectively. Accordingly, the Unaudited Consolidated Condensed Financial Statements include the results of operations of the professional products line and Plusbelle brand through the dates of their respective dispositions.

During the first quarter of 2001, to reflect the integration of management reporting responsibilities, the Company reclassified Canada's results from its international operations to its United States operations. Management's discussion and analysis data reflects this change for both the 2001 and 2000 periods.

RESULTS OF OPERATIONS

Net sales

Net sales were \$336.7 and \$339.3 for the second quarters of 2001 and 2000, respectively, a decrease of \$2.6, or 0.8% on a reported basis (an increase of 2.0% on a constant U.S. dollar basis), and were \$660.0 and \$788.1 for the first half of 2001 and 2000, respectively, a decrease of \$128.1, or 16.3% on a reported basis (a decrease of 13.4% on a constant U.S. dollar basis). The decline in consolidated net sales for the first half of 2001 as compared with the first half of 2000 is primarily due to the sale of the worldwide professional products line and the Plusbelle brand in Argentina in the first and second quarters of 2000, respectively.

Net sales, excluding the worldwide professional products line, the Plusbelle brand in Argentina, and the Colorama brand in Brazil, which was disposed of in July of 2001, were \$330.4 and \$325.1 for the second quarter of 2001 and 2000, respectively, an increase of \$5.3, or 1.6% on a reported basis (an increase of 4.1% on a constant U.S. dollar basis), and were \$643.9 and \$668.2 for the first half of 2001 and 2000, respectively, a decrease of \$24.3, or 3.6% on a reported basis (a decrease of 1.1% on a constant U.S. dollar basis).

United States and Canada. Net sales in the United States and Canada were \$227.3 for the second quarter of 2001 compared with \$213.2 for the second quarter of 2000, an increase of \$14.1, or 6.6%, and were \$445.7 and \$482.1 for the first half of 2001 and 2000, respectively, a decrease of \$36.4, or 7.6%. Net sales in the United States and Canada, excluding the United States and Canada portion of the worldwide professional products business, were \$227.3 for the second quarter of 2001 compared with \$213.2 for the second quarter of 2000, an increase of \$14.1, or 6.6%, and were \$445.7 and \$446.3 for the first half of 2001 and 2000, respectively. The increase in the second quarter of 2001 as compared to the second quarter of 2000 was primarily due to higher sales volume as a result of new product launches.

International. Net sales in the Company's international operations were \$109.4 for the second quarter of 2001 compared with \$126.1 for the second quarter of 2000, a decrease of \$16.7, or 13.2% on a reported basis (a decrease of 6.6% on a constant U.S. dollar basis), and were \$214.3 for the first half of 2001 compared with \$306.0 for the first half of 2000, a decrease of \$91.7, or 30.0% on a reported basis (a decrease of 23.6% on a constant U.S. dollar basis). The decrease for the second quarter of 2001 as compared to the second quarter of 2000 is primarily due to the sale of the Plusbelle brand in Argentina in the second quarter of 2000, and competitive activities in certain markets outside the United States and Canada and the decrease in the first half of 2001 as compared to the first half of 2000 was primarily due to the sale of the worldwide professional products line and the Plusbelle brand in Argentina in the first and second quarters of 2000, respectively, and competitive activities in certain markets.

REVLON, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS
(DOLLARS IN MILLIONS)

The following information excludes the net sales of the worldwide professional products line, Plusbelle brand in Argentina and the Colorama brand in Brazil. Net sales outside the United States and Canada were \$103.1 for the second quarter of 2001 compared with \$111.9 for the second quarter of 2000, a decrease of \$8.8, or 7.9%, on a reported basis (a decrease of 1.6% on a constant U.S. dollar basis), and were \$198.2 for the first half of 2001 compared with \$221.9 for the first half of 2000, a decrease of \$23.7, or 10.7%, on a reported basis (a decrease of 3.7% on a constant U.S. dollar basis). The decrease in net sales for the second quarter and first half of 2001 on a reported basis reflects the unfavorable effect on sales of a stronger U.S. dollar against certain foreign currencies. The decrease in net sales for the second quarter and first half of 2001 on a constant U.S. dollar basis is primarily due to increased competitive activity in certain markets outside the United States and Canada. Sales outside the United States and Canada are divided by the Company into three geographic regions. In Europe and Africa, which comprises Europe, the Middle East and Africa, net sales decreased by 11.1% on a reported basis to \$40.8 for the second quarter of 2001 as compared with the second quarter of 2000 (a decrease of 3.7% on a constant U.S. dollar basis) and decreased by 12.1% on a reported basis to \$79.9 for the first half of 2001 as compared with the first half of 2000 (a decrease of 3.6% on a constant U.S. dollar basis). In Latin America, which comprises Mexico, Central America, South America and Puerto Rico, net sales decreased by 1.4% on a reported basis to \$35.2 for the second quarter of 2001 as compared with the second quarter of 2000 (an increase of 1.7% on a constant U.S. dollar basis) and decreased by 1.3% on a reported basis to \$66.4 for the first half of 2001 as compared with the first half of 2000 (an increase of 2.4% on a constant U.S. dollar basis). In the Far East, net sales decreased by 10.6% on a reported basis to \$27.1 for the second quarter of 2001 as compared with the second quarter of 2000 (a decrease of 2.5% on a constant U.S. dollar basis) and decreased by 18.5% on a reported basis to \$51.9 for the first half of 2001 as compared with the first half of 2000 (a decrease of 10.7% on a constant U.S. dollar basis). Net sales in the Company's international operations may be adversely affected by weak economic conditions, political and economic uncertainties, adverse currency fluctuations, and competitive activities.

Cost of sales

As a percentage of net sales, cost of sales was 42.4% for the second quarter of 2001 compared with 38.2% for the second quarter of 2000 and 41.5% for the first half of 2001 compared with 38.7% for the first half of 2000. Excluding the worldwide professional products line, the Plusbelle brand in Argentina and the Colorama brand in Brazil and excluding \$18.4 and \$24.8 of additional consolidation costs associated with the shutdown of the Phoenix and Canada facilities in the second quarter and first half of 2001, respectively, which are reflected in reported cost of sales, cost of sales as a percentage of net sales was 36.5% for the second quarter of 2001 compared with 37.5% for the second quarter of 2000 and 37.3% for the first half of 2001 compared with 37.7% for the first half of 2000. The reduction in cost of sales as a percentage of net sales for the second quarter and first half of 2001 as compared to the comparable 2000 periods is primarily due to lower sales return rates which benefited net sales in the 2001 period, offset in part by higher promotional activity.

SG&A expenses

SG&A expenses were \$198.0 for the second quarter of 2001 compared with \$187.5 for the second quarter of 2000 and \$385.2 for the first half of 2001 compared with \$440.5 for the first half of 2000. Excluding the worldwide professional products line, the Plusbelle brand in Argentina and the Colorama brand in Brazil and \$4.0 and \$5.7 of additional consolidation costs associated with the shutdown of the Phoenix and Canada facilities in the second quarter and first half of 2001, respectively, which are reflected in reported SG&A expenses, SG&A expenses were \$190.8 for the second quarter of 2001 compared with \$180.9 for the second quarter of 2000 and \$372.8 for the first half of 2001 compared with \$377.5 for the first half of 2000. The increase in SG&A expenses for the second quarter of 2001 as compared to the second quarter of 2000 is due primarily to increased spending on brand support, partially offset by the reduction of departmental general and administrative expenses as a result of the Company's restructuring efforts.

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Restructuring costs

In the fourth quarter of 1999, the Company began a new restructuring program principally for additional employee severance and other personnel benefits and to restructure certain operations outside the United States, including certain operations in Japan (the "1999 Restructuring Plan"). In the first quarter of 2000, the Company recorded a charge of \$9.5 relating to the 1999 Restructuring Plan. The Company continued to implement the 1999 Restructuring Plan during the second quarter of 2000 during which it recorded a charge of \$5.1.

During the third quarter of 2000, the Company continued to re-evaluate its organizational structure. As part of this re-evaluation, the Company developed a new restructuring plan designed to improve profitability by reducing personnel and consolidating manufacturing facilities (the "2000 Restructuring Plan"). The 2000 Restructuring Plan focused on the Company's plans to close its manufacturing operations in Phoenix, Arizona and Mississauga, Canada and to consolidate its cosmetics production into its plant in Oxford, North Carolina. The 2000 Restructuring Plan also includes the remaining obligation for excess leased real estate in the Company's headquarters, consolidation costs associated with the Company closing its facility in New Zealand, and the elimination of several domestic and international executive and operational positions, both of which were effected to reduce and streamline corporate overhead costs. In the first quarter of 2001, the Company recorded a charge of \$14.6 related to the 2000 Restructuring Plan, principally for additional employee severance and other personnel benefits and to consolidate worldwide operations. In the second quarter of 2001, the Company continued to implement the 2000 Restructuring Plan and recorded a charge of \$7.9, principally for additional employee severance and other personnel benefits and other costs related to the consolidation of worldwide operations. The Company anticipates that it will recognize approximately \$35 to \$40 (including amounts recorded to date) of costs to implement this plan during 2001.

The Company anticipates annual savings of approximately \$18 to \$22 relating to the restructuring charges recorded during the first half of 2001 in connection with the 2000 Restructuring Plan.

Other expenses (income)

Interest expense was \$35.5 for the second quarter of 2001 compared with \$33.9 for the second quarter of 2000 and \$70.7 for the first half of 2001 compared with \$73.3 for the first half of 2000. The increase in interest expense for the second quarter of 2001 as compared with the second quarter of 2000 is primarily due to higher average outstanding borrowings under the Credit Agreement. The decrease in interest expense for the first half of 2001 as compared to the first half of 2000 is primarily due to the repayment of borrowings under the Credit Agreement with the net proceeds from the disposition of the worldwide professional products line and the Plusbelle brand in Argentina, partially offset by higher interest rates under the Credit Agreement.

Amortization of debt issuance costs was \$1.2 for the second quarter of 2001 compared with \$1.0 for the second quarter of 2000 and \$3.0 for the first half of 2001 compared with \$3.5 for the first half of 2000. The decrease in the amortization of debt issuance costs for the first half of 2001 as compared with the first half of 2000 is primarily due to the write-off of a portion of such costs resulting from the sale of the worldwide professional products line and the Plusbelle brand in Argentina.

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Sale of product line and brands

On July 16, 2001, Products Corporation completed the disposition of the Colorama brand in Brazil. In connection with the disposition the Company recognized a pre-tax and after-tax loss of \$6.3. Additionally, the Company recognized a pre-tax and after-tax loss on the disposition of the Aoyama Property of \$0.8 during the second quarter of 2001.

On May 8, 2000, Products Corporation completed the disposition of the Plusbelle brand in Argentina. In connection with the disposition, the Company recognized a pre-tax and after-tax loss of \$3.2.

On March 30, 2000, Products Corporation completed the disposition of its worldwide professional products line, including professional hair care for use in and resale by professional salons, ethnic hair and personal care products, Natural Honey skin care and certain regional toiletries brands. In connection with the disposition, the Company recognized a pre-tax and after-tax gain of \$6.2.

Provision for income taxes

The provision for income taxes was \$1.2 for the second quarter of 2001 compared with \$1.1 for the second quarter of 2000 and \$1.8 for the first half of 2001 compared with \$4.8 for the first half of 2000. The decrease in the provision for income taxes for the first half of 2001 as compared to the first half of 2000 was attributable to adjustments to certain deferred tax assets and higher taxes associated with the worldwide professional products line in the first quarter of 2000 and lower taxable income in the second quarter and first half of 2001 in certain markets outside the United States.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash used for operating activities was \$61.3 and \$100.2 for the first half of 2001 and 2000, respectively. The decrease in net cash used for operating activities for the first half of 2001 compared with the first half of 2000 resulted primarily from a higher net loss in the first half of 2001, partially offset by changes in working capital.

Net cash provided by investing activities was \$25.8 and \$330.5 for the first half of 2001 and 2000, respectively. Net cash provided by investing activities for the first half of 2001 consisted of proceeds from the sale of the Company's Aoyama Property and Phoenix facility, partially offset by capital expenditures. Net cash provided by investing activities in the first half of 2000 consisted of proceeds from the sale of the Company's worldwide professional products line and the Plusbelle brand in Argentina, partially offset by cash used for capital expenditures and acquisition of technology rights.

Net cash provided by (used for) financing activities was \$16.3 and \$(215.9) for the first half of 2001 and 2000, respectively. Net cash provided by financing activities for the first half of 2001 included cash drawn under the Credit Agreement, partially offset by the repayment of borrowings under the Credit Agreement and payment of debt issuance costs. Net cash used for financing activities for the first half of 2000 included repayments of borrowings under the Credit Agreement with the net proceeds from the disposition of the worldwide professional products line and the Plusbelle brand in Argentina and the repayment of Products Corporation's Japanese yen-denominated credit agreement, partially offset by cash drawn under the Credit Agreement.

In May 1997, Products Corporation entered into a credit agreement (as subsequently amended, the "Credit Agreement") with a syndicate of lenders, whose individual members change from time to time. As of June 30, 2001, the Credit Agreement provided up to \$493.1 and was comprised of five senior secured facilities: \$105.2 in two term loan facilities (the "Term Loan Facilities"), a \$300.0 multi-currency facility (the "Multi-Currency Facility"), a \$37.9 revolving acquisition facility, which may also be used for general

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corporate purposes (the "Acquisition Facility"), and a \$50.0 special standby letter of credit facility (the "Special LC Facility"). The Company under certain circumstances and with the consent of a majority of the lenders may increase the Acquisition Facility to \$237.9. At June 30, 2001, the Company had \$105.2 outstanding under the Term Loan Facilities, \$260.0 outstanding under the Multi-Currency Facility, \$37.9 outstanding under the Acquisition Facility and \$23.5 of issued but undrawn letters of credit under the Special LC Facility. As a result of the sale of the Colorama brand in Brazil, the commitments and outstanding borrowings under the Term Loan Facilities and the Acquisition Facility were reduced to \$89.0 and \$32.1, respectively. The Acquisition Facility was scheduled to be reduced by \$24.4 on December 31, 2001, but such scheduled reduction was changed to \$20.6 as a result of the commitment reduction due to the sale of the Colorama brand. The balance of the Acquisition Facility, along with the Term Loan Facilities, the Multi-Currency Facility and the Special LC Facility mature in May 2002. In January 2001 (effective December 31, 2000), Products Corporation and its bank lenders entered into an amendment to the Credit Agreement, to (i) eliminate the interest coverage ratio and leverage ratio covenants for 2001; (ii) add a minimum cumulative EBITDA covenant for each quarter end during the year 2001; (iii) modify the definition of EBITDA beginning with the quarterly period ended December 31, 2000; (iv) limit the amount that Products Corporation may spend for capital expenditures; (v) permit the sale of certain of Products Corporation's non-core assets; (vi) permit Products Corporation to retain 100% of the Net Proceeds from such asset sales; (vii) increase the "applicable margin" by 1/2 of 1%; and (viii) require Products Corporation to provide a mortgage on its facility in Oxford, North Carolina as security for its obligations under the Credit Agreement.

The Company's principal sources of funds are expected to be cash flow generated from operations (before interest), net proceeds from the sale of certain non-core assets and borrowings under the Credit Agreement. The Credit Agreement, Products Corporation's 8 5/8% Notes due 2008 (the "8 5/8% Notes"), Products Corporation's 8 1/8% Notes due 2006 (the "8 1/8% Notes") and Products Corporation's 9% Notes due 2006 (the "9% Notes") contain certain provisions that by their terms limit Products Corporation's and/or its subsidiaries' ability to, among other things, incur additional debt. The Company's principal uses of funds are expected to be the payment of operating expenses, working capital, purchases of permanent displays and capital expenditure requirements, expenses in connection with the Company's 2000 and 1999 Restructuring Plans referred to above and debt service payments.

The Company estimates that purchases of permanent displays for all of 2001 will be \$40 to \$50 and capital expenditures for all of 2001 will be \$13 to \$17. The Company estimates that cash payments related to the Company's 2000 and 1999 Restructuring Plans and executive separation costs incurred in 1999 will be \$60 to \$80 for all of 2001. Pursuant to a tax sharing agreement, Revlon, Inc. may be required to make tax sharing payments to Mafco Holdings as if Revlon, Inc. were filing separate income tax returns, except that no payments are required by Revlon, Inc. if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making any tax sharing payments other than in respect of state and local income taxes. Revlon, Inc. currently anticipates that, as a result of net operating tax losses and prohibitions under the Credit Agreement, no cash federal tax payments or cash payments in lieu of federal taxes pursuant to the tax sharing agreement will be required for 2001.

Products Corporation enters into forward foreign exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. Products Corporation had forward foreign exchange contracts denominated in various currencies of approximately \$28.7 and nil (U.S. dollar equivalent) outstanding at June 30, 2001 and 2000, respectively. Such contracts are entered into to hedge transactions predominantly occurring within twelve months.

The Company expects that cash flows from operations, net proceeds from the sale of certain non-core assets (or financial support from an affiliate, if such asset sales are not completed on a timely basis) and borrowings under the Credit Agreement will be sufficient to enable the Company to meet its anticipated cash requirements during 2001 on a consolidated basis, including for debt service and expenses in

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connection with the Company's restructuring plans. In addition, the Company anticipates that it will refinance the Credit Agreement in or before the first quarter of 2002 on terms that are satisfactory to the Company. However, there can be no assurance that the combination of cash flow from operations, net proceeds from the sale of certain non-core assets (or from such financial support) and borrowings under the Credit Agreement will be sufficient to meet the Company's cash requirements on a consolidated basis. Furthermore, there can be no assurance that the Company will be able to refinance the Credit Agreement on satisfactory terms. If the Company is unable to satisfy such cash requirements or refinance the Credit Agreement, the Company could be required to adopt one or more alternatives, such as reducing or delaying purchases of permanent displays, reducing or delaying capital expenditures, delaying or revising restructuring plans, restructuring indebtedness, selling additional assets or operations, or seeking capital contributions or additional loans from affiliates of the Company or issuing additional shares of capital stock of Revlon, Inc. Products Corporation has received a commitment from an affiliate that is prepared to provide, if necessary, additional financial support to Products Corporation of up to \$40 on appropriate terms through December 31, 2001. There can be no assurance that any of such actions could be effected, that they would enable the Company to continue to satisfy its capital requirements or that they would be permitted under the terms of the Company's various debt instruments then in effect. Revlon, Inc., as a holding company, will be dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay its expenses and to pay any cash dividend or distribution on Revlon, Inc.'s Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. The terms of the Credit Agreement, the 8 5/8% Notes, the 8 1/8% Notes and the 9% Notes generally restrict Products Corporation from paying dividends or making distributions, except that Products Corporation is permitted to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting, regulatory fees such as Securities and Exchange Commission (the "Commission") filing fees and other miscellaneous expenses related to being a public holding company and to pay dividends or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Revlon, Inc. Amended and Restated 1996 Stock Plan, provided that the aggregate amount of such dividends and distributions taken together with any purchases of Revlon, Inc. Class A Common Stock on the open market to satisfy matching obligations under the excess savings plan may not exceed \$6.0 per annum.

EURO CONVERSION

As part of the European Economic and Monetary Union, a single currency (the "Euro") will replace the national currencies of the principal European countries (other than the United Kingdom) in which the Company conducts business and manufacturing. The conversion rates between the Euro and the participating nations' currencies were fixed as of January 1, 1999, with the participating national currencies to be removed from circulation between January 1, 2002 and June 30, 2002 and replaced by Euro notes and coinage. During the transition period from January 1, 1999 through December 31, 2001, public and private entities as well as individuals may pay for goods and services using checks, drafts, or wire transfers denominated either in the Euro or the participating country's national currency. Under the regulations governing the transition to a single currency, there is a "no compulsion, no prohibition" rule, which states that no one can be prevented from using the Euro after January 1, 2002 and no one is obliged to use the Euro before July 2002. In keeping with this rule, the Company expects to begin using the Euro for invoicing and payments by the end of the second quarter of 2002. Based upon the information currently available, the Company does not expect that the transition to the Euro will have a material adverse effect on the business or consolidated financial condition of the Company.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has exposure to market risk both as a result of changing interest rates and movements in foreign currency exchange rates. The Company's policy is to manage market risk through a combination of fixed and floating rate debt, the use of derivative financial instruments and foreign exchange forward and option contracts. The Company does not hold or issue financial instruments for trading purposes. The qualitative and quantitative information presented in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2000 describes significant aspects of the Company's financial instrument programs that have material market risk as of December 31, 2000. The following table presents the information required by Item 7A as of June 30, 2001.

	EXPECTED MATURITY DATE FOR YEAR ENDED JUNE 30,					TOTAL	FAIR VALUE JUNE 30, 2001
	2001	2002	2003	2004	THEREAFTER		
(US dollar equivalent in millions)							
DEBT							

Short-term variable rate (various currencies)	\$30.0	\$ 30.0*				\$ 60.0	\$ 60.0
Average interest rate(a)	7.3%	7.9%					
Short-term variable rate(\$US)		373.1*				373.1	373.1
Average interest rate(a)		5.4%					
Long-term fixed rate(\$US)					\$1,149.4	1,149.4	652.1
Average interest rate					8.6%		
Total debt	\$30.0	\$403.1			\$1,149.4	\$1,582.5	\$1,085.2
	=====	=====			=====	=====	=====

	AVERAGE CONTRACTUAL RATE \$/FC	ORIGINAL US DOLLAR NOTIONAL AMOUNT	CONTRACT VALUE JUNE 30, 2001	FAIR VALUE JUNE 30, 2001
FORWARD CONTRACTS				

Buy Euros/Sell USD	0.9275	\$ 1.1	\$ 1.0	\$ (0.1)
Sell British Pounds/Buy USD	1.4442	7.7	7.9	0.2
Sell Australian dollars/Buy USD	0.5273	9.3	9.7	0.4
Sell South African Rand/Buy USD	0.1246	2.2	2.3	0.1
Buy British Pounds/Sell USD	1.4370	3.7	3.6	(0.1)
Buy Australian dollars/ Sell New Zealand dollars	1.2478	2.0	2.0	-
Buy British Pounds/Sell Euros	0.6306	2.7	2.8	0.1
Total forward contracts		\$28.7	\$29.3	\$ 0.6
		=====	=====	=====

(a) Weighted average variable rates are based upon implied forward rates from the yield curves at June 30, 2001.

* Represents the Company's Credit Agreement which matures in May 2002.

EFFECT OF NEW ACCOUNTING STANDARDS

In April 2001, the EITF reached a consensus on EITF 00-25, "Vendor Income Statement Characterization of Consideration to a Purchaser of the Vendor's Products or Services." The consensus addresses the Statement of Operations classification of consideration from a vendor to a reseller. This consensus is expected to reduce both net sales and SG&A expenses by equal and offsetting amounts, however, it will not have any impact on the Company's reported operating (loss) income, net loss, or net loss per common share. The Company is currently evaluating the requirements of this consensus and has not yet determined the extent of its impact.

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In July 2001, the FASB issued Statement No. 141, Business Combinations, and Statement No. 142, Goodwill and Other Intangible Assets. Statement 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. Statement 141 also specifies criteria that must be met in order for intangible assets acquired in a purchase method business combination to be recognized and reported apart from goodwill. Statement 142 will require that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of Statement 142. Statement 142 will also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. The Company is required to adopt the provisions of Statement 141 immediately and Statement 142 effective January 1, 2002.

As of the date of adoption, the Company expects to have unamortized goodwill in the amount of approximately \$186, and unamortized identifiable intangible assets in the amount of approximately \$12. Amortization expense related to goodwill was \$8.6 and \$3.6 for the year ended December 31, 2000 and the six months ended June 30, 2001, respectively. Because of the extensive effort needed to comply with adopting Statements 141 and 142, it is not practicable to reasonably estimate the impact of adopting these Statements on the Company's financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

SUBSEQUENT EVENTS

In July 2001, Products Corporation completed the disposition of the Colorama brand of cosmetics and hair care products as well as Products Corporation's manufacturing facility located in Sao Paulo, Brazil for approximately \$56. Products Corporation used \$22 of the net proceeds after transaction costs and retained liabilities to permanently reduce commitments under the Credit Agreement. In connection with such disposition the Company recognized a pre-tax and after-tax loss of \$6.3 during the second quarter of 2001.

In July 2001, Products Corporation completed the disposition of its subsidiary that owned and operated its manufacturing facility in Maesteg, Wales, UK, including all production equipment. Products Corporation will receive approximately \$20.0, \$10.0 was received on the closing date and \$10.0 is to be received over a six year period a portion of which is contingent upon certain future events. The Company does not expect to recognize a material loss on this transaction.

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q for the quarter ended June 30, 2001 as well as other public documents and statements of the Company contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectations and estimates as to: the introduction of new products; future financial performance; the effect on sales of the reduction of overall U.S. customer inventories including the timing thereof; the effect on sales of political and/or economic conditions, adverse currency fluctuations and competitive activities; the Company's estimate of restructuring activities, restructuring costs and benefits; the Company's plans with respect to and estimate of the timing of the shutdown of its Phoenix manufacturing operation, the charges, the cash cost and the annual savings resulting from plant shutdowns; the Company's expectation that its new trade terms for its U.S. customers will increase consumption of its products, drive market growth, result in more efficient ordering and shipping and reduce returns; the Company's expectations regarding uses of funds including purchases of permanent displays and capital expenditures; the availability of raw materials and components; the Company's qualitative and quantitative estimates as to market risk sensitive instruments; the Company's

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expectations about the effects of the transition to the Euro; the Company's intent to pursue the sale of certain non-core assets; the Company's expectation regarding sources of funds including cash flow from operations, the availability of funds from currently available credit facilities, net proceeds from the sale of certain non-core assets, capital contributions or loans from affiliates and the sale of additional assets or operations or additional shares of Revlon, Inc.; the Company's expectation that it will refinance its Credit Agreement in or before the second quarter of 2002; and the effect of the adoption of certain accounting standards, including EITF 00-25. Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as "believes," "expects," "estimates," "projects," "forecast," "may," "will," "should," "seeks," "plans," "scheduled to," "anticipates" or "intends" or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategy or intentions. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. In addition to factors that may be described in the Company's filings with the Commission, including this filing, the following factors, among others, could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by the Company: (i) difficulties or delays in developing and introducing new products or failure of customers to accept new product offerings; (ii) changes in consumer preferences, including reduced consumer demand for the Company's color cosmetics and other current products; (iii) unanticipated costs or difficulties or delays in completing projects associated with the Company's strategy to improve operating efficiencies; (iv) lower than expected cash flow from operations, the inability to secure capital contributions or loans from affiliates or sell additional assets or operations or additional shares of Revlon, Inc. or the unavailability of funds under the Credit Agreement; (v) effects of and changes in political and/or economic conditions, including inflation and monetary conditions, and in trade, monetary, fiscal and tax policies in international markets; (vi) actions by competitors, including business combinations, technological breakthroughs, new products offerings and marketing and promotional successes; (vii) combinations among significant customers or the loss, insolvency or failure to pay debts by a significant customer or customers; (viii) lower than expected sales as a result of the reduction of overall U.S. customer inventories; (ix) difficulties, delays or unanticipated costs or less than expected savings and other benefits resulting from the Company's restructuring activities; (x) difficulties or delays in implementing, higher than expected charges and cash costs or lower than expected savings from the shutdown of manufacturing operations in Phoenix; (xi) difficulties or delays in implementing or achieving the intended results of the new trade terms including increased consumption, market growth and lower returns or unexpected consequences from the implementation of the new trade terms including the possible effect on sales; (xii) interest rate or foreign exchange rate changes affecting the Company and its market sensitive financial instruments; (xiii) difficulties, delays or unanticipated costs associated with the transition to the Euro; (xiv) difficulties or delays in sourcing raw materials or components; (xv) difficulties or delays in pursuing the sale of one or more non-core assets, the inability to consummate such sales or to secure the expected level of proceeds from such sales; and (xvi) the unanticipated effects of the adoption of certain new accounting standards, including EITF 00-25.

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The 2001 Annual Meeting of Stockholders was held on June 1, 2001. Directors elected at the meeting were Ronald O. Perelman, Donald G. Drapkin, Meyer Feldberg, Howard Gittis, Vernon E. Jordan, Edward J. Landau, Jerry W. Levin, Jeffrey M. Nugent, Linda Gosden Robinson, Terry Semel and Martha Stewart, consisting of all the Board of Directors standing for election. All of the directors were elected without opposition. The only other matters voted upon were the ratification of the appointment by the Board of Directors of KPMG LLP as the Company's independent certified public accountants for 2001, which appointment was ratified and the consideration and approval of the Revlon, Inc. Third Amended and

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Restated Stock Plan (the "Amended Stock Plan"), which plan was approved. There were no broker nonvotes with respect to the election of directors or the ratification of the appointment of KPMG LLP.

The tabulation of votes for each matter is as follows:

1) ELECTION OF DIRECTORS:

NOMINEES FOR DIRECTOR	FOR	AGAINST OR WITHHELD	ABSTAINED
Ronald O. Perelman	331,693,420	111,760	---
Donald G. Drapkin	331,693,535	111,645	---
Meyer Feldberg	331,693,520	111,660	---
Howard Gittis	331,693,535	111,645	---
Vernon E. Jordan	331,690,284	114,896	---
Edward J. Landau	331,693,526	111,654	---
Jerry W. Levin	331,693,535	111,645	---
Jeffrey M. Nugent	331,692,520	112,660	---
Linda Gosden Robinson	331,693,535	111,645	---
Terry Semel	331,693,535	111,645	---
Martha Stewart	331,693,535	111,645	---

2) RATIFICATION OF KPMG LLP:

For	Against	Abstained
331,727,347	60,184	17,649

3) APPROVAL OF THE AMENDED STOCK PLAN:

FOR	AGAINST	ABSTAINED	UNVOTED
325,098,200	412,521	41,960	6,252,499

ITEM 5. OTHER INFORMATION

Effective June 30, 2001, the Board of Directors amended Article II, Section 3 of the Company's By-Laws, regarding the nature of business to be conducted at meetings of stockholders. Pursuant to Article II, Section 3, as reflected in the annexed Exhibit 3.2, in order for other business to be properly brought before an annual meeting (other than business specified in the notice of meeting or any supplement thereto) notice of, including among other things, (i) information regarding the proposed business to be brought before such meeting; (ii) the identity of the stockholder; and (iii) the class of shares of the Company which are owned beneficially or of record by such stockholder must be received by the Company not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual meeting; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such disclosure of the date of the annual meeting was made, whichever occurs first. As a result, if the Company's annual meeting for 2002 is within 30 days before or after the anniversary date of the 2001 annual meeting which was held on June 1, 2001 then notice of a stockholder nomination for candidates for the Board of Directors or a stockholder proposal (other than stockholder proposals submitted pursuant to Rule 14a-8 under the Exchange Act) must be received by the Company between March 3, 2002 and April 2, 2002.

REVLON, INC. AND SUBSIDIARIES

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS -

3.2 Amended and Restated By-Laws of Revlon, Inc. dated June 30, 2001.

10.16 Revlon, Inc. Third Amended and Restated 1996 Stock Plan (Amended and restated as of May 10, 2000).

10.18 Amendment dated June 15, 2001 to the Employment Agreement dated November 2, 1999 between Products Corporation and Jeffrey M. Nugent.

(b) REPORTS ON FORM 8-K - None

S I G N A T U R E S

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REVLON, INC.
Registrant

By:/s/ Douglas H. Greeff

By:/s/ Laurence Winoker

Douglas H. Greeff
Executive Vice President
and Chief Financial Officer

Laurence Winoker
Senior Vice President, Corporate
Controller and Treasurer

Dated: August 14, 2001

BY-LAWS

(as restated and amended)

OF

REVLON, INC.

(hereinafter called the "Corporation")

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at any place, either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors

and stated in the notice of the meeting, at which meetings the stockholders shall elect a Board of Directors, and transact such other business as may properly be brought before the meeting. Written notice of the Annual Meeting of Stockholders stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 3. Nature of Business at Meetings of Stockholders. No business may be transacted at an Annual Meeting of Stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or a duly authorized committee thereof), (b) otherwise properly brought before the Annual Meeting, by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the Annual Meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 3 and on the record date for the determination of stockholders entitled to vote at such Annual Meeting and (ii) who complies with the notice procedures set forth in this Section 3.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received by the Secretary at the principal executive offices of the Corporation not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding Annual Meeting of stockholders; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely

must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before such Annual Meeting (i) a brief description of the business desired to be brought before such Annual Meeting and the reasons for conducting such business at such Annual Meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all arrangements or understandings between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the Annual Meeting to bring such business before the meeting.

No business shall be conducted at the Annual Meeting of stockholders except business brought before the Annual Meeting in accordance with the procedures set forth in this Section 3; provided, however, that, once business has been properly brought before the Annual Meeting in accordance with such procedures, nothing in this Section 3 shall be deemed to preclude discussion by any stockholder of any such business. If the Chairman of an Annual Meeting determines that business was not properly brought before the Annual Meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 4. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called by

either (i) the Board of Directors, (ii) the Chairman of the Board of Directors, (iii) the Chairman of the Executive Committee of the Board of Directors or (iv) the President. Such request shall state the purpose or purposes of the proposed meeting. Written notice of a Special Meeting of Stockholders stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 5. Quorum. Except as otherwise required by law or by the Certificate of Incorporation, the holders of a majority in total number of votes of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the Chairman of the meeting or the holders of a majority in number of votes of the capital stock entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a written notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting not less than ten nor more than sixty days before the date of the meeting.

Section 6. Proxies. Any stockholder entitled to vote may do so in person or by his proxy appointed by an instrument in writing subscribed by such stockholder or by his attorney thereunto authorized, delivered to the Secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date, unless said proxy provides for a longer period. All proxies must be filed with the Secretary of the Corporation at the beginning of the meeting in order to be counted in any vote at the meeting.

Section 7. Voting. At all meetings of the stockholders at which a quorum is present, except as otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of stockholders shall be decided by the affirmative vote of the holders of a majority of the total number of votes of the capital stock present in person or represented by proxy and entitled to vote thereat voting as a single class. At the Annual Meeting of Stockholders, or any Special Meeting of Stockholders at which directors are to be elected, the directors shall be elected by a plurality vote.

Section 8. Organization and Order of Business. At every meeting of stockholders, the Chairman of the Board of Directors or, in such person's absence, the Chairman of the Executive Committee of the Board of Directors or, in such person's absence, the President, or in the absence of the three of them, such person as shall have been designated by the Board of Directors or, if none, by the Chairman of the Board of Directors, or, if none, by the Chairman of the Executive Committee of the Board of Directors or, if none, by the President, shall act as Chairman of the meeting. The Secretary or, in such person's absence, an Assistant Secretary, shall act as Secretary of the meeting. The Chairman of the meeting shall have the sole authority to prescribe the agenda and rules of order for the conduct of any Annual or Special Meeting of Stockholders and to determine all questions arising thereat relating to the order of business and the conduct of the meeting, except as otherwise required by law. Unless otherwise directed by the Chairman of the

meeting, the vote at any meeting of the stockholders need not be by written ballot. In case none of the officers above designated to act as Secretary of the meeting shall be present, the Chairman of the meeting or Secretary of the meeting shall be appointed by vote of a majority of the total number of votes of the capital stock present in person or represented by proxy and entitled to vote thereat.

Section 9. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. In the event that the action which is consented to is such as would have required the filing of a certificate under the General Corporation Law of the State of Delaware ("DGCL") if such action had been voted on by stockholders at a meeting thereof, the certificate filed shall state, in lieu of any statement concerning any vote of stockholders, that written consent and written notice has been given as provided in this Section 9.

Section 10. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where

the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 11. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 10 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 12. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall not be more than sixty nor less than ten days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty days prior to such other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding

the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, or if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 13. Inspectors of Election. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of elections to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability. The inspector shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law.

ARTICLE III

DIRECTORS

Section 1. Number and Election of Directors. The Board of Directors shall consist of not less than three members, the exact number of which shall from time to time be determined by resolution of the Board of Directors. Except as provided in Section 2 of this Article, directors shall be elected by the stockholders at the Annual Meetings of Stockholders, and each director so elected shall hold office until his successor is duly elected and qualified, or until his death, or until his earlier resignation or removal. Directors need not be stockholders.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, except that any vacancy resulting from the death, resignation, removal or disqualification of a director elected by the holders of any class or classes of the stock of the Corporation voting as a class, or from an increase in the number of directors which such holders are entitled to elect, may be filled by the affirmative vote of a majority of the directors elected by such class or classes, or by a sole remaining director so elected, and each director so chosen shall hold office until his successor is duly elected and qualified or until his death, or until his earlier resignation or removal, or disqualification.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 4. Organization. At each meeting of the Board of Directors, the Chairman of the Executive Committee of the Board of Directors or the Chairman of the Board of Directors, or, in the absence of both of them, a director chosen by a majority of the directors present, shall act

as Chairman. The Secretary of the Corporation shall act as Secretary at each meeting of the Board of Directors. In case the Secretary shall be absent from any meeting of the Board of Directors, an Assistant Secretary shall perform the duties of Secretary at such meeting; and in the absence from any such meeting of the Secretary and all the Assistant Secretaries, the Chairman of the meeting may appoint any person to act as Secretary of the meeting.

Section 5. Resignations and Removals of Directors. Any director of the Corporation may resign at any time, by giving written notice to the Chairman of the Board of Directors, the Chairman of the Executive Committee of the Board of Directors, the President or the Secretary of the Corporation. Such resignation shall take effect at the time therein specified or, if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Except as otherwise required by law, any director or the entire Board of Directors may be removed, with or without cause, by the affirmative vote or written consent of a majority in total voting power of the issued and outstanding capital stock of the Corporation represented and entitled to vote in the election of directors.

Section 6. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held at such time and at such place as may from time to time be determined by the Board of Directors and, unless required by resolution of the Board of Directors, without notice. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Chairman of the Executive Committee of the Board of Directors, or a majority of directors then in office. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight hours before the date of the meeting; by telephone, telecopy or telegram on twenty-four hours notice; or on such

shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 7. First Yearly Meeting. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each Annual Meeting of Stockholders, and no notice of such meeting to the existing or newly elected directors shall be necessary in order to legally constitute the meeting, provided a quorum is present. Such first meeting may be held at any other time or place specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or in a waiver of notice thereof.

Section 8. Quorum and Manner of Acting. Except as otherwise required by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 9. Action by Written Consent. Unless otherwise required by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 10. Meetings by Means of Conference Telephone. Unless otherwise required by the Certificate of Incorporation or these By-Laws, members of the Board of Directors,

or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 10 shall constitute presence in person at such meeting.

Section 11. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary, or such other emoluments, as the Board of Directors shall from time to time determine. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Each director who shall serve as a member or Chairman of special or standing committee may be allowed like compensation for attending committee meetings.

Section 12. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the

stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV

COMMITTEES

Section 1. How Constituted and Powers. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation, except as otherwise provided in these By-Laws. The Board of Directors may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board of Directors to act in the place of any absent or disqualified. Each committee, to the extent permitted by law, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation as provided in the resolution establishing such committee.

Section 2. Executive Committee. The Board of Directors may designate an Executive Committee, to consist of not less than three members of the Board of Directors, which shall have and may exercise, to the extent permitted by law, all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, including, unless otherwise specified by a resolution or resolutions of the Board of Directors, the power and authority to declare dividends, to authorize the issuance of stock and to adopt a certificate of ownership and merger pursuant to Section 253 of the DGCL.

Section 3. Organization. The Board of Directors or each such committee may choose its Chairman and Secretary, and shall keep and record all its acts and proceedings and report the same from time to time to the Board of Directors.

Section 4. Meetings. Regular meetings of any such committee, of which no notice shall be necessary, shall be held at such times and in such places as shall be fixed by the committee or by the Board of Directors. Special meetings of any such committee shall be held at the request of any member of the committee.

Section 5. Quorum and Manner of Acting. A majority of the members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the committee.

Section 6. General. The Board of Directors shall have the power at any time to change the members of, fill vacancies in, and discharge or disband any such committee, either with or without cause.

ARTICLE V

OFFICERS

Section 1. Officers. The Board of Directors shall elect a Chairman of the Board of Directors, a President, one or more Vice Presidents, a Treasurer, a Controller and a Secretary. The Board of Directors may designate one or more Vice Presidents as Senior Executive Vice Presidents, Executive Vice Presidents or Senior Vice Presidents, and may use such other descriptive words as it may determine to designate the seniority or areas of special competence or responsibility of the officers. Any two or more offices may be held by the same person.

Section 2. Term of Office and Qualifications. Each such officer shall hold office until such officer's successor shall have been duly chosen and shall qualify, or until such officer's death, resignation or removal in the manner hereinafter provided. The Chairman of the Board of Directors shall be chosen from among the directors, but no other officer need be a director. Each officer shall have such functions or duties as are provided in these By-Laws, or as the Board of Directors may from time to time determine.

Section 3. Subordinate Officers. The Board of Directors may from time to time elect such other officers or assistant officers as it may deem necessary, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these By-Laws, or as the Board of Directors may from time to time determine.

Section 4. Removal. Any officer may be removed, either with or without cause, by the Board of Directors, and any officer also may be removed in such other manner as may be specified by the Board of Directors in the resolution or resolutions electing such officer. Any officer may be suspended by the Chairman of the Board of Directors either with or without cause.

Section 5. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board of Directors or the Secretary of the

Corporation. Any such resignation shall take effect at the time therein specified or if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these By-Laws for the regular election to that office.

Section 7. Compensation. Salaries or other compensation of the officers may be fixed from time to time by the Board of Directors or any duly authorized committee of directors and shall be so fixed by the Board of Directors or such committee as to any officer serving the Corporation as a director. No officer shall be prevented from receiving proper compensation for such officer's services by reason of the fact that such officer is also a director of the Corporation.

Section 8. Chairman of the Board of Directors. The Chairman of the Board of Directors, if present, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. The Chairman of the Board of Directors may enter into and execute in the name of the Corporation deeds, mortgages, bonds, guarantees, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or delegated by the Board of Directors or by a duly authorized committee of directors or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be made or executed. In general, the Chairman of the Board of Directors shall have all authority incident to the office of Chairman of the Board of Directors and shall have such other authority and perform such other duties as may from time to time be assigned by the Board of Directors or by any duly authorized committee of directors.

Section 9. President. The President shall be the chief executive officer of the Corporation and shall have general supervision of the business, affairs and property of the Corporation and over its several officers, subject, however, to the control of the Board of Directors. The President also shall be the chief operating officer of the Corporation and, subject to the direction of the Board of Directors, any duly authorized committee of directors, shall have general supervision of the operations of the Corporation. The President may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. The President may enter into and execute in the name of the Corporation deeds, mortgages, bonds, guarantees, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or delegated by the Board of Directors or by a duly authorized committee of directors, or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be made or executed. The President shall have the power to fix the compensation of elected officers whose compensation is not fixed by the Board of Directors or a committee thereof in accordance with Section 7 of this Article V, and also to engage, discharge, determine the duties and fix the compensation of all employees and agents of the Corporation necessary or proper for the transaction of the business of the Corporation. In general, the President shall have all authority incident to the office of President and chief executive officer and chief operating officer and shall have such other authority and perform such other duties as may from time to time be assigned by the Board of Directors or by any duly authorized committee of directors or by the Chairman of the Board of Directors. The President shall, at the request or in the absence or disability of the Chairman of the Board of Directors, perform the duties and exercise the powers of such officer.

Section 10. Vice Presidents. The Vice Presidents shall have supervision over the operations of the Corporation within their respective areas of special competence or responsibility

and in accordance with policies, procedures and practices in effect from time to time, subject, however, to the control of the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President and any other officer to whom they report. They shall, within such areas (in the order of their designation, or in the absence of such designation, in the order of their seniority based on title or, in the case of officers of equal title, in order of their tenure), at the request or in the absence or disability of the Chairman of the Board of Directors, perform the duties and exercise the powers of such officer and at the request or in the absence or disability of the President, perform the duties and exercise the powers of such officer and at the request or in the absence or disability of the President, perform the duties and exercise the power of such officer. They may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. They may enter into and execute in the name of the Corporation deeds, mortgages, guarantees, bonds, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or otherwise delegated by these By-Laws or by the Board of Directors, a duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom they report, or shall be required by law otherwise to be made or executed. In general, they shall have all authority incident to their respective offices and shall have such other authority and perform such other duties as may from time to time be assigned to them by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom they report.

Section 11. Treasurer. The Treasurer shall, if required by the Board of Directors, the Chairman of the Board of Directors, the President or any other officer to whom the Treasurer reports, give a bond for the faithful discharge of duties, in such sum and with such sureties as may be so required. The Treasurer shall have custody of, and be responsible for, all funds and securities

of the Corporation; receive and give receipts for money due and payable to the Corporation from any source whatsoever; deposit all such money in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Section 5 of Article VI of these By-Laws; against proper vouchers, cause such funds to be disbursed by check or draft on the authorized depositories of the Corporation signed in such manner as shall be determined in accordance with the provisions of Section 4 of Article VI of these By-Laws and be responsible for the accuracy of the amounts of all funds so disbursed; regularly enter or cause to be entered in books to be kept by the Treasurer or under the Treasurer's direction, full and adequate accounts of all money received and paid by the Treasurer for the account of the Corporation; have the right to require, from time to time, reports or statements giving such information as the Treasurer may determine to be necessary or desirable with respect to any and all financial transactions of the Corporation from the officers and agents transacting the same; render to the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any officer to whom the Treasurer reports, whenever they or any of them, respectively, shall require the Treasurer so to do, an account of the financial condition of the Corporation and of all transactions of the Treasurer; exhibit at all reasonable times the books of accounts and other records provided for herein to any of the directors of the Corporation; and, in general, have all authority incident to the office of Treasurer and such other authority and perform such other duties as from time to time may be assigned by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom the Treasurer reports, and may sign with the Chairman of the Board of Directors, the President or any Vice President, certificates for stock of the Corporation.

Section 12. Controller. The Controller shall be responsible for preparing and maintaining reasonable and adequate books of account and other accounting records of the assets,

liabilities and transactions of the Corporation in accordance with generally accepted accounting principles and procedures, shall see that reasonable and adequate audits thereof are regularly made and that reasonable and adequate systems of financial control are maintained, shall examine and certify the financial accounts of the Corporation, shall prepare and render such budgets and other financial reports as the Board of Directors, the Chairman of the Board of Directors, the President or any other officer to whom the Controller reports may require, and shall, in general, have all authority incident to the office of Controller and such other authority and perform such other duties as from time to time may be assigned by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom the Controller reports.

Section 13. Secretary. The Secretary shall act as Secretary of all meetings of the stockholders and of the Board of Directors of the Corporation; shall keep the minutes thereof in the proper book or books to be provided for that purpose; shall see that all notices required to be given by the Corporation in connection with meetings of stockholders and of the Board of Directors are duly given; may, with the Chairman of the Board of Directors, the President or any Vice President, sign certificates for stock of the Corporation; shall be the custodian of the seal of the Corporation and shall affix the seal or cause it or a facsimile thereof to be affixed to all certificates for stock of the Corporation and to all documents or instruments requiring the same, the execution of which on behalf of the Corporation is duly authorized in accordance with the provisions of these By-Laws; shall have charge of the stock records and also of the other books, records and papers of the Corporation relating to its organization and acts as a corporation, and shall see that the reports, statements and other documents related thereto required by law are properly kept and filed; and shall, in general, have all authority incident to the office of Secretary and such other authority and perform such other duties as from time to time may be assigned by the Board of Directors, any duly

authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom the Secretary reports.

Section 14. Duties of Assistant Treasurers, Assistant Secretaries and Other Subordinate Officers. The Assistant Treasurers shall, respectively, if required by the Board of Directors, the Chairman of the Board of Directors, the President or any other officer to whom they report, give bonds for the faithful discharge of their duties in such sums and with such sureties as may be so required. Assistant Treasurers and Assistant Secretaries may, with the Chairman of the Board of Directors, the President or any Vice President, sign certificates for stock of the Corporation. Subordinate officers shall have all authority incident to their respective offices and such other authority and perform such other duties as shall be assigned to them by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or the officers to whom they report.

Section 15. Appointed Officers. The Chairman of the Board of Directors and the President may appoint or cause to be appointed, in accordance with the policies and procedures established by them, such Presidents, Vice Presidents and other officers of the Divisions, Groups and Staffs of the Corporation (each an "Appointed Officer") as each of them shall determine to be necessary or desirable in furtherance of the business and affairs of such Divisions, Groups and Staffs, may designate such Vice Presidents as Senior Executive Vice Presidents, Executive Vice Presidents or Senior Vice Presidents, and may use such other descriptive words as each of them may determine to designate the seniority or areas of special competence or responsibility of the Appointed Officers appointed in accordance with this Section 15. Appointed Officers appointed in accordance with this Section 15 shall not be deemed to be officers as elsewhere referred to in this Article V or in Article X hereof but as between themselves and the Corporation shall have such authority and perform such duties in the management and operations of the Divisions, Groups and

Staffs of the Corporation of which they are appointed officers as the officer appointing them and the persons to whom they report may from time to time determine. Such Appointed Officers shall have the authority as between themselves and third parties to bind the Corporation solely to the extent of their apparent authority based upon their titles and solely in relation to the business affairs of the Divisions, Groups and Staffs of which they are appointed officers.

ARTICLE VI

CONTRACTS, VOTING OF STOCK HELD, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 1. Execution of Contracts. The Board of Directors or any duly authorized committee of directors, except as by these By-Laws otherwise require, may authorize any officer other than or in addition to the officers authorized by Article V of these By-Laws, including Appointed Officers, and any employee or agent or agents, in the name and on behalf of the Corporation, to enter into and execute any deed, mortgage, bond, guarantee, contract or other instrument, and any such authority may be general or may be confined to specific instances or otherwise limited.

Section 2. Loans and Loan Guarantees. Any officer, employee or agent of the Corporation thereunder authorized by the Board of Directors or by any duly authorized committee of directors may effect in the name and on behalf of the Corporation, loans or advances from, or guarantees of loans or advances to, any bank, trust company or other institution or any firm, corporation or individual, and for such loans and advances or guarantees may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness or guaranty of the Corporation, and may pledge or hypothecate or transfer any securities or other property of the Corporation as security for any such loans, advances or guarantees. Such authority conferred by the

Board of Directors or any duly authorized committee of directors may be general or may be confined to specific instances or otherwise limited.

Section 3. Voting of Stock Held. The Chairman of the Board of Directors and the President and, unless otherwise provided by resolution of the Board of Directors or directed by the Chairman of the Board of Directors or the President, the Secretary may from time to time personally or by an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, cast the votes which the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation, any of the stock or securities of which may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporations, or consent in writing to any action by any such other corporation, and may instruct any person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed on behalf of the Corporation and under its corporate seal, or otherwise, such written proxies, consents, waivers or other instruments as the Secretary may deem necessary or proper in the premises; or may attend any meeting of the holders of stock or other securities of any such other corporation and thereat vote or exercise any or all other powers of the Corporation as the holder of such stock or other securities of such other corporation.

Section 4. Checks, Drafts, etc. All checks, drafts and other orders for payment of money out of the funds of the Corporation and all notes and other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation by the Treasurer or an Assistant Treasurer or by any other officer, employee or agent of the Corporation to whom such power may from time to time be delegated by the Board of Directors or any duly authorized committee of directors or by any officer, employee or agent of the Corporation to whom the power of delegation may from time to time be granted by the Board of Directors or any duly authorized committee of directors.

Section 5. Deposits. The funds of the Corporation not otherwise employed shall be deposited from time to time to the order of the Corporation in such banks, trust companies or other depositories as the Board of Directors or any duly authorized committee of directors may from time to time select, or as may be selected by any officer, employee or agent of the Corporation to whom such power may from time to time be delegated by these By-Laws, the Board of Directors or any duly authorized committee of directors.

ARTICLE VII

STOCK AND DIVIDENDS

Section 1. Form of Certificates. (a) Every holder of stock in the Corporation shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman of the Board of Directors, the President or one of the Vice Presidents and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

(b) If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise required by Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of

stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Signatures. Any or all signatures on the certificate may be a facsimile. In case an officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, unless otherwise ordered by the Board of Directors, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost, Destroyed, Stolen or Mutilated Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit or such other proof satisfactory to the Board of Directors of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation and its transfer agents and registrars with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate.

Section 4. Transfers. Except as otherwise prescribed by law or the Certificate of Incorporation, stock of the Corporation shall be transferable in the manner prescribed in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by such person's duly authorized attorney appointed by a power of attorney duly executed and filed with the Secretary of the Corporation or a transfer agent of the

Corporation, and upon surrender of the certificate or certificates for such stock properly endorsed for transfer and payment of all necessary transfer taxes; provided, however, that such surrender and endorsement or payment of taxes shall not be required in any case in which the officers of the Corporation shall determine to waive such requirement. Every certificate exchanged, returned or surrendered to the Corporation shall be marked "Canceled," with the date of cancellation, by the Secretary or an Assistant Secretary of the Corporation or the transfer agent thereof. No transfer of stock shall be valid as against the Corporation, its stockholders or creditors for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 5. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 7. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies,

or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 8. Limitations on Transfer. A written restriction on the transfer or registration of transfer of a security of the Corporation, if permitted by Section 202 of the DGCL and noted conspicuously on the certificate representing the security or, in the case of uncertificated shares, contained in the notice sent pursuant to Section 151(f) of the DGCL, may be enforced against the holder of the restricted security or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate representing the security or, in the case of uncertificated shares, contained in the notice sent pursuant to Section 151(f) of the DGCL, a restriction, even though permitted by Section 202 of the DGCL, is ineffective except against a person with actual knowledge of the restriction. A restriction on the transfer or registration of transfer of securities of the Corporation may be imposed either by the Certificate of Incorporation or by these By-Laws or by an agreement among any number of security holders or among such holders and the Corporation. No restriction so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

ARTICLE VIII

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws to be given to any director, member of a committee or stockholder,

such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by courier service, facsimile transmission, telegram, telex or cable.

Section 2. Waivers of Notice. (a) Whenever any notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed, by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting, present by person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

(b) Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws.

ARTICLE IX

BOOKS

Section 1. Books. The Corporation shall keep in accordance with applicable law correct and adequate books and records of account and minutes of proceedings of the stockholders, the Board of Directors and any committees of the Board of Directors. The Corporation shall keep in accordance with applicable law at the office designated in the Certificate of Incorporation or at

the office of the transfer agent or registrar of the Corporation, a record containing the names and addresses of all stockholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

Section 2. Form of Books. Any books maintained by the Corporation, including its stock ledger, books of account and minute books, may be kept on, or be in the form of, electronic data storage, computer discs, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible written form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

ARTICLE X

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings other Than Those by or in the Right of the Corporation. Subject to Section 3 of this Article X, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action

or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article X, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article X (unless ordered by a court) shall be made by the Corporation only as authorized in the

specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2, and in each case Section 11, of this Article X, as the case may be. Such determination shall be made (i) by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (ii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article X, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other entity or enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The

provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 or 2, and in each case Section 11, of this Article X, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article X, and notwithstanding the absence of any determination thereunder, any director or officer may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2, and in each case Section 11, of this Article X. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standards of conduct set forth in Sections 1 or 2, and in each case Section 11, of this Article X, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article X nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article X.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by or granted pursuant to this Article X shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article X shall be made to the fullest extent permitted by law. The provisions of this Article X shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article X but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article X.

Section 9. Certain Definitions. For purposes of this Article X, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or

officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, shall stand in the same position under the provisions of this Article X with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article X, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article X. For purposes of this Article X, the term "officers" shall not include "Appointed Officers" as defined in Section 15 of Article V.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article X shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article X to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 hereof), the Corporation shall not be obligated to indemnify any director or officer in connection with a proceeding (or part thereof) initiated by such person unless

such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. Indemnification of Appointed Officers, Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to Appointed Officers, employees and agents of the Corporation similar to those conferred in this Article X to directors and officers of the Corporation.

ARTICLE XI

AMENDMENT OF BY-LAWS

Section 1. Amendment of By-Laws. These By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors; provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of stockholders or Board of Directors as the case may be. All such amendments must be approved by either the affirmative vote of the holders of a majority in total number of votes of the outstanding capital stock entitled to vote thereon or by a majority of the directors then in office.

Section 2. Entire Board of Directors. As used in this Article XI and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Seal. The Board of Directors shall approve a corporate seal which shall be in the form of a circle and shall bear the name of the Corporation, the year of its incorporation and the word "Delaware." The Seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be determined and may be changed by resolution of the Board of Directors, and unless and until otherwise so determined, shall be the calendar year.

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AMENDED AND RESTATED

BY-LAWS

OF

REVLON, INC.

As of June 30, 2001

REVLON, INC.
THIRD AMENDED AND RESTATED 1996 STOCK PLAN
(AMENDED AND RESTATED AS OF MAY 10, 2000)

ARTICLE I

GENERAL

1.1 Purpose. The purpose of this Third Amended and Restated 1996 Stock Plan (the "Plan") is to provide for certain officers, directors and key employees of Revlon, Inc. ("Revlon" and, together with its subsidiaries, the "Company") and certain of its Affiliates an incentive to maintain and enhance the long-term performance and profitability of the Company. It is the further purpose of the Plan to permit the granting of awards that will constitute performance based compensation for certain executive officers, as described in section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder.

1.2 Administration.

(a) The Plan shall be administered by a committee (the "Committee") appointed by the Board of Directors of Revlon (the "Board"), which committee shall consist of two or more directors. It is intended that the directors appointed to serve on the Committee shall be "outside directors" (within the meaning of Code section 162(m) and the Treasury Regulations thereunder as may be in effect from time to time, and any amendments, revisions or successor provisions thereto) to the extent Code section 162(m) is applicable; however, the mere fact that a Committee member shall fail to qualify under the foregoing requirements shall not invalidate any award made by the Committee which award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board.

(b) The Committee shall have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and Plan agreements executed pursuant to Section 2.6, (iii) to prescribe, amend and rescind rules and regulations relating to the Plan, (iv) to make all determinations necessary or advisable in administering the Plan, and (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan.

(c) The determination of the Committee on all matters relating to the Plan or any Plan agreement (as defined in Section 2.6) shall be conclusive.

(d) No member of the Committee shall be liable for any Plan Action (as defined in Section 3.2), including without limitation any action or determination made in good faith with respect to the Plan or any Award hereunder.

1.3 Persons Eligible for Awards. Awards under the Plan may be made to such officers, directors and executive, managerial or professional employees ("key personnel") of the Company or its Affiliates as the Committee shall in its sole discretion select. The Committee may make grants of Awards conditional upon execution by the grantee of the Company's standard Agreement on Confidentiality and Non Competition as in effect from time to time.

1.4 Types of Awards Under Plan.

(a) Awards may be made under the Plan in the form of (i) stock options ("options"), (ii) stock appreciation rights ("stock appreciation rights") related to an option ("related stock appreciation rights"), (iii) stock appreciation rights not related to any option ("unrelated stock appreciation rights"), (iv) restricted stock awards, (v) unrestricted stock awards and (vi) performance awards, all as more fully set forth in Article II (collectively, "Awards").

(b) Options granted under the Plan may be either (i) "nonqualified" stock options subject to the provisions of Code section 83 or (ii) options intended to qualify for incentive stock option treatment described in Code section 422.

(c) All options when granted are intended to be nonqualified options, unless the applicable Plan agreement explicitly states that an option is intended to be an incentive stock option. If an option is granted with the stated intent that it be an incentive stock option, and if for any reason such option (or any portion thereof) shall not qualify as an incentive stock option, then, to the extent of such nonqualification, such option (or portion) shall be regarded as a nonqualified option appropriately granted under the Plan provided that such option (or portion) otherwise satisfies the terms and conditions of the Plan relating to nonqualified options generally.

1.5 Shares Available for Awards.

(a) Subject to Section 3.5 (relating to adjustments upon changes in capitalization), as of any date the total number of shares of Common Stock with respect to which Awards may be granted shall be equal to the excess (if any) of (i) 8,500,000 shares over (ii) the sum (without duplication) of (A) the number of shares subject to outstanding options, outstanding unrelated stock appreciation rights, outstanding restricted stock awards not vested pursuant to the lapse of restrictions and outstanding performance awards as to which the performance cycle has not expired, granted under the Plan, (B) the number of shares previously issued pursuant to the exercise of options granted under the Plan, (C) the number of shares subject to an option, restricted stock award or performance award or part thereof which is canceled by the Committee and for which cash is paid in respect thereof pursuant to Section 2.8(f), (D) the number of shares in respect of which stock appreciation rights granted under the Plan shall have previously been exercised, (E) the number of shares previously vested pursuant to the lapse of restrictions under restricted stock awards granted under the Plan, (F) the number of shares previously issued pursuant to unrestricted stock awards, and (G) the number of shares previously issued or issuable pursuant to performance units as to which the performance cycle has expired. In accordance with (and without limitation upon) the preceding sentence, if and to the extent an Award under the Plan expires, terminates or is canceled for any reason whatsoever without the grantee having received any benefit therefrom, the shares covered by such Award shall again become available for future Awards under the Plan. For purposes of the foregoing sentence, a grantee shall not be deemed to have received any "benefit" (i) in the case of forfeited restricted stock awards by reason of having enjoyed voting rights and dividend rights prior to the date of forfeiture or (ii) in the case of an Award canceled pursuant to subsection (c) of this Section 1.5 by reason of a new Award being granted in substitution therefor.

(b) Shares of Common Stock that shall be subject to issuance pursuant to Awards made under the Plan shall be authorized and unissued or treasury shares of Common Stock.

(c) Without limiting the generality of the preceding provisions of this Section 1.5, the Committee may, but solely with the grantee's consent, agree to cancel any Award under the Plan and issue a new Award in substitution therefor upon such terms as the Committee may in its sole discretion determine, provided that the substituted Award satisfies all applicable Plan requirements as of the date such new Award is made.

(d) In any calendar year, a person eligible for Awards under the Plan may not be granted options or stock appreciation rights covering in the aggregate a total of more than 600,000 shares of Common Stock.

1.6 Definitions of Certain Terms.

(a) The term "Affiliate" as used herein means any person or entity which, at the time of reference, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

(b) The term "Common Stock" as used herein means the shares of Class A Common Stock of the Company as constituted on the effective date of the Plan, and any other shares into which such Common Stock shall thereafter be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or the like.

(c) Except as otherwise determined by the Committee, the term "fair market value" as used herein as of any date and in respect of any share of Common Stock shall mean, as determined by the Committee, either (i) the closing price of a share of Common Stock as reported on the New York Stock Exchange as of such date or (ii) the mean between the high and low sales prices of a share of Common Stock as reported on the New York Stock Exchange as of such date.

(d) In no event shall the fair market value of any share of Common Stock, the option exercise price of any option, the appreciation base per share of Common Stock under any stock appreciation right, or the amount payable per share of Common Stock under any other Award, be less than the par value per share of Common Stock.

ARTICLE II

STOCK OPTIONS; STOCK APPRECIATION RIGHTS; STOCK AWARDS; PERFORMANCE AWARDS

2.1 Grant of Stock Options. The Committee may grant options under the Plan to purchase shares of Common Stock to such key personnel, in such amounts and subject to such terms and conditions as the Committee shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan.

2.2 Grant of Stock Appreciation Rights.

(a) The Committee may grant a related stock appreciation right in connection with all or any part of an option granted under the Plan, either at the time such option is granted or at any time

thereafter prior to the exercise, termination or cancellation of such option, and subject to such terms and conditions as the Committee shall from time to time determine in its sole discretion, consistent with the terms and provisions of the Plan. The grantee of a related stock appreciation right shall, subject to the terms and conditions of the Plan and the applicable Plan agreement, thereby have the right by exercise thereof to surrender to the Company for cancellation all or a portion of such related stock appreciation right, but only to the extent that the related option is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (i) the aggregate fair market value of the shares of Common Stock subject to the related stock appreciation right or portion thereof surrendered (determined as of the exercise date), over (ii) the aggregate appreciation base (determined pursuant to Section 2.6(d)) of the shares of Common Stock subject to the stock appreciation right or portion thereof surrendered.

(b) The Committee may grant an unrelated stock appreciation right to such key personnel, and in such amount and subject to such terms and conditions, as the Committee shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan. The grantee of an unrelated stock appreciation right shall, subject to the terms and conditions of the Plan and the applicable Plan agreement, have the right to surrender to the Company for cancellation all or a portion of such stock appreciation right, but only to the extent that such stock appreciation right is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (i) the aggregate fair market value of the shares of Common Stock subject to the stock appreciation right or portion thereof surrendered (determined as of the exercise date), over (ii) the aggregate appreciation base (determined pursuant to Section 2.6(d)) of the shares of Common Stock subject to the stock appreciation right or portion thereof surrendered.

(c) Payment due to the grantee upon exercise of a stock appreciation right shall be made (i) by check, (ii) in Common Stock (valued at the fair market value thereof as of the date of exercise), or (iii) partly in the manner provided in clause (i) and partly in the manner provided in clause (ii), all as determined by the Committee in its sole discretion. If the Committee shall determine to make all of such payments in Common Stock, no fractional shares shall be issued and no payments shall be made in lieu of fractional shares.

(d) The grant or exercisability of any stock appreciation right may be subject to such conditions as the Committee, in its sole discretion, shall determine, including a change of ownership or control of the Company or an Affiliate. A stock appreciation right may be deemed to be automatically exercised upon the occurrence of such events or conditions as may be determined by the Committee in an applicable Plan agreement.

2.3 Special ISO Requirements. In order for a grantee to receive special tax treatment with respect to stock acquired under an option granted as an incentive stock option, the grantee of such option must be, at all times during the period beginning on the date of grant and ending on the day three months before the date of exercise of such option, an employee of the Company or any of the Company's parent corporations (within the meaning of Code section 424), or of a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction in which Code section 424(a) applies. If an option granted under the Plan is intended to be an incentive stock option, then the option exercise price per share shall in no event be less than 100% of the fair market value of the Common Stock on the date of such grant. If an option granted under the Plan is intended to be an incentive stock option, and if the grantee, at the time of grant, owns stock possessing 10 percent or more of the total combined voting power of all classes of stock of the grantee's employer corporation or of its parent or subsidiary corporation, then (i) the option exercise price per share shall in no event be less than 110% of

the fair market value of the Common Stock on the date of such grant and (ii) such option shall not be exercisable after the expiration of five years after the date such option is granted.

2.4 Restricted and Unrestricted Stock Awards.

(a) The Committee may grant restricted stock awards, alone or in tandem with other Awards under the Plan, to such key personnel, and subject to such restrictions, terms and conditions, as the Committee shall determine in its sole discretion and as shall be evidenced by the applicable Plan agreements. The vesting of a restricted stock award granted under the Plan may be conditioned upon the completion of a specified period of employment, or in the case of directors who are not employees of the Company or its Affiliates, their services as such, with the Company or any Affiliate, upon the attainment of specified performance goals, and/or upon such other criteria as the Committee may determine in its sole discretion.

(b) The Committee may grant unrestricted stock awards, alone or in tandem with other Awards under the Plan, to such key personnel and subject to such terms and conditions as the Committee shall determine in its sole discretion and as shall be evidenced by the applicable Plan agreements.

(c) Each Plan agreement with respect to a restricted stock award shall set forth the amount (if any) to be paid by the grantee with respect to such Award and when or in what circumstances such payment is required to be made. If a grantee made any payment for a restricted stock award or portion thereof which does not vest, appropriate payment shall be made to the grantee upon or following such forfeiture if and on such terms and conditions as the Committee may determine.

(d) The Committee may provide that a certificate or certificates representing the shares underlying a restricted stock award shall be registered in the grantee's name and bear an appropriate legend specifying that such shares are not transferable and are subject to the provisions of the Plan and the restrictions, terms and conditions set forth in the applicable Plan agreement, or that such certificate or certificates shall be held in escrow by the Company on behalf of the grantee until such shares become vested or are forfeited, all on such terms and conditions as the Committee may determine. Except as the applicable Plan agreement may otherwise provide, no shares underlying a restricted stock award may be assigned, transferred, or otherwise encumbered or disposed of by the grantee until such shares have vested in accordance with the terms of such Award. Subject to the provisions of Section 3.2, as soon as practicable after any restricted stock award shall vest, the Company shall issue or reissue to the grantee (or to the grantee's designated beneficiary in the event of the grantee's death) a certificate or certificates for the Common Stock underlying such restricted stock award without such restrictive legend.

(e) If and to the extent that the applicable Plan agreement may so provide, a grantee shall have the right to vote and receive dividends on the shares underlying a restricted stock award granted under the Plan. Unless otherwise provided in the applicable Plan agreement, any stock received as a dividend on, or in connection with a stock split of, the shares underlying a restricted stock award shall be subject to the same restrictions as the shares underlying such restricted stock award.

(f) Subject to Section 3.5 (relating to adjustments upon changes in capitalization), as of any date the total number of shares of Common Stock with respect to which restricted and unrestricted stock awards may be granted pursuant to this Section 2.4 shall not exceed (i) 1,000,000 shares less (ii) the sum (without duplication) of (A) the number of shares subject to outstanding restricted stock awards or parts thereof not vested pursuant to the lapse of restrictions, (B) the number of

shares subject to restricted stock awards or parts thereof which are canceled by the Committee and for which cash is paid in respect thereof pursuant to Section 2.8(f), (C) the number of shares subject to restricted stock awards which have vested pursuant to the lapse of restrictions and (D) the number of shares subject to unrestricted stock awards, plus (iii) the number of shares subject to restricted stock awards or parts thereof not vested pursuant to the lapse of restrictions which are canceled without payment of cash or other consideration in connection with termination of the grantee's employment, services or otherwise.

(g) In the event that the Committee grants a stock award that is intended to constitute qualified performance-based compensation within the meaning of Code section 162(m), the following rules shall apply (as such rules may be modified by the Committee to conform with Code section 162(m) and the Treasury Regulations thereunder as may be in effect from time to time, and any amendments, revisions or successor provisions thereto): (i) payments under the stock award shall be made solely on account of the attainment of one or more objective performance goals established in writing by the Committee not later than 90 days after the commencement of the period of service to which the stock award relates (or if less, 25% of such period of service); (ii) the performance goal(s) to which the stock award relates shall be based on one or more of the following business criteria applied to the grantee, a business unit or the Company and/or an Affiliate: stock price, market share, sales, earnings per share, return on equity, assets, capital or investment, net income, operating income, operating income before restructuring charges, plus depreciation and amortization other than relating to early extinguishment of debt and debt issuance costs, net sales growth, expense targets, working capital targets relating to inventory and/or accounts receivable, operating margin, planning accuracy (as measured by comparing planned results to actual results), and implementation or completion of critical projects or processes; (iii) in any year, a grantee may not be granted stock awards covering a total of more than 100,000 shares of Common Stock pursuant to this Section 2.4; and (iv) once granted, the Committee may not have discretion to increase the amount payable under such stock award, provided, however, that whether or not a stock award is intended to constitute qualified performance-based compensation within the meaning of Code section 162(m), the Committee shall make appropriate adjustments in performance goals under an Award to reflect the impact of extraordinary items not reflected in such goals. For purposes of the Plan, extraordinary items shall be defined as (1) any profit or loss attributable to acquisitions or dispositions of stock or assets, (2) any changes in accounting standards that may be required or permitted by the Financial Accounting Standards Board or adopted by the Company after the goal is established, (3) all items of gain, loss or expense for the year related to restructuring charges for the Company, (4) all items of gain, loss or expense for the year determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business all determined in accordance with standards established by Opinion No. 30 of the Accounting Principles Board (APB Opinion No. 30), (5) all items of gain, loss or expense for the year related to discontinued operations that do not qualify as a segment of a business as defined in APB Opinion No. 30, and (6) such other items as may be prescribed by Code section 162(m) and the Treasury Regulations thereunder as may be in effect from time to time, and any amendments, revisions or successor provisions and any changes thereto. The Committee shall, prior to making any award under this Section 2.4(g), certify in writing that all applicable performance goals have been attained.

2.5 Performance Awards.

(a) The Committee may grant performance awards, alone or in tandem with other Awards under the Plan, to acquire shares of Common Stock to such key personnel and in such amounts and

subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine, subject to the terms of the Plan.

(b) Each performance award under the Plan shall relate to a specified maximum number of shares, and shall be exchangeable for all or a portion of such shares, or for cash (or such other form of consideration as may be determined by the Committee equivalent in value thereto) in up to an amount equal to the fair market value of an equal number of unrestricted shares, at the end of such specified period (a "performance cycle") as may be established by the Committee. The number of such shares which may be deliverable pursuant to such performance award shall be based upon the degree of attainment over such performance cycle of such measure of the performance of the Company, an Affiliate, one or more of its or their respective divisions or other business units, or the grantee, all as may be established by the Committee. The Committee may make such provision in the Plan agreement for full or partial credit, prior to completion of such performance cycle or achievement of the degree of attainment of the measures of performance specified in connection with such performance award, in the event of the participant's death, retirement or other cessation of services, or disability, or in such other circumstances, as the Committee in its sole discretion may determine to be fair and equitable to the participant or in the interest of the Company.

(c) In the event that the Committee grants a performance award that is intended to constitute qualified performance-based compensation within the meaning of Code section 162(m), the following rules shall apply (as such rules may be modified by the Committee to conform with Code section 162(m) and the Treasury Regulations thereunder as may be in effect from time to time, and any amendments, revisions or successor provisions, and any changes thereto): (i) payments under the performance award shall be made solely on account of the attainment of one or more objective performance goals established in writing by the Committee not later than 90 days after the commencement of the period of service to which the performance award relates (or if less, 25% of such period of service); (ii) the performance goal(s) to which the performance award relates shall be based on one or more of the following business criteria applied to the grantee, a business unit or the Company and/or an Affiliate: stock price, market share, sales, earnings per share, return on equity, assets, capital or investment, net income, operating income, operating income before restructuring charges, plus depreciation and amortization other than relating to early extinguishment of debt and debt issuance costs, net sales growth, expense targets, working capital targets relating to inventory and/or accounts receivable, operating margin, planning accuracy (as measured by comparing planned results to actual results), and implementation or completion of critical projects or processes; (iii) in any year, a grantee may not be granted performance awards covering a total of more than 100,000 shares of Common Stock pursuant to this Section 2.5; and (iv) once granted, the Committee may not have discretion to increase the amount payable under such performance award, provided, however, that whether or not a performance award is intended to constitute qualified performance-based compensation within the meaning of Code section 162(m), the Committee shall make appropriate adjustments in performance goals under an Award to reflect the impact of extraordinary items not reflected in such goals. For purposes of the Plan, extraordinary items shall be defined as (1) any profit or loss attributable to acquisitions or dispositions of stock or assets, (2) any changes in accounting standards that may be required or permitted the Financial Accounting Standards Board or adopted by the Company after the goal is established, (3) all items of gain, loss or expense for the year related to restructuring charges for the Company (4) all items of gain, loss or expense for the year determined to be extraordinary or unusual in nature or infrequent in occurrence or related to the disposal of a segment of a business all determined in accordance with standards established by Opinion No. 30 of the Accounting Principles Board (APB Opinion No. 30), (5) all items of gain, loss or expense for the year related to discontinued operations that do not qualify as a segment of a business as defined in APB Opinion No. 30, and (6)

such other items as may be prescribed by Code section 162(m) and the Treasury Regulations thereunder as may be in effect from time to time, and any amendments, revisions or successor provisions and any changes thereto. The Committee shall, prior to making any award under this Section 2.5(c), certify in writing that all applicable performance goals have been attained.

2.6 Agreements Evidencing Awards.

(a) Awards granted under the Plan shall be evidenced by written agreements ("Plan agreements") which shall contain such provisions not inconsistent with the terms and provisions of the Plan as the Committee may in its sole discretion deem necessary or desirable.

(b) Each Plan agreement with respect to the granting of an Award other than a related stock appreciation right shall set forth the number of shares of Common Stock subject to the Award granted thereby. Each Plan agreement with respect to the granting of a related stock appreciation right shall set forth the number of shares of Common Stock subject to the related option which shall also be subject to the related stock appreciation right granted thereby.

(c) Each Plan agreement with respect to the granting of an option shall set forth the amount (the "option exercise price") payable by the grantee to the Company in connection with the exercise of the option evidenced thereby. The option exercise price per share shall in no event be less than 100% of the fair market value of a share of Common Stock on the date the option is granted.

(d) Each Plan agreement with respect to a stock appreciation right shall set forth the amount (the "appreciation base") over which appreciation will be measured upon exercise of the stock appreciation right evidenced thereby. The appreciation base per share of Common Stock subject to an unrelated stock appreciation right shall in no event be less than 100% of the fair market value of a share of Common Stock on the date the stock appreciation right is granted. The appreciation base per share of Common Stock subject to a related stock appreciation right shall in all cases be the option exercise price per share of Common Stock subject to the related option.

2.7 Exercise of Related Stock Appreciation Right Reduces Shares Subject to Option. Upon any exercise of a related stock appreciation right or any portion thereof, the number of shares of Common Stock subject to the related option shall be reduced by the number of shares of Common Stock in respect of which such stock appreciation right shall have been exercised.

2.8 Exercisability of Options, Stock Appreciation Rights and Other Awards; Cancellation of Awards in Certain Cases. Subject to the other provisions of the Plan:

(a) Except as hereinafter provided, each Plan agreement with respect to an option or stock appreciation right shall set forth the period during which and the conditions subject to which the option or stock appreciation right evidenced thereby shall be exercisable, and each Plan agreement with respect to a restricted stock award or performance award shall set forth the period after which and the conditions subject to which the shares underlying such Award shall vest or be deliverable, all such periods and conditions to be determined by the Committee in its sole discretion. Unless the applicable Plan agreement otherwise specifies: no option or stock appreciation right shall be exercisable prior to the first anniversary of the date of grant, and each option or stock appreciation right granted under the Plan shall become cumulatively exercisable with respect to 25% of the shares of Common Stock subject thereto, rounded down to the next lower full share, on the first anniversary of the date of grant, and with respect to

an additional 25% of the shares of Common Stock subject thereto, rounded down to the next lower full share, on each of the second and third anniversaries of the date of grant, and shall become 100% exercisable on the fourth anniversary of the date of grant, and shall remain 100% exercisable until the day prior to the tenth anniversary of the date of grant and shall terminate and cease to be exercisable on the tenth anniversary of the date of grant.

(b) Except as provided in Section 2.10(e), no option or stock appreciation right may be exercised and no shares of Common Stock underlying any other Award under the Plan may vest or become deliverable more than 10 years after the date of grant.

(c) Unless the applicable Plan agreement otherwise provides, a related stock appreciation right shall be exercisable at any time during the period that the related option may be exercised.

(d) Unless the applicable Plan agreement otherwise provides, an option or stock appreciation right granted under the Plan may be exercised from time to time as to all or part of the full number of shares as to which such option or stock appreciation right shall then be exercisable.

(e) An option or stock appreciation right shall be exercisable by the filing of a written notice of exercise with the Company, on such form and in such manner as the Committee shall in its sole discretion prescribe, and by payment in accordance with Section 2.9.

(f) Unless the applicable Plan agreement otherwise provides: in the case of an option or stock appreciation right, at any time after the Company's receipt of written notice of exercise of an option or stock appreciation right and prior to the option or stock appreciation right exercise date (as defined in subsection (g) of this Section 2.8), and in the case of a stock award or performance award, at any time within the six business days immediately preceding the otherwise applicable date on which the previously restricted stock award or performance award would otherwise have become unconditionally vested or the shares subject thereto unconditionally deliverable, the Committee, in its sole discretion, shall have the right, by written notice to the grantee, to cancel such Award or any part thereof if the Committee, in its sole judgment, determines that legal or contractual restrictions and/or blockage and/or other market considerations would make the Company's acquisition of Common Stock from, and/or the grantee's sale of Common Stock to, the public markets illegal, impracticable or inadvisable. If the Committee determines to cancel all or any part of an Award, the Company shall pay to the grantee an amount equal to the excess of (i) the aggregate fair market value of the shares of Common Stock subject to the Award or part thereof canceled (determined as of the option or stock appreciation right exercise date, or the date that shares would have been unconditionally vested or delivered in the case of a stock award or performance award), over (ii) the aggregate option exercise price or appreciation base of the option or stock appreciation right or part thereof canceled (in the case of an option or stock appreciation right) or any amount payable as a condition of delivery of shares (in the case of a stock award or performance award). Such amount shall be delivered to the grantee as soon as practicable after such Award or part thereof is canceled.

(g) Unless the applicable Plan agreement otherwise provides, the "option exercise date" and the "stock appreciation right exercise date" shall be the date that written notice of exercise, together with payment, are received by the Company; provided that if subsection (f) of this Section 2.8 is applicable, the option exercise date or stock appreciation right exercise date shall be the later of: (i)

the sixth business day following the date written notice of exercise is received by the Company; and (ii) the date when payment is received by the Company.

2.9 Payment of Award Price.

(a) Unless the applicable Plan agreement otherwise provides or the Committee in its sole discretion otherwise determines, any written notice of exercise of an option or stock appreciation right must be accompanied by payment of the full option or stock appreciation exercise price. If Section 2.8(g) applies, and the six business day delay for the option exercise date or stock appreciation right exercise date is applied, the grantee shall have no right to pay the option or stock appreciation right exercise price or to receive Common Stock with respect to the option or stock appreciation right exercise prior to the lapse of such six business days.

(b) Payment of the option exercise price and of any other payment required by the Plan agreement to be made pursuant to any other Award shall be made in any combination of the following: (i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee); (ii) with the consent of the Committee in its sole discretion, by personal check (subject to collection) which may in the Committee's discretion be deemed conditional; and/or (iii) unless otherwise provided in the applicable Plan agreement, by delivery of previously-acquired shares of Common Stock owned by the grantee for at least six months (or such longer or shorter period as the Committee may in its discretion determine that will not result in variable accounting treatment) having a fair market value (determined as of the option exercise date, in the case of options, or other relevant payment date as determined by the Committee, in the case of other Awards) equal to the portion of the exercise price being paid thereby, provided that the Committee may require, as a condition of accepting any such delivery of shares of Common Stock, that the grantee furnish an opinion of counsel acceptable to the Company to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and does not require any Consent (as defined in Section 3.2) (a "Compliance Opinion"). Payment in accordance with clause (i) of this Section 2.9(b) may be deemed to be satisfied, if and to the extent that the applicable Plan agreement so provides or the Committee permits, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock to be acquired pursuant to the Award to pay for all of the Common Stock to be acquired pursuant to the Award and an authorization to the broker or selling agent to pay that amount to the Company and to effect such sale at the time of exercise or other delivery of shares of Common Stock, provided that the Committee may require, as a condition of accepting any such payment, that the grantee furnish a Compliance Opinion. In the case of payment made in accordance with clause (iii) of this Section 2.9(b) or clause (ii) of Section 3.4(b), if (A) the person paying the option exercise price or other payment required by a Plan agreement is the grantee of the Award and is actively employed by, or serving as a director of, the Company or its Affiliates on the exercise date and (B) all or any portion of the previously-acquired shares of Common Stock so delivered in payment were acquired by the grantee upon exercise of an option or stock appreciation right, then, if and to the extent that the applicable Plan agreement so provides or the Committee in its sole discretion so determines, the grantee shall be granted a replacement option on the option exercise date or other payment date to purchase a number of shares of Common Stock equal to the number of shares so delivered in payment, at an exercise price equal to the fair market value of the Common Stock on the exercise date and upon such other terms, conditions and restrictions (which may be the same as or different than the terms, conditions and restrictions of the Award so exercised) as the Committee may determine and set forth in the Plan agreement evidencing such replacement option. As soon as practicable after receipt of full payment, the Company shall, subject to the provisions of Sections 2.8(f) and 3.2, deliver to the grantee a certificate or certificates for the shares of Common Stock deliverable pursuant

to such Award, which certificate or certificates may bear such legends as the Company may deem appropriate concerning restrictions on their disposition in accordance with applicable federal and state securities laws, rules and regulations or otherwise.

(c) Notwithstanding any other provision of this Plan or the applicable Plan agreement, no grantee shall, directly or indirectly, sell any shares of Common Stock unless (i) such grantee owns the shares to be sold or has exercised an Award with respect thereto and the shares to be sold are immediately issuable to the grantee pursuant to such exercise (subject to Section 2.8(g) if applicable) and (ii) such grantee delivers such shares in settlement in accordance with all settlement rules applicable to such transaction.

2.10 Termination of Employment or Services.

(a) The following "default rules" set forth in this Section 2.10 shall govern the exercisability of options and the continuation of other Awards following termination of employment of a grantee with the Company and its Affiliates, or the termination of services as a director for the Company and its Affiliates for directors who are not employees of the Company or its Affiliates, except in each case where: (i) other provisions of the Plan specify a different rule (e.g., Section 3.11 dealing with early termination of an option following certain corporate events); or (ii) the Plan agreement provides for a different rule (as specified by the Committee pursuant to its authority under the Plan).

(b) Upon termination of a grantee's employment with the Company and its Affiliates, or in the case of termination of services for directors who are not employees, (i) by the Company or its Affiliate either for (A) "good reason" as defined in the Revlon Executive Severance Policy as in effect on the date of adoption of this Plan, with respect to employees or (B) "good reason", "cause" or any like term as defined under any employment agreement to which a grantee may be a party or, in the case of non-employee directors, removal for cause as set forth in the Company's By-laws from time to time or (ii) by a grantee otherwise than either for (A) "good reason", "cause" or any like term as defined under any employment agreement to which a grantee may be a party from time to time or (B) the reasons described in subsection (d) or (e) hereof, all outstanding options and stock appreciation rights granted to such grantee shall cease to be exercisable, the portions of all restricted stock Awards which are unvested or as to which all restrictions have not lapsed shall be automatically cancelled and such grantee may not satisfy any condition, limitation or restriction which is unsatisfied (and no additional portion shall otherwise become vested) under any other outstanding Award, following the date of such termination of employment with respect to employees or termination of services in the case of non-employee directors, and all outstanding Awards held by such grantee shall in all respects automatically be canceled on the date of such termination of employment or services, as the case may be.

(c) Upon termination of a grantee's employment with the Company and its Affiliates, or in the case of termination of services for non-employee directors, for any reason other than as described in subsection (b), (d) or (e) hereof, the portions of outstanding options and stock appreciation rights granted to such grantee that are exercisable as of the date of termination of employment or, in the case of non-employee directors, services, may continue to be exercised, and any payment or notice provided for under the terms of any other outstanding Award as respects the portion thereof vested as of the date of termination of such employment or services, as the case may be, may be given for a period of ninety (90) days from and including the date of termination of such employment or services, but no additional portions of outstanding options or stock appreciation rights granted to such grantee shall become exercisable, and such grantee may not satisfy any condition, limitation or restriction which is unsatisfied

(and no additional portion shall otherwise become vested) under any other outstanding Award, following the date of such termination of employment or services, and such unexercisable or unvested Awards or parts thereof, including the portions of all restricted stock awards which are unvested or as to which all restrictions have not lapsed, shall in all respects automatically be canceled on the date of such termination of employment or services.

(d) If the grantee voluntarily retires with the consent of the grantee's employer or retires as a non-employee director with the consent of the Company or the grantee's employment or services as a non-employee director terminates due to permanent disability, the portions of outstanding options and stock appreciation rights granted to such grantee that are exercisable as of the date of voluntary retirement or termination of employment or, in the case of non-employee directors, services, may continue to be exercised, and any payment or notice provided for under the terms of any other outstanding Award as respects the portion thereof vested as of the date of termination of such employment or services, as the case may be, may be given for a period of one year from and including the date of termination of such employment or services, but no additional portions of outstanding options or stock appreciation rights granted to such grantee shall become exercisable, and such grantee may not satisfy any condition, limitation or restriction which is unsatisfied (and no additional portion shall otherwise become vested) under any other outstanding Award, following the date of such termination of employment or services, and such unexercisable or unvested Awards or parts thereof, including the portions of all restricted stock awards which are unvested or as to which all restrictions have not lapsed, shall in all respects automatically be canceled on the date of such termination of employment or services.

(e) If the grantee's employment or services (in the case of non-employee directors) terminates by reason of death, or if the grantee's employment or services (in the case of non-employee directors) terminates under circumstances providing for continued exercisability under subsection (c) or (d) of this Section 2.10 and during the period of continued exercisability described in subsection (c) or (d) the grantee dies, the portions of outstanding options and stock appreciation rights granted to such grantee that are exercisable as of the date of the grantee's death may continue to be exercised, and any payment or notice provided for under the terms of any other outstanding Award as respects the portion thereof vested as of the date of death of such grantee may be given by the person to whom such rights have passed under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution) for a period of one year from and including the date of the grantee's death (notwithstanding that such period may extend more than 10 years after the grant of the Award), but no additional portions of outstanding options or stock appreciation rights granted to such grantee shall become exercisable, and such grantee (or the person to whom such rights have passed under the grantee's will (or, if applicable, pursuant to the laws of descent and distribution)) may not satisfy any condition, limitation or restriction which is unsatisfied (and no additional portion shall otherwise become vested) under any other outstanding Award, following either the date of death of such grantee as respects a grantee whose employment or services terminates by reason of death, or the date provided in subsection (c) or (d) as respects a grantee whose death occurs during the period of continued exercisability provided in subsection (c) or (d), and such unexercisable or unvested Awards or parts thereof, including the portions of all restricted stock awards which are unvested or as to which all restrictions have not lapsed, shall in all respects automatically be canceled either on the date of death of such grantee as respects a grantee whose employment or services terminates by reason of death, or the date provided in subsections (c) or (d) as respects a grantee whose death occurs during the period of continued exercisability provided in subsections (c) or (d).

(f) Notwithstanding the foregoing, the Committee may in its sole discretion provide for a longer or shorter period for exercise of an option or stock appreciation right or may permit a grantee to continue vesting under any option, stock appreciation right or restricted stock award or to make any payment, give any notice and continue satisfying any performance or other condition under any other Award in the case of a grantee whose employment terminates for any reason, including without limitation: (1) such grantee's employer ceases to be an Affiliate of the Company; or (2) a grantee transfers employment with the Company's consent to a purchaser of a business disposed of by the Company; or (3) a grantee voluntarily retires with the consent of the grantee's employer or retires as a non-employee director with the consent of the Company; or (4) a grantee's employment or services as a non-employee director terminates due to permanent disability; or (5) a grantee dies. The Committee may in its sole discretion determine: (i) whether any termination of employment or services (in the case of non-employee directors) is a voluntary retirement with employer or Company consent or is due to permanent disability for purposes of the Plan; (ii) whether any leave of absence (including any short-term or long-term disability or medical leave) constitutes a termination of employment within the meaning of the Plan; or (iii) the applicable date of any such termination of employment or services (in the case of non-employee directors) or permanent disability, and (iv) the impact, if any, of any of the foregoing on Awards under the Plan.

(g) Any grantee who terminates employment with the Company and its Affiliates who accepts employment with a competitor of the Company in violation of the Company's Employee Agreement as to Confidentiality and Non-Competition, as in effect from time to time, or in violation of any other non-competition agreement or covenant executed by the grantee, as in effect from time to time shall, within ten (10) days of such acceptance of employment, make a cash payment to the Company equal to the value of any: (1) profits realized from the exercise of any option or stock appreciation right during the twelve (12) month period immediately prior to termination of employment; and (2) restricted stock which vested, or any other Award which vested or for which consideration was received, during the twelve (12) month period immediately prior to the date of such termination of employment and the Company shall be authorized to deduct such amounts from any amounts otherwise due such grantee.

ARTICLE III

MISCELLANEOUS

3.1 Amendment of the Plan; Modification of Awards

(a) The Board may, without shareholder approval, at any time and from time to time suspend or discontinue the Plan or revise or amend it in any respect whatsoever, except that no such amendment shall impair any rights under any Award theretofore made under the Plan without the consent of the person to whom such Award was made. Furthermore, except as and to the extent otherwise permitted by Section 3.5 or 3.11, no such amendment shall, without shareholder approval:

- (i) materially increase the benefits accruing to grantees under the Plan;
- (ii) materially increase the number of shares of Common Stock in respect of which Awards may be issued under the Plan pursuant to Section 1.5 or pursuant to grants of restricted or unrestricted stock awards pursuant to

Section 2.4, or increase the number of shares of Common Stock in respect of which Awards may be granted in any year under Section 1.5 or 2.5;

- (iii) materially modify the designation in Section 1.3 of the class of persons eligible to receive Awards under the Plan;
- (iv) except as provided in Section 2.10(e), permit a stock option or unrelated stock appreciation right to be exercisable, or shares of Common Stock underlying any other Award to vest or become deliverable, more than 10 years after the date of grant;
- (v) permit a stock option to have an option exercise price, or a stock appreciation right to have an appreciation base, of less than 100% of the fair market value of a share of Common Stock on the date the stock option or stock appreciation right is granted; or
- (vi) extend the term of the Plan beyond the period set forth in Section 3.14.

(b) With the consent of the grantee (unless otherwise provided in the Plan or the applicable Plan agreement) and subject to the terms and conditions of the Plan (including Section 3.1(a)), the Committee may amend outstanding Plan agreements with such grantee, including, without limitation, any amendment which would (i) accelerate the time or times at which an Award may vest or be exercised and/or (ii) extend the scheduled expiration date of the Award.

3.2 Restrictions.

(a) If the Committee shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any Award under the Plan, the acquisition, issuance or purchase of shares or other rights thereunder, any determination regarding vesting or termination of any Award or satisfaction of any performance or other condition thereunder or the taking of any other action thereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be required to be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee. Without limiting the generality of the foregoing, in the event that (i) the Committee shall be entitled under the Plan to make any payment in cash, Common Stock or both, and (ii) the Committee shall determine that Consent is necessary or desirable as a condition of, or in connection with, payment in any one or more of such forms, then the Committee shall be entitled to determine not to make any payment whatsoever until such Consent shall have been obtained in the manner aforesaid.

(b) The term "Consent" as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or other self-regulatory organization or under any federal, state, local or foreign law, rule or regulation, (ii) the expiration, elimination or satisfaction of any prohibitions, restrictions or limitations under any federal, state, local or foreign law, rule or regulation or the rules of any securities exchange or other self-regulatory organization, (iii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, and (iv) any and

all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any parties to any loan agreements or other contractual obligations of the Company or any of its Affiliates.

3.3 Nontransferability.

(a) No Award granted to any grantee under the Plan and no rights under any Plan agreement shall be assignable or transferable by the grantee (voluntarily or by operation of law) other than by will or by the laws of descent and distribution to the extent provided by the Plan and any applicable Plan agreement. During the lifetime of the grantee, all rights with respect to any Award granted to the grantee under the Plan or under any Plan agreement shall be exercisable only by such grantee.

(b) Notwithstanding Section 3.3(a), the Committee may in the applicable Plan Agreement or at any time thereafter provide that options granted hereunder which are not intended to qualify as incentive stock options under Code section 422 may be transferred without consideration by the grantee, subject to such rules as the Committee may adopt to preserve the purposes of the Plan, to:

- (i) the grantee's spouse, children or grandchildren (including adopted and stepchildren and grandchildren) (collectively, the "Immediate Family");
- (ii) a trust solely for the benefit of the grantee and or members of his or her Immediate Family; or
- (iii) a partnership or limited liability company whose only partners or shareholders are the grantee and/or members of his or her Immediate Family members.

(each transferee described in clauses (i), (ii) and (iii) above is hereinafter referred to as a "Permitted Transferee"); provided that the grantee provides the Committee with advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the grantee in writing that such a transfer would comply with the requirements of the Plan and any applicable Plan Agreement; and provided further that with respect to options granted to officers and directors subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") no such options may be transferred within six months of the grant date to the extent such transfer would result in the grant of the option being deemed to constitute a non-exempt purchase under Section 16 of the Exchange Act. The terms of any such transferred option shall apply to the Permitted Transferee, except that (a) Permitted Transferees shall not be entitled to transfer any options, other than by will or the laws of descent and distribution; and (b) Permitted Transferees shall not be entitled to exercise any transferred options unless there shall be in effect a registration statement on an appropriate form under the Securities Act of 1933, as amended, covering the shares to be acquired pursuant to the exercise of such option if the Committee determines that such a registration statement is necessary or appropriate. Upon notice from a Permitted Transferee of its intent to exercise an option, the Committee shall advise such Permitted Transferee if a registration statement is necessary and if so whether such registration statement is in effect.

3.4 Withholding Taxes.

(a) Whenever under the Plan shares of Common Stock are to be delivered upon exercise of an option or stock appreciation right, upon the lapse of restrictions on restricted stock awards, pursuant to performance awards or otherwise, the Committee shall be entitled to require as a condition of delivery that the grantee remit an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto. Whenever cash is to be paid to a grantee under the Plan (whether upon the exercise or cancellation of an Award or otherwise), the Company shall be entitled as a condition of its payment to deduct therefrom, or from any compensation, expense reimbursement or other payments due to the grantee, an amount sufficient to satisfy all federal, state and other governmental withholding tax and like requirements related thereto or to the delivery of any shares of Common Stock under the Plan.

(b) A grantee may satisfy, in whole or in part, the foregoing withholding requirements by delivery of unrestricted shares of Common Stock owned by the grantee for at least six months (or such shorter or longer period as the Committee may approve or require that will not result in variable accounting treatment) having a fair market value (determined as of the date of such delivery by the grantee) equal to the amount otherwise payable. Without limiting the generality of the foregoing: (i) the Committee may require, as a condition of accepting any such delivery of shares of Common Stock, that the grantee furnish a Compliance Opinion and (ii) such delivery may be made by withholding shares of Common Stock from the shares otherwise issuable pursuant to the exercise of the Award giving rise to the tax withholding obligation (in which event the date of delivery shall be deemed the date the Award was exercised).

3.5 Adjustments Upon Changes in Capitalization. If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued under the Plan, the number of shares of Common Stock subject to or underlying options, unrelated stock appreciation rights, and restricted stock awards and performance awards theretofore granted under the Plan, any annual or other limitation on the number of shares with respect to which Awards may be granted, and the option exercise price of options, the appreciation base of stock appreciation rights and any payments due with respect to other Awards theretofore granted under the Plan, may be appropriately adjusted (as the Committee may determine) for any increase or decrease in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend after the effective date of the Plan, or other increase or decrease in such shares of Common Stock effected without receipt of consideration by the Company; provided, however, that any options, unrelated stock appreciation rights, restricted stock awards or performance awards, to the extent covering fractional shares of Common Stock resulting from any such adjustment, shall be eliminated and terminated, and provided further, that each incentive stock option granted under the Plan shall not be adjusted in a manner that causes such option to fail to continue to qualify as an "incentive stock option" within the meaning of Code section 422. Adjustments under this Section shall be made by the Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

3.6 Right of Discharge Reserved. Nothing in the Plan or in any Plan agreement shall confer upon any officer, director, employee or other person the right to continue in the employment of, or to continue performing services as a director for, the Company or any of its Affiliates or affect any right which the Company or any of its Affiliates may have to terminate the employment or services of such officer, director, employee or other person.

3.7 No Rights as a Stockholder. No grantee or other person exercising an option or stock appreciation right or entitled to delivery of shares of Common Stock pursuant to any other Award shall

have any of the rights of a stockholder of the Company with respect to shares subject to an option or stock appreciation right or shares deliverable upon exercise of any other Award until the issuance of a stock certificate to such person for such shares. Except as otherwise provided in Section 3.5, no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is registered in the name of the grantee. In the case of a grantee of a restricted stock award, the grantee shall have the rights of a stockholder of the Company if and only to the extent provided in the applicable Plan agreement.

3.8 Nature of Payments.

(a) Any and all grants of options, stock appreciation rights, stock awards and performance awards and payments of cash or issuances of shares of Common Stock hereunder shall be granted, issued, delivered or paid, as the case may be, in consideration of services performed for the Company or for its Affiliates by the grantee.

(b) All such grants, issuances and payments shall constitute a special incentive payment to the grantee and shall not, unless otherwise determined by the Committee, be taken into account in calculating the amount of compensation of the grantee for the purposes of determining any pension, retirement, death or other benefits under (i) any pension, retirement, life insurance or other benefit plan of the Company or any Affiliate or (ii) any agreement between the Company or any Affiliate, on the one hand, and the grantee on the other hand.

(c) By accepting an Award under the Plan, the grantee shall thereby be understood to have waived any claim to continued exercise or vesting of an Award or to damages or severance entitlement related to non-continuation of the Award beyond the period provided herein or in the applicable Plan agreement, notwithstanding any contrary provision in any written employment contract or other agreement with the grantee, whether any such agreement is executed before or after the grant date of the Award.

3.9 Non-Uniform Determinations. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Plan agreements, as to (a) the persons to receive Awards under the Plan, (b) the terms and provisions of Awards under the Plan, (c) the exercise by the Committee of its discretion in respect of the exercise of rights pursuant to the terms of the Plan or any Plan agreement, and (d) the treatment of leaves of absences, disability leaves, terminations for cause or good reason and other determinations under the Plan or any Plan agreement.

3.10 Other Payments or Awards. Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company, any Affiliate or the Committee from making any award or payment or granting any right to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.11 Reorganization.

(a) In the event that Revlon or any successor is merged or consolidated with another corporation and, whether or not Revlon or such successor shall be the surviving corporation, there shall be any change in the shares of Common Stock as then constituted by reason of such merger or consolidation,

or in the event that all or substantially all of the assets of the Company are acquired by another person, or in the event of a reorganization or liquidation of Revlon or any successor (each such event being herein after referred to as a "Reorganization Event") or in the event that the Board shall propose that Revlon or any successor enter into a Reorganization Event, then the Committee may in its discretion, by written notice to a grantee, provide that such grantee's options and stock appreciation rights and all other Awards requiring action on the part of such grantee will be terminated unless such grantee exercises or takes such action within 30 days (or such longer period as the Committee shall determine in its sole discretion) after the date of such notice; provided however that if the Committee takes such action the Committee also shall accelerate to an appropriate earlier date the dates upon which all outstanding options and stock appreciation rights of such grantee shall be exercisable and such action under such other Awards may be taken. The Committee also may in its discretion, by written notice to a grantee, provide that the restrictions on restricted stock awards lapse and the performance and other conditions of other Awards shall be adjusted in the event of a Reorganization Event upon such terms and conditions as the Committee may determine.

(b) Whenever deemed appropriate by the Committee, the actions referred to in Section 3.11(a) may be made conditional upon the consummation of the applicable Reorganization Event.

3.12 Legend on Certificates. All certificates for shares of Common Stock issued pursuant to Awards hereunder may be stamped or otherwise imprinted with a legend in such form as the Company may require with respect to any applicable restrictions on the sale or transfer of shares.

3.13 Section Headings. The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

3.14 Effective Date and Term of Plan.

(a) This Plan shall be deemed adopted and become effective upon the approval thereof by the Board; provided that, notwithstanding any other provision of the Plan, no Award made under the Plan shall be exercisable unless the Plan is approved, directly or indirectly, by the express consent of shareholders holding at least a majority in voting power of the Company's voting stock voting in person or by proxy at a duly held stockholders' meeting, within 12 months after the date the Plan is adopted.

(b) The Plan shall terminate on February 22, 2006, and no Awards shall thereafter be made under the Plan. Notwithstanding the foregoing, all Awards made under the Plan prior to such termination date shall remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Plan agreement.

3.15 Tenure. A participant's right, if any, to continue to serve the Company or any of its Affiliates as a director, officer, employee or otherwise, shall not be enlarged or otherwise affected by his or her designation as a participant under the Plan.

3.16 Unfunded Plan. Participants shall have no right, title, or interest whatsoever in or to any investments which the Company may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any participant, beneficiary, legal representative or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company

and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

3.17 Governing Law. This Plan shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such state.

3.18 Conditions. If pursuant to Section 2.10(f) or Section 3.11(a) the dates upon which options shall be exercisable are accelerated, it shall be on the condition that with respect to options granted to officers and directors subject to the reporting requirements of Section 16 of the Exchange Act the shares underlying such options may not be sold by any such individual (or their estate or Permitted Transferee) within 6 months after the grant of the option to the extent such sale would result in the grant of the option being deemed to constitute a non-exempt purchase under Section 16 of the Exchange Act.

625 Madison Avenue
New York, NY 10022

Phone: (212) 527-5695
Fax: (212) 527-5693
E-mail: robert.kretzman@revlon.com

Robert K. Kretzman
Senior Vice President, General Counsel and Secretary

June 15, 2001

Jeffrey M. Nugent
President and Chief Executive Officer
Revlon Consumer Products Corporation
625 Madison Avenue
New York, NY 10022

Dear Jeff:

This letter constitutes an addendum to the employment agreement between you and Revlon Consumer Products Corporation dated November 2, 1999 (the "Agreement"). By this Addendum, the Company and you agree that the Agreement is hereby amended as follows:

1. The first sentence of Section 3.3 ("Stock Options") of the Agreement shall be amended to read as follows: "The Executive shall be recommended to the Compensation Committee or other committee of the Board administering the Revlon Inc. Amended and Restated 1996 Stock Plan or any plan that may replace it, as from time to time in effect, to receive on December 5, 1999 an option to purchase 300,000 shares of Revlon common stock, on December 5, 2000, an option to purchase 100,000 shares of Revlon common stock, and on December 5, 2001, an option to purchase 75,000 shares of Revlon common stock, each with a term of 10 years from the date of grant and an option exercise price equal to the market price of Revlon common stock on the date of grant and otherwise on terms (other than number of shares covered) substantially the same as other senior executives of the Company generally"; and
2. In lieu of any right you may have under the Agreement or otherwise for eligibility to participate in the Senior Executive Long-Term Incentive Program, which right shall be cancelled in its entirety, during 2001 you shall be recommended to the Compensation Committee to receive 100,000 shares of restricted Revlon stock, subject to such terms, conditions and restrictions as the Compensation Committee shall approve in connection with the year 2001 incentive program.

You understand and agree that except as expressly modified by this letter, all provisions of the Agreement shall continue in full force and effect.

Mr. Jeffrey M. Nugent
June 15, 2001
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Please confirm your agreement with the above by returning to me the enclosed copy of this letter signed in the place indicated.

Sincerely,

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Robert K. Kretzman

Robert K. Kretzman
Senior Vice President,
General Counsel and Secretary

AGREED AND ACCEPTED

By: /s/ Jeffrey M. Nugent

Jeffrey M. Nugent