

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

-----  
FORM 10-Q

(Mark One)

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

For the quarterly period ended: September 30, 1999

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 X No  
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As of September 30, 1999, 19,992,837 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 - 20

REVLON, INC. AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEETS  
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash and cash equivalents .....	\$ 97.7	\$ 34.7
Trade receivables, less allowances of \$28.4 and \$28.5, respectively .....	447.7	536.0
Inventories .....	301.6	264.1
Prepaid expenses and other .....	60.9	69.9
	-----	-----
Total current assets .....	907.9	904.7
Property, plant and equipment, net .....	359.3	378.9
Other assets .....	169.8	173.5
Intangible assets, net .....	362.3	372.9
	-----	-----
Total assets .....	\$ 1,799.3	\$ 1,830.0
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings - third parties .....	\$ 34.4	\$ 27.9
Current portion of long-term debt - third parties .....	6.3	6.0
Accounts payable .....	170.7	134.8
Accrued expenses and other .....	390.5	389.7
	-----	-----
Total current liabilities .....	601.9	558.4
Long-term debt - third parties .....	1,811.0	1,629.9
Long-term debt - affiliates .....	24.1	24.1
Other long-term liabilities .....	246.2	265.6
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, 19,992,837 and 19,986,771 issued and outstanding, respectively .....	0.2	0.2
Capital deficiency .....	(228.4)	(228.5)
Accumulated deficit since June 24, 1992 .....	(604.8)	(402.0)
Accumulated other comprehensive loss .....	(105.8)	(72.6)
	-----	-----
Total stockholders' deficiency .....	(883.9)	(648.0)
	-----	-----
Total liabilities and stockholders' deficiency .....	\$ 1,799.3	\$ 1,830.0
	=====	=====

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 SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	1999	1998	1999	1998
Net sales .....	\$ 452.4	\$ 548.6	\$ 1,446.9	\$ 1,621.7
Cost of sales.....	170.0	186.1	510.6	543.4
Gross profit .....	282.4	362.5	936.3	1,078.3
Selling, general and administrative expenses .....	403.5	322.6	1,001.0	958.2
Business consolidation costs and other, net.....	4.4	(7.1)	22.1	(7.1)
Operating (loss) income .....	(125.5)	47.0	(86.8)	127.2
Other expenses (income):				
Interest expense .....	36.8	33.0	108.6	103.3
Interest income .....	(0.4)	(1.4)	(1.9)	(3.8)
Amortization of debt issuance costs.....	0.8	1.1	3.3	3.9
Foreign currency losses, net.....	0.2	1.9	0.2	4.7
Miscellaneous, net.....	(0.1)	0.4	0.2	3.6
Other expenses, net.....	37.3	35.0	110.4	111.7
(Loss) income from continuing operations before income taxes.....	(162.8)	12.0	(197.2)	15.5
Provision (benefit) for income taxes .....	1.9	(0.7)	5.6	6.4
(Loss) income from continuing operations.....	(164.7)	12.7	(202.8)	9.1
Loss from discontinued operations .....	--	--	--	(31.5)
Extraordinary items - early extinguishment of debt .....	--	--	--	(51.7)
Net (loss) income.....	\$ (164.7)	\$ 12.7	\$ (202.8)	\$ (74.1)
Basic (loss) income per common share:				
(Loss) income from continuing operations .....	\$ (3.21)	\$ 0.25	\$ (3.96)	\$ 0.18
Loss from discontinued operations .....	--	--	--	(0.62)
Extraordinary items .....	--	--	--	(1.01)
Net (loss) income per common share.....	\$ (3.21)	\$ 0.25	\$ (3.96)	\$ (1.45)
Diluted (loss) income per common share:				
(Loss) income from continuing operations .....	\$ (3.21)	\$ 0.24	\$ (3.96)	\$ 0.17
Loss from discontinued operations .....	--	--	--	(0.60)
Extraordinary items .....	--	--	--	(0.99)
Net (loss) income per common share.....	\$ (3.21)	\$ 0.24	\$ (3.96)	\$ (1.42)
Weighted average number of common shares outstanding:				
Basic .....	51,242,837	51,234,946	51,239,344	51,211,511
Dilutive.....	51,242,837	52,175,749	51,239,344	52,326,097

See Accompanying Notes to Unaudited Consolidated Condensed  
 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, 1998.....	\$ 54.6	\$ 0.5	\$ (231.1)	\$ (258.8)	\$ (23.7)	\$ (458.5)
Issuance of common stock.....			2.6			2.6
Comprehensive loss:						
Net loss.....				(74.1)		(74.1)
Revaluation of marketable securities...					(2.4)	(2.4)
Currency translation adjustment.....					(10.3) (b)	(10.3)
Total comprehensive loss.....						(86.8)
Balance, September 30, 1998.....	\$ 54.6	\$ 0.5	\$ (228.5)	\$ (332.9)	\$ (36.4)	\$ (542.7)
Balance, January 1, 1999.....	\$ 54.6	\$ 0.5	\$ (228.5)	\$ (402.0)	\$ (72.6)	\$ (648.0)
Issuance of common stock.....			0.1			0.1
Comprehensive loss:						
Net loss.....				(202.8)		(202.8)
Revaluation of marketable securities...					(0.9)	(0.9)
Currency translation adjustment.....					(32.3)	(32.3)
Total comprehensive loss.....						(236.0)
Balance, September 30, 1999.....	\$ 54.6	\$ 0.5	\$ (228.4)	\$ (604.8)	\$ (105.8)	\$ (883.9)

- (a) Accumulated other comprehensive loss includes a revaluation of marketable securities of \$3.9 and \$2.4 as of September 30, 1999 and 1998, respectively, currency translation adjustments of \$69.4 and \$29.5 as of September 30, 1999 and 1998, respectively, and adjustments for the minimum pension liability of \$32.5 and \$4.5 as of September 30, 1999 and 1998, respectively.
- (b) Accumulated other comprehensive loss and comprehensive loss each include a reclassification adjustment of \$2.2 for realized gains associated with the sale of certain assets outside the United States.

See Accompanying Notes to Unaudited Consolidated Condensed  
 Financial Statements.

REVLON, INC. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS  
 (DOLLARS IN MILLIONS)

	NINE MONTHS ENDED SEPTEMBER 30,	
	1999	1998
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss .....	\$ (202.8)	\$ (74.1)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization .....	90.9	80.6
Loss (gain) on sale of business interests and certain assets, net .....	1.6	(7.1)
Loss from discontinued operations .....	--	31.5
Extraordinary items .....	--	51.7
Change in assets and liabilities:		
Decrease in trade receivables .....	74.7	14.2
Increase in inventories .....	(44.5)	(50.5)
Decrease (increase) in prepaid expenses and other current assets .....	7.0	(5.8)
Increase in accounts payable .....	39.9	3.0
Decrease in accrued expenses and other current liabilities .....	(8.3)	(76.4)
Other, net .....	(49.3)	(63.9)
Net cash used for operating activities .....	(90.8)	(96.8)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures .....	(31.4)	(40.5)
Acquisition of businesses, net of cash acquired .....	--	(57.6)
Proceeds from the sale of business interests and certain assets .....	1.6	13.7
Net cash used for investing activities .....	(29.8)	(84.4)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in short-term borrowings - third parties .....	8.1	1.3
Proceeds from the issuance of long-term debt - third parties .....	515.1	1,178.9
Repayment of long-term debt - third parties .....	(336.3)	(961.8)
Net proceeds from issuance of common stock .....	0.1	1.1
Proceeds from the issuance of debt - affiliates .....	67.1	105.9
Repayment of debt - affiliates .....	(67.1)	(110.6)
Payment of debt issuance costs .....	--	(16.5)
Net cash provided by financing activities .....	187.0	198.3
Effect of exchange rate changes on cash and cash equivalents .....	(3.4)	(2.0)
Net cash used by discontinued operations .....	--	(16.9)
Net increase (decrease) in cash and cash equivalents .....	63.0	(1.8)
Cash and cash equivalents at beginning of period .....	34.7	37.4
Cash and cash equivalents at end of period .....	\$ 97.7	\$ 35.6
<b>Supplemental schedule of cash flow information:</b>		
Cash paid during the period for:		
Interest .....	\$ 120.1	\$ 116.2
Income taxes, net of refunds .....	6.1	9.8
<b>Supplemental schedule of noncash investing activities:</b>		
Liabilities assumed in connection with business acquisitions:		
Fair value of assets acquired .....	\$ --	\$ 74.5
Cash paid .....	--	(57.6)
Liabilities assumed .....	\$ --	\$ 16.9

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, 1998.

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, due, in part, to seasonal fluctuations, which are normal for the Company's business.

The Company matches advertising and promotion expenses with sales revenues for interim reporting purposes. Advertising and promotion expenses estimated for a full year are charged to earnings for interim reporting purposes in proportion to the relationship that net sales for such period bear to estimated full year net sales. As a result, for the nine months ended September 30, 1999 and 1998, disbursements and commitments for advertising and promotion exceeded advertising and promotion expenses by \$19.2 and \$48.4, respectively, and such amounts were deferred.

Effective January 1999, the Company adopted Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities," which requires that costs incurred during start-up activities, including organization costs, be expensed as incurred. The adoption of this statement did not have a material effect on the Company's financial condition or results of operations.

(2) INVENTORIES

	September 30, 1999	December 31, 1998
	-----	-----
Raw materials and supplies .....	\$ 90.0	\$ 78.2
Work-in-process .....	19.6	14.4
Finished goods .....	192.0	171.5
	-----	-----
	\$301.6	\$264.1
	=====	=====

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

(3) BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE

The basic income (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. The diluted income (loss) per common share has been computed based upon the weighted average number of shares of common stock outstanding and when appropriate the dilutive effect of stock options. The Company's outstanding stock options represent the only dilutive potential common stock outstanding. The number of shares used in the calculation of diluted income (loss) per common share was greater than the number of shares used in the calculation of basic income (loss) per common share by 940,803 and 1,114,586 for the three month and nine month periods ended September 30, 1998, respectively. The number of shares used in the calculations of basic and diluted loss per common share was the same for the three month and nine month periods ended September 30, 1999, respectively, as the effect of shares otherwise assumed to be issued as a result of the exercise of the related stock options would have been antidilutive.

(4) BUSINESS CONSOLIDATION COSTS AND OTHER, NET

In the fourth quarter of 1998, the Company committed to a restructuring plan to realign and reduce personnel, exit excess leased real estate, realign and consolidate regional activities, reconfigure certain manufacturing operations and exit certain product lines. In the first quarter of 1999, the Company recorded a net charge of \$8.2 relating to such restructuring plan, principally for additional employee severance and other personnel benefits, and continued to implement such restructuring plan during the second quarter of 1999 during which it recorded a charge of \$8.5 for employee severance and other personnel benefits as well as other costs. Also in the second quarter of 1999, the Company adopted a plan to exit a non-core business as to which a charge of \$1.0 is included in the table below. In the third quarter of 1999, the Company recorded an additional charge of \$3.8 relating to the restructuring plan for employee severance and other personnel benefits, as well as costs associated with the exit from a leased facility. In the third quarter of 1999, the Company also consummated the exit from the non-core business referred to above, as to which an additional charge of \$0.6 is included in the table below.

Of the 720 employees and the 493 employees for whom severance and other personnel benefits were included in the charges for the fourth quarter 1998 and the nine month period ended September 30, 1999, respectively, the Company had terminated 1,013 employees by September 30, 1999.

Details of the activity described above during the nine month period ended September 30, 1999 are as follows:

	Balance As Of 1/1/99	Expenses, Net	Utilized, Net		Balance As Of 9/30/99
			Cash	Noncash	
Employee severance and other personnel benefits .....	\$ 24.9	\$ 20.5	\$ (27.2)	\$ --	\$ 18.2
Factory, warehouse, office and other costs .....	12.1	1.6	(4.9)	(0.3)	8.5
	<u>\$ 37.0</u>	<u>\$ 22.1</u>	<u>\$ (32.1)</u>	<u>\$ (0.3)</u>	<u>\$ 26.7</u>

In the third quarter of 1998 the Company recognized a gain of approximately \$7.1 on the sale of the wigs and hairpieces portion of its U.S. operation.

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

(5) LONG-TERM DEBT

In November 1998, Products Corporation issued and sold \$250.0 principal amount of 9% Senior Notes due 2006 (the "9% Notes"), of which \$200.0 was used to temporarily reduce borrowings under the Credit Agreement (as hereinafter defined) then in effect in anticipation of the redemption referred to below. On June 1, 1999, Products Corporation redeemed the \$200.0 principal amount of 9 1/2% Senior Notes due 1999 (the "1999 Notes") with borrowings from the Credit Agreement.

The Credit Agreement contained financial covenants requiring Products Corporation to maintain minimum interest coverage and to limit its leverage ratio, among other things. As a result of the loss from continuing operations before taxes incurred by Products Corporation in the quarter ended September 30, 1999, the interest coverage and leverage ratios specified in the Credit Agreement were not achieved at September 30, 1999. The Credit Agreement was amended on November 10, 1999 to (i) eliminate the interest coverage ratio and leverage ratio covenants from the quarter ended September 30, 1999 through the year 2000 and to modify those covenants for the years 2001 and 2002; (ii) add a minimum EBITDA covenant for the year 2000; (iii) limit the amount that Products Corporation may spend for capital expenditures and investments including acquisitions; (iv) permit the sale of Products Corporation's worldwide professional products business and its non-core Latin American brands Colorama, Juvena, Bozzano and Plusbelle (such sales, the "Asset Sales") (see Note 7); (v) change the reduction of the aggregate commitment that is required upon consummation of any Asset Sale to an amount equal to 60% of the Net Proceeds (as defined in the Credit Agreement) from such Asset Sale as opposed to 100% of such Net Proceeds as provided under the Credit Agreement prior to the amendment; (vi) increase the "applicable margin" by 3/4 of 1% and (vii) permit the amendment of the Japanese yen-denominated credit agreement (the "Yen Credit Agreement") described below. Until the Asset Sales are consummated, the aggregate commitment under the Credit Agreement, along with the originally scheduled reductions thereof, remains as described in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

On November 12, 1999, the borrower under the Yen Credit Agreement executed an amendment to the Yen Credit Agreement to eliminate the amortization payment due in March 2000 and to provide that the final maturity date of the Yen Credit Agreement will be the earlier of (i) the closing date of the sale of Products Corporation's professional products business and (ii) December 31, 2000.



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

(6) 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 3.9% and 5.5% of the Company's net sales for the third quarter of 1999 and 1998, respectively, and 3.9% and 5.6% of the Company's net sales for the nine months ended September 30, 1999 and 1998, respectively. Net sales by geographic area are presented by attributing revenues from external customers on the basis of where the products are sold.

GEOGRAPHIC AREAS:	Three Months Ended September 30,		Nine Months Ended September 30,	
Net sales:	1999	1998	1999	1998
United States.....	\$250.0	\$334.3	\$ 847.1	\$ 958.3
International.....	202.4	214.3	599.8	663.4
	\$452.4	\$548.6	\$1,446.9	\$1,621.7
	=====	=====	=====	=====

Long-lived assets:	September 30, December 31,	
	1999	1998
United States.....	\$626.8	\$637.9
International.....	264.6	287.4
	\$891.4	\$925.3
	=====	=====

CLASSES OF SIMILAR PRODUCTS:	Three Months Ended September 30,		Nine Months Ended September 30,	
Net sales:	1999	1998	1999	1998
Cosmetics, skin care and fragrances.....	\$243.0	\$307.8	\$ 782.7	\$ 942.0
Personal care and professional.....	209.4	240.8	664.2	679.7
	\$452.4	\$548.6	\$1,446.9	\$1,621.7
	=====	=====	=====	=====

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

(7) SUBSEQUENT EVENTS

On October 1, 1999 the Company announced that it had completed its review of strategic alternatives to maximize shareholder value and had decided to pursue the sale of its worldwide professional products business and its non-core Latin American brands Colorama, Juvena, Bozzano and Plusbelle. The Company is negotiating or in active discussions with prospective purchasers and, subject to reaching agreement on terms and documentation, anticipates consummating the sales during the first quarter of 2000. The Company intends that proceeds, net of fees, expenses and transaction-related charges, will be applied to reduce borrowings. The Company has determined not to sell its remaining cosmetics, personal care, fragrances and skin treatment businesses.

In October and November 1999 purported class actions were filed by each of Thomas Comport, Boaz Spitz, Felix Ezeir and Amy Hoffman and Ted Parris, individually and on behalf of others similarly situated to them, in the United States District Court for the Southern District of New York, against the Company and certain of its present and former officers and directors and against the Company's independent auditors in the Comport and Hoffman/Parris cases, alleging, among other things, violations of Rule 10b-5 under the Securities Exchange Act of 1934, as amended, through the alleged use of deceptive accounting practices during the period from October 29, 1997 through October 2, 1998, inclusive, in the Comport and Hoffman/Parris cases and October 30, 1997 through October 1, 1999, inclusive, in the Spitz and Ezeir cases. Each of the actions seeks a declaration that it is properly brought as a class action, and unspecified damages, attorney fees and other costs. The Company believes the allegations contained in these suits to be without merit and intends to vigorously defend against them.

On November 1, 1999 the Company elected Jeffrey M. Nugent, formerly worldwide President of Neutrogena Corporation Inc., as President and Chief Executive Officer, effective December 5, 1999, and George Fellows resigned as Director and President and Chief Executive Officer.

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 with many different products, which include an extensive array of glamorous, exciting and innovative cosmetics and skin care, fragrance and personal care products, and professional products, consisting of hair and nail care products principally for use in and resale by professional salons. In addition, the Company has a licensing group.

RESULTS OF OPERATIONS

The following table sets forth the Company's net sales for the three month and nine month periods ended September 30, 1999 and 1998, respectively:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Net sales:				
United States.....	\$250.0	\$334.3	\$847.1	\$958.3
International.....	202.4	214.3	599.8	663.4
	\$452.4	\$548.6	\$1,446.9	\$1,621.7

The following sets forth certain statements of operations data as a percentage of net sales for the three month and nine month periods ended September 30, 1999 and 1998, respectively:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Cost of sales .....	37.6%	33.9%	35.3%	33.5%
Gross profit .....	62.4	66.1	64.7	66.5
Selling, general and administrative expenses ("SG&A") .....	89.2	58.8	69.2	59.1
Business consolidation costs and other, net	0.9	(1.3)	1.5	(0.4)
Operating (loss) income .....	(27.7)	8.6	(6.0)	7.8

NET SALES

Net sales were \$452.4 and \$548.6 for the third quarters of 1999 and 1998, respectively, a decrease of \$96.2, or 17.5% on a reported basis (a decrease of 15.4% on a constant U.S. dollar basis), and were \$1,446.9 and \$1,621.7 for the nine months ended September 30, 1999 and 1998, respectively, a decrease of \$174.8, or 10.8% on a reported basis (a decrease of 8.4% on a constant U.S. dollar basis).

United States. Net sales in the United States were \$250.0 for the third quarter of 1999 compared to \$334.3 for the third quarter of 1998, a decrease of \$84.3, or 25.2%, and were \$847.1 for the nine months ended September 30, 1999 compared to \$958.3 for the nine months ended September 30, 1998, a decrease of \$111.2, or 11.6%. Net sales for the third quarter and nine months ended September 30, 1999 were adversely affected by slower than anticipated category growth, competitive activities and a reduction in the level of Company shipments to certain retailers in accordance with such retailers' new, lower inventory target levels. The reduction of inventory shipments will continue and is expected to adversely impact sales at least through the fourth quarter of 1999.

REVLON brand color cosmetics continued as the number one brand in dollar market share in the U.S. self-select distribution channel. New products in the nine months ended September 30, 1999 included EVERYLASH mascara, MOISTURESTAY

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

SHEER LIP COLOR, REVLON AGE DEFYING compact makeup, WET/DRY EYE SHADOW, ALMAY STAY SMOOTH lip makeup and mascara, ALMAY FOUNDATION with the Skin Stays Clean attributes, products in the ALMAY ONE COAT collection, MITCHUM COOL DRY antiperspirant and COLORSTAY Liquid Lip.

International. Net sales outside the United States were \$202.4 for the third quarter of 1999 compared to \$214.3 for the comparable 1998 period, a decrease of \$11.9, or 5.6%, on a reported basis (an increase of 0.4% on a constant U.S. dollar basis), and were \$599.8 for the nine months ended September 30, 1999 compared to \$663.4 for the nine months ended September 30, 1998, a decrease of \$63.6, or 9.6%, on a reported basis (a decrease of 3.5% on a constant U.S. dollar basis). Net sales for the third quarter and nine months ended September 30, 1999 on a constant U.S. dollar basis were affected by unfavorable economic conditions in certain markets outside the U.S., which restrained consumer and trade demand, and lower sales in certain markets. The decrease in net sales for the third quarter and the nine months ended September 30, 1999 on a reported basis also reflects the unfavorable effect on sales of a stronger U.S. dollar against certain foreign currencies, particularly the Brazilian real, partially offset by the weakening of the U.S. dollar against the Japanese yen. Sales outside the United States are divided into three geographic regions. In Europe, which is comprised of Europe, the Middle East and Africa, net sales decreased by 2.5% on a reported basis to \$89.0 for the third quarter of 1999 as compared to the third quarter of 1998 (an increase of 2.6% on a constant U.S. dollar basis), and decreased by 8.8% on a reported basis to \$271.2 for the nine months ended September 30, 1999 as compared to the nine months ended September 30, 1998 (a decrease of 5.1% on a constant U.S. dollar basis). In the Western Hemisphere, which is comprised of Canada, Mexico, Central America, South America and Puerto Rico, net sales decreased by 14.3% on a reported basis to \$77.0 for the third quarter of 1999 as compared to the third quarter of 1998 (a decrease of 2.4% on a constant U.S. dollar basis), and decreased by 14.5% on a reported basis to \$223.3 for the nine months ended September 30, 1999 as compared to the nine months ended September 30, 1998 (a decrease of 1.5% on a constant U.S. dollar basis). The Company's operations in Brazil are significant. In Brazil, net sales were \$17.5 on a reported basis for the third quarter of 1999 compared to \$30.1 for the third quarter of 1998, a decrease of \$12.6, or 41.9% (a decrease of 7.6% on a constant U.S. dollar basis), and were \$56.9 for the nine months ended September 30, 1999 on a reported basis compared to \$91.3 for the nine months ended September 30, 1998, a decrease of \$34.4, or 37.7% (a decrease of 3.5% on a constant U.S. dollar basis). On a reported basis, net sales in Brazil were adversely affected by the stronger U.S. dollar against the Brazilian real. In the Far East, net sales increased by 9.6% on a reported basis to \$36.4 for the third quarter of 1999 as compared to the third quarter of 1998 (an increase of 1.2% on a constant U.S. dollar basis), and increased by 0.6% on a reported basis to \$105.3 for the nine months ended September 30, 1999 as compared to the nine months ended September 30, 1998 (a decrease of 3.2% on a constant U.S. dollar basis). Net sales outside the United States, including, without limitation, in Brazil, were, and may continue to be, adversely impacted by generally weak economic conditions, political and economic uncertainties, including, without limitation, currency fluctuations and competitive activities in certain markets.

#### Cost of sales

As a percentage of net sales, cost of sales was 37.6% for the third quarter of 1999 compared to 33.9% for the third quarter of 1998, and 35.3% for the nine months ended September 30, 1999 compared to 33.5% for the nine months ended September 30, 1998. The increase in cost of sales as a percentage of net sales for the third quarter and nine months ended September 30, 1999 compared to the comparable 1998 periods is due to changes in product mix, the effect of weaker local currencies on the cost of imported purchases by subsidiaries outside the U.S. and the effect of lower net sales.

#### SG&A expenses

As a percentage of net sales, SG&A expenses were 89.2% (\$403.5) for the third quarter of 1999 compared to 58.8% (\$322.6) for the third quarter of 1998, and were 69.2% (\$1,001.0) for the nine months ended September 30, 1999 compared to 59.1% (\$958.2) for the nine months ended September 30, 1998. SG&A expenses in the 1999 periods reflect increased brand support as a percentage of net sales partially offset by cost savings achieved from the Company's restructuring program. The increases in SG&A expenses as a percentage of net sales are due in large measure to the reduced levels of sales coupled with the Company's decision to maintain throughout the second half of 1999 brand support intended to drive consumer purchasing and facilitate the inventory reduction process by U.S. retailers referred to earlier.

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Business consolidation costs and other, net

In the fourth quarter of 1998, the Company committed to a restructuring plan to realign and reduce personnel, exit excess leased real estate, realign and consolidate regional activities, reconfigure certain manufacturing operations and exit certain product lines. In the first quarter of 1999, the Company recorded a net charge of \$8.2 relating to such restructuring plan, principally for additional employee severance and other personnel benefits and continued to implement such restructuring plan during the second quarter of 1999 during which it recorded a charge of \$8.5 for employee severance and other personnel benefits as well as other costs. Also in the second quarter of 1999, the Company adopted a plan to exit a non-core business as to which a charge of \$1.0 is included in business consolidation costs and other, net. In the third quarter of 1999, the Company recorded an additional charge of \$3.8 relating to the restructuring plan for employee severance and other personnel benefits, as well as costs associated with the exit from a leased facility. In the third quarter of 1999, the Company also consummated the exit from the non-core business referred to above, as to which an additional charge of \$0.6 is included in business consolidation costs and other, net. In the third quarter of 1998 the Company recognized a gain of approximately \$7.1 on the sale of the wigs and hairpieces portion of its U.S. operation.

Operating (loss) income

As a result of the foregoing, operating (loss) for the third quarter of 1999 was \$(125.5) compared to operating income of \$47.0 for the third quarter of 1998 and an operating (loss) of \$(86.8) for the nine months ended September 30, 1999 compared to operating income of \$127.2 for the nine months ended September 30, 1998.

Other expenses/(income)

Interest expense was \$36.8 for the third quarter of 1999 compared to \$33.0 for the third quarter of 1998 and \$108.6 for the nine months ended September 30, 1999 compared to \$103.3 for the nine months ended September 30, 1998. The increase in interest expense for the third quarter and nine months ended September 30, 1999 as compared to the comparable 1998 periods is due to higher average outstanding debt and higher interest rates under the Credit Agreement, partially offset by lower interest rates as a result of the refinancings in 1998.

Foreign currency losses, net, were \$0.2 for the third quarter of 1999 compared to \$1.9 in the third quarter of 1998 and \$0.2 for the nine months ended September 30, 1999 compared to \$4.7 for the nine months ended September 30, 1998. Foreign currency losses, net, for the third quarter and the nine months ended September 30, 1998 were comprised primarily of losses in several markets in Latin America.

Provision (benefit) for income taxes

The provision (benefit) for income taxes was \$1.9 for the third quarter of 1999 compared to \$(0.7) for the third quarter of 1998 and \$5.6 for the nine months ended September 30, 1999 compared to \$6.4 for the nine months ended September 30, 1998. The decrease during the nine months ended September 30, 1999 compared with the corresponding 1998 period was primarily due to lower taxable income outside the United States.

Discontinued operations

During 1998, the Company determined to exit the retail and outlet store business comprised of its approximately 85% ownership interest in The Cosmetic Center, Inc. ("CCI") and, accordingly, the results of operations of CCI have been reported as discontinued operations for the 1998 periods along with the then estimated loss on disposal of such operations. By the end of 1998, the Company completed the disposition of its approximately 85% equity interest in CCI.

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Extraordinary items

The extraordinary item of \$51.7 in the 1998 period resulted from the write-off of deferred financing costs and payment of call premiums associated with the redemption in March 1998 of Products Corporation's 10 1/2% Senior Subordinated Notes due 2003 (the "Senior Subordinated Notes") and the redemption in April 1998 of Products Corporation's 9 3/8% Senior Notes due 2001 (the "Senior Notes").

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash used for operating activities was \$90.8 and \$96.8 for the nine months ended September 30, 1999 and 1998, respectively. The decrease in net cash used for operating activities for the nine months ended September 30, 1999 compared to the nine months ended September 30, 1998 was the result of changes in working capital, partially offset by operating losses and increased use of cash for business consolidation costs during the nine months ended September 30, 1999.

Net cash used for investing activities was \$29.8 and \$84.4 for the nine months ended September 30, 1999 and 1998, respectively. Net cash used for investing activities in the 1999 period included proceeds from the consummation of the exit from and sale of a small non-core business, and in the 1998 period included cash paid in connection with acquisitions, partially offset by the proceeds from the sale of the wigs and hairpieces portion of the Company's U.S. operation and certain fixed assets. Both periods included capital expenditures.

Net cash provided by financing activities was \$187.0 and \$198.3 for the nine months ended September 30, 1999 and 1998, respectively. Net cash provided by financing activities for the nine months ended September 30, 1999 included cash drawn under the Credit Agreement, partially offset by repayments of borrowings under the Credit Agreement, redemption of the 1999 Notes and repayments under the Yen Credit Agreement. Net cash provided by financing activities for the nine months ended September 30, 1998 included proceeds from the issuance of Products Corporation's 8 5/8% Senior Subordinated Notes due 2008 (the "8 5/8% Notes"), Products Corporation's 8 1/8% Senior Notes due 2006 (the "8 1/8% Notes") and cash drawn under the Credit Agreement, partially offset by the payment of fees and expenses related to the issuance of the 8 5/8% Notes and the 8 1/8% Notes, the redemption of the Senior Subordinated Notes and the Senior Notes, and the repayment of borrowings under the Yen Credit Agreement. During the nine months ended September 30, 1998, net cash used by discontinued operations was \$16.9.

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. The Credit Agreement provides up to \$748.0 and is comprised of five senior secured facilities: \$198.0 in two term loan facilities (the "Term Loan Facilities"), a \$300.0 multi-currency facility (the "Multi-Currency Facility"), a \$200.0 revolving acquisition facility, which may also be used for general corporate purposes and which may be increased to \$400.0 under certain circumstances with the consent of a majority of the lenders (the "Acquisition Facility"), and a \$50.0 special standby letter of credit facility (the "Special LC Facility"). At September 30, 1999, the Company had approximately \$198.0 outstanding under the Term Loan Facilities, \$259.9 outstanding under the Multi-Currency Facility, \$200.0 outstanding under the Acquisition Facility and \$28.8 of issued but undrawn letters of credit under the Special LC Facility.

The Credit Agreement contained financial covenants requiring Products Corporation to maintain minimum interest coverage and to limit its leverage ratio, among other things. As a result of the loss from continuing operations before taxes incurred by Products Corporation in the quarter ended September 30, 1999, the interest coverage and leverage ratios specified in the Credit Agreement were not achieved at September 30, 1999. The Credit Agreement was amended on November 10, 1999 to (i) eliminate the interest coverage ratio and leverage ratio covenants from the quarter ended September 30, 1999 through the year 2000 and to modify those covenants for the years 2001 and 2002; (ii) add a minimum EBITDA covenant for the year 2000; (iii) limit the amount that Products Corporation may spend for capital expenditures and investments including acquisitions; (iv) permit the sale of Products Corporation's worldwide professional products business and its non-core Latin American brands Colorama, Juvena, Bozzano and Plusbelle; (v) change the reduction of the aggregate commitment that is required upon consummation of any Asset Sale to an amount equal to 60% of the Net Proceeds (as defined in the Credit Agreement) from such Asset Sale as opposed to 100% of such Net Proceeds as provided under the Credit Agreement prior to the amendment; (vi) increase the "applicable margin" by 3/4 of 1% and (vii) permit the amendment of the Yen Credit Agreement described below. Until the Asset Sales are

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consummated, the aggregate commitment under the Credit Agreement, along with the originally scheduled reductions thereof, remains as described in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

A subsidiary of Products Corporation is the borrower under the Yen Credit Agreement, which had a principal balance of approximately (yen) 1.0 billion as of September 30, 1999 (approximately \$9.5 U.S. dollar equivalent as of September 30, 1999) after giving effect to the payment of approximately (yen) 539 million (approximately \$4.6 U.S. dollar equivalent) in March 1999. On November 12, 1999, the borrower under the Yen Credit Agreement executed an amendment to the Yen Credit Agreement to eliminate the amortization payment due in March 2000 and to provide that the final maturity date of the Yen Credit Agreement will be the earlier of (i) the closing date of the sale of Products Corporation's professional products business and (ii) December 31, 2000.

In November 1998, Products Corporation issued and sold \$250.0 principal amount of 9% Notes, of which \$200.0 was used to temporarily reduce borrowings under the Credit Agreement in anticipation of the redemption referred to below. On June 1, 1999, Products Corporation redeemed the \$200.0 principal amount of 1999 Notes with borrowings from the Credit Agreement.

Products Corporation borrows funds from its affiliates from time to time to supplement its working capital borrowings at interest rates more favorable to Products Corporation than interest rates under the Credit Agreement. No such borrowings were outstanding as of September 30, 1999.

The Company's principal sources of funds are expected to be cash flow generated from operations and borrowings under the Credit Agreement, refinancings and other existing working capital lines. The Credit Agreement, the 8 5/8% Notes, the 8 1/8% Notes and 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 and capital expenditure requirements, expenses in connection with the Company's restructuring referred to above and debt service payments. Additionally, the Company expects that it will receive cash proceeds from the Asset Sales, a portion of which proceeds, net of fees, expenses and transaction-related charges, will be used to repay indebtedness under the Credit Agreement.

The Company estimates that capital expenditures for 1999 will be approximately \$45, including upgrades to the Company's management information systems. The Company estimates that cash payments related to the restructuring plans referred to in Note 4 will be approximately \$55, of which approximately \$38 will be paid in 1999. Pursuant to a tax sharing agreement, Revlon, Inc. may be required to make tax sharing payments to Mafco Holdings Inc. 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 1999.

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 \$11.8 and \$30.3 (U.S. dollar equivalent) outstanding at September 30, 1999 and 1998, respectively, and option contracts of approximately \$12.6 and \$24.0 outstanding at September 30, 1999 and 1998, respectively. Such contracts are entered into to hedge transactions predominantly occurring within twelve months. If Products Corporation had terminated these contracts on September 30, 1999 and 1998 no material gain or loss would have been realized.

Based upon the Company's current level of operations and anticipated net sales and earnings, the Company expects that cash flows from operations and funds from currently available credit facilities and refinancings of existing indebtedness as well as anticipated proceeds during the first quarter of 2000 from the Asset Sales will be sufficient to enable the Company to meet its anticipated cash requirements for the foreseeable future on a consolidated basis, including for debt service. However, there can be no assurance that the combination of cash flow from operations, funds from existing credit facilities and refinancings of existing indebtedness and anticipated proceeds during the first quarter of 2000 from the Asset Sales will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company is unable to satisfy such cash requirements, the Company could be required to adopt one or more alternatives, such as reducing or delaying capital expenditures, restructuring indebtedness,

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selling other assets or operations, or seeking capital contributions or loans from affiliates of the Company or issuing additional shares of capital stock of Revlon, Inc. 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 the Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. 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. 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. Second Amended and Restated 1996 Stock Plan, provided that the aggregate amount of such dividends and distributions taken together with any purchases of Revlon, Inc. common stock on the open market to satisfy matching obligations under the excess savings plan may not exceed \$6.0 per annum.

YEAR 2000

Commencing in 1997, the Company undertook a business process enhancement program to substantially upgrade management information technology systems in order to provide comprehensive order processing, production and accounting support for the Company's business. The Company also developed a comprehensive plan to address Year 2000 issues. The Year 2000 plan addresses three main areas: (a) information technology systems; (b) non-information technology systems (including factory equipment, building systems and other embedded systems); and (c) business partner readiness (including without limitation customers, inventory and non-inventory suppliers, service suppliers, banks, insurance companies and tax and other governmental agencies). To oversee the process, the Company established a Steering Committee comprised of senior executives of the Company.

In connection with and as part of the Company's business process enhancement program, certain information technology systems have been and will continue to be upgraded to be Year 2000 compliant. In addition, as part of its Year 2000 plan, the Company identified potential deficiencies related to Year 2000 in certain of its information technology systems, both hardware and software, and is in the process of addressing them through upgrades and other remediation. The Company was substantially compliant by the end of the third quarter of 1999, and it currently expects to complete upgrade and remediation and testing of its information systems during the fourth quarter of 1999. Such upgrades, remediation and testing remain to be completed at certain locations in the European Region that represent less than 5% of worldwide net revenues. With regard to EDI transactions, the Company has implemented the 4010 EDI transaction standard and the Company has performed tests with most of its trading partners, with a few being scheduled for tests during the fourth quarter of 1999. For the limited number of trading partners using an EDI method other than the 4010 standard, the Company intends to coordinate with them on their approach to Year 2000 compliance. In respect of non-information technology systems with date sensitive operating controls, the Company identified those items that required remediation or replacement, and has completed the upgrade and remediation program.

The Company has identified and contacted and continues to identify and contact key suppliers, both inventory and non-inventory, key customers and other strategic business partners, such as banks, pension trust managers and marketing data suppliers, either by soliciting written responses to questionnaires and/or by meeting with certain of such third parties. The parties from whom the Company has received responses to date generally have indicated that their systems are or will be Year 2000 compliant.

The Company does not expect that incremental out-of-pocket costs of its Year 2000 program (which do not include costs incurred in connection with the Company's comprehensive business process enhancement program) will be material. These costs are expected to continue to be incurred through the end of 1999 and include the cost of third party consultants, remediation of existing computer software and replacement and remediation of embedded systems.



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The Company believes that at the current time it is difficult to identify specifically the most reasonably likely worst case Year 2000 scenario. As with all manufacturers and distributors of products such as those sold by the Company, a reasonable worst case scenario would be the result of failures of third parties (including, without limitation, governmental entities and entities with which the Company has no direct involvement, as well as the Company's suppliers of goods and services and customers) that continue for more than a brief period in various geographic areas where the Company's products are produced or sold at retail or in areas from which the Company's raw materials and components are sourced. Continuing failures in key geographic areas in the United States and in certain European, South American and Asian countries that limit the Company's ability to produce products, its customers' ability to purchase and pay for the Company's products and/or consumers' ability to shop, would be likely to have a material adverse effect on the Company's results of operations and financial condition, although it would be expected that at least part of any lost sales eventually would be recouped. The extent of such deferred or lost revenue cannot be estimated at this time. In connection with functions that represent a particular Year 2000 risk, including the production, warehousing and distribution of products and the supply of raw materials and components, the Company has various contingency plans. These contingency plans include (a) receiving additional raw material and component inventory for items with long lead-times during December 1999 as a precautionary measure to protect production and sales in January 2000, (b) pre-staging production material and generating backup files of critical production and inventory data (via on-line or hard copy) prior to January 1, 2000 and (c) performing additional start-up tests of critical systems at critical locations during the weekend of January 2-3, 2000 before the first business day of Year 2000 and during the first week in January 2000.

The Company's Year 2000 efforts are ongoing and its overall plan, as well as the contingency plans, will continue to evolve as January 1, 2000 approaches. While the Company currently anticipates continuity of its business activities, that continuity will be dependent upon its ability, and the ability of third parties upon which the Company relies directly, or indirectly, to be Year 2000 compliant. There can be no assurance that the Company and such third parties will eliminate potential Year 2000 issues in a timely manner or as to the ultimate cost to the Company of doing so.

#### 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 either continue using the national currencies or the Euro for invoicing or payments. 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, 1998 describes significant aspects of the Company's financial instrument programs which have material market risk as of December 31, 1998. As referred to above, on June 1, 1999, Products Corporation redeemed the \$200.0 principal amount of 1999 Notes with borrowings from the Credit Agreement. As of September 30, 1999 there had been no other substantive changes in the qualitative and quantitative information presented in Item 7A at December 31, 1998. The following table presents the information required by Item 7A as of September 30, 1999 and October 29, 1999.

	Average Contractual Rate (a)	Expected maturity date for year ended September 30,						Total	Fair Value Sept. 30, 1999 (d)	Fair Value Oct. 29, 1999 (e)
		2000	2001	2002	2003	2004	Thereafter			
(US dollar equivalent in millions)										
<b>DEBT</b>										
Short-term variable rate (various currencies)		\$34.4						\$ 34.4	\$ 34.4	\$ 34.4
Average interest rate (b)		4.8%								
Long-term fixed rate (\$US)							\$1,149.2	1,149.2	997.2	746.7
Average interest rate							8.6%			
Long-term variable rate (\$US)		46.0	\$76.0	\$394.3				516.3	516.3	516.3
Average interest rate (b)		9.0%	9.2%	9.3%						
Long-term variable rate (various currencies)		5.4	4.9	141.5	\$0.0	\$0.0	0.0	151.8	151.8	151.8
Average interest rate (b)		3.0%	3.3%	11.0%	7.3%	7.3%	7.3%			
Sub-total - Debt								\$1,851.7	\$1,699.7	\$1,449.2
<b>FORWARD AND OPTION CONTRACTS (c)</b>										
British Pound	Option Contracts	0.6	1.8					\$ 1.8	\$ 0.0	\$ 0.0
Canadian Dollar	Forward Contracts	1.5	2.5					2.5	(0.1)	(0.1)
	Option Contracts	1.6	5.0					5.0	(0.2)	(0.1)
South African Rand	Forward Contracts	6.6	3.3					3.3	(0.3)	(0.2)
Hong Kong Dollar	Forward Contracts	7.9	1.5					1.5	0.0	0.0
Australian Dollar	Forward Contracts	1.6	1.5					1.5	(0.1)	(0.1)
	Option Contracts	1.6	2.9					2.9	(0.1)	(0.1)
German Deutschemark	Forward Contracts	1.6	1.5					1.5	0.1	0.2
	Option Contracts	1.7	2.9					2.9	0.1	0.1
New Zealand Dollar	Forward Contracts	1.9	1.2					1.2	0.0	0.0
Switzerland Franc	Forward Contracts	1.3	0.3					0.3	0.0	0.0

(a) Stated in units of local currency per U.S. dollar.

(b) Weighted average variable rates are based upon implied forward rates from the yield curves at September 30, 1999.

(c) Maturity amounts for forward and option contracts are stated in contract notional amounts for all contracts outstanding at September 30, 1999.

(d) The fair value of foreign currency options and forward exchange contracts at September 30, 1999 is the estimated amount the Company would receive (pay) to terminate the agreements at September 30, 1999.

(e) The fair value of foreign currency options and forward exchange contracts at October 29, 1999 is the estimated amount the Company would receive (pay) to terminate the agreements at October 29, 1999.

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q for the quarter ended September 30, 1999 as well as other public documents of the Company contain forward-looking statements which 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 introduction of new products and expansion into markets, future financial performance, including net sales and earnings, the effect on sales of lower retailer inventory targets, the Company's intention to drive consumer spending

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(DOLLARS IN MILLIONS)

and facilitate inventory reduction through brand support, the effect on sales of political and/or economic conditions and competitive activities in certain markets, the Company's estimate of restructuring activities, costs and benefits, cash flow from operations, information systems upgrades, the Company's plan to address the Year 2000 issue, the costs associated with the Year 2000 issue and the results of Year 2000 non-compliance by the Company or by one or more of the Company's customers, suppliers or other strategic business partners, capital expenditures, the Company's qualitative and quantitative estimates as to market risk sensitive instruments, the Company's expectations about the effects of the transition to the Euro, the availability of funds from currently available credit facilities and refinancings of indebtedness, the Asset Sales, and capital contributions or loans from affiliates or the sale of assets or operations or additional shares of Revlon, Inc. and the Company's intent to pursue the sale of its professional products business and its non-core regional Latin American brands, that it will consummate such sales during the first quarter of 2000 and its expectation regarding the proceeds of such sales. 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 "believe," "expects," "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) difficulties or delays in the Company's continued expansion into the self-select distribution channel and into certain markets and development of new markets; (iv) unanticipated costs or difficulties or delays in completing projects associated with the Company's strategy to improve operating efficiencies, including information system upgrades; (v) the inability to refinance indebtedness, secure capital contributions or loans from affiliates or sell assets or operations or additional shares of Revlon, Inc.; (vi) 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, including but not limited to Brazil; (vii) actions by competitors, including business combinations, technological breakthroughs, new products offerings and marketing and promotional successes; (viii) combinations among significant customers or the loss, insolvency or failure to pay debts by a significant customer or customers; (ix) lower than expected sales as a result of difficulties or delays in achieving retailers' inventory target levels; (x) difficulties in driving consumer purchasing and facilitating inventory reductions through brand support; (xi) difficulties, delays or unanticipated costs or less than expected benefits resulting from the Company's restructuring activities; (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, delays or unanticipated costs in achieving Year 2000 compliance or unanticipated consequences from non-compliance by the Company or one or more of the Company's customers, suppliers or other strategic business partners; and (xv) difficulties or delays in pursuing the Asset Sales, the inability to consummate such sales during the first quarter of 2000 or to secure the expected level of proceeds from such sales.

#### EFFECT OF NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. The effect of adopting the statement and the date of such adoption by the Company have not yet been determined. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of SFAS No. 133, an Amendment of SFAS No. 133," which has delayed the required implementation of SFAS No. 133 such that the Company must adopt this new standard no later than January 1, 2001.

REVLON, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS - NONE  
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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K  
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(a) EXHIBITS

4.12 Fourth Amendment, dated as of November 10, 1999, to the Amended and Restated Credit Agreement, dated as of May 30, 1997, as amended, among Revlon Consumer Products Corporation, the Borrowing Subsidiaries from time to time parties thereto, the financial institutions from time to time parties thereto, the Co-Agents named therein, Citibank, N.A., as Documentation Agent, Lehman Commercial Paper Inc., as Syndication Agent, The Chase Manhattan Bank, as Administrative Agent and Chase Securities Inc., as Arranger.

4.13 Second Amendment dated as of November 12, 1999 by and among Pacific Finance & Development Corp. and General Electric Capital Corporation, assignee of the Long Term Credit Bank of Japan, to the Third Amended and Restated Credit Agreement dated as of June 30, 1997.

10.27 Revlon Amended and Restated Executive Deferred Compensation Plan dated as of August 6, 1999.

10.28 Employment Agreement dated as of May 10, 1999 between Revlon Consumer Products Corporation and D. Eric Pogue.

(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/ Frank J. Gehrmann  
-----  
Frank J. Gehrmann  
Executive Vice President  
and Chief Financial Officer

By:/s/ Robert F. Sierpinski  
-----  
Robert F. Sierpinski  
Vice President, Acting Controller  
and Acting Chief Accounting Officer

Dated: November 15, 1999

## FOURTH AMENDMENT

FOURTH AMENDMENT, dated as of November 10, 1999 (this "Amendment"), to the Amended and Restated Credit Agreement, dated as of May 30, 1997 (as amended by the First Amendment, dated as of January 29, 1998, the Second Amendment, dated as of November 6, 1998, the Third Amendment, dated as of December 23, 1998, and as may be further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Revlon Consumer Products Corporation (the "Company"), the Borrowing Subsidiaries from time to time parties thereto, the financial institutions from time to time parties thereto (the "Lenders"), the Co-Agents named therein, Citibank, N.A., as Documentation Agent, Lehman Commercial Paper Inc., as Syndication Agent, The Chase Manhattan Bank, as Administrative Agent and Chase Securities Inc., as Arranger.

## W I T N E S S E T H :

WHEREAS, the Company has requested that the Lenders and the Agents amend certain provisions of the Credit Agreement;

WHEREAS, the Lenders and the Agents are willing to amend such provisions upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Company, the Lenders and the Agents hereby agree as follows:

1. Definitions. (a) General. All terms defined in the Credit Agreement shall have such defined meanings when used herein unless otherwise defined herein.

(b) Replacement of Definitions. (i) The definitions of "Applicable Margin" and "EBITDA" contained in subsection 1.1 of the Credit Agreement are hereby amended by deleting such definitions in their entirety and substituting in lieu thereof the following definitions:

"'Applicable Margin' shall mean:

(a) during the period from the Closing Date through and including the Adjustment Date occurring with respect to the delivery of the consolidated financial statements of the Company and its Subsidiaries for the fiscal period ending June 30, 1997, (i) with respect to Alternate Base Rate Loans, 1/2% per annum and (ii) with respect to all other Loans, 1-1/2% per annum; and

(b) thereafter, for the period commencing with any Adjustment Date (other than as described below) and ending on the day immediately preceding the next succeeding Adjustment Date, the Applicable Margin shall be the rate per annum set forth below for the relevant type of Loan opposite the Leverage Ratio for such period:

Period	Alternate Base Rate Loans not constituting Local Loans	Other Loans
Leverage Ratio is greater than 5.75 to 1.0	2-1/2%	3-1/2%
Leverage Ratio is greater than 5.25 to 1.0, but less than or equal to 5.75 to 1.0	2-1/4%	3-1/4%
Leverage Ratio is greater than 4.75 to 1.0, but less than or equal to 5.25 to 1.0	2%	3%
Leverage Ratio is greater than 4.50 to 1.0, but less than or equal to 4.75 to 1.0	1-3/4%	2-3/4%
Leverage Ratio is less than or equal to 4.50 to 1.0	1-1/2%	2-1/2%

; provided, however, for the period beginning on the Fourth Amendment Effective Date and ending on the day immediately preceding the next succeeding Adjustment Date, the Applicable Margin shall be determined based on a Leverage Ratio of greater than 5.75 to 1.0; provided, further, that, in the event that the financial statements required to be delivered pursuant to subsection 13.1(a) and (c) are not delivered when due, then during the period from the date upon which such financial statements were required to be delivered until the date upon which they actually are delivered, the Leverage Ratio shall be deemed for purposes of this definition to be greater than 5.75 to 1.0;"

"EBITDA" shall mean, for any period, the amount equal to:

(a) Consolidated Net Income for such period;

(b) plus (to the extent deducted in the determination of Consolidated Net Income and without duplication) the sum of (i) tax expense on account of such period, (ii) Interest Expense (including, without limitation, fees, commissions and other charges associated with standby letters of credit and other financing charges) for such period, (iii) depreciation and amortization expense for such period, (iv) any losses in respect of currency fluctuations for such period, (v) any losses in respect of equity earnings for such period, (vi) the amount (not to exceed the excess of the book value of the Roppongi Building on December 31, 1995 over \$35,000,000) equal to any write-down in the book value of the Roppongi Building (or, upon the sale thereof, any loss upon such sale), (vii) non-cash write-offs in respect of unamortized debt issuance costs, (viii) for any period of determination including any of the fiscal quarters ending during the period from December 31, 1998 through and including September 30, 1999 and without duplication, non-recurring restructuring charges taken by the Company or any of its Subsidiaries during any of such quarters which are

included in such period of determination in an aggregate amount for all such quarters not to exceed \$65,000,000, (ix) for any period of determination including any of the fiscal quarters ending during the period from December 31, 1999 through and including December 31, 2000 and without duplication, non-recurring restructuring charges taken by the Company or any of its Subsidiaries during any of such quarters which are included in such period of determination in an aggregate amount for all such quarters not to exceed \$135,000,000 and (x) any losses from the asset sales described in subsection 14.6(1);

(c) minus (to the extent included in the determination of Consolidated Net Income and without duplication) the sum of (i) interest income for such period, (ii) extraordinary gains for such period, (iii) any gains in respect of currency fluctuations for such period, (iv) any gains in respect of equity earnings for such period and (v) any gains from the asset sales described in subsection 14.6(1);

provided that, for purposes of the calculation only of the Leverage Ratio and compliance with the provisions of subsection 14.1(a), the EBITDA of any Person acquired by the Company or any of its Subsidiaries during the relevant calculation period shall be included, on a pro forma basis, in the EBITDA of the Company as if such Person had been acquired on the first day of the calculation period;"

(c) Addition of Definitions. Subsection 1.1 of the Credit Agreement is hereby amended by adding thereto the following new defined term in appropriate alphabetical order:

"'Fourth Amendment' shall mean the Fourth Amendment, dated as of November 10, 1999, to this Agreement;"

"'Fourth Amendment Effective Date' shall mean the date of effectiveness of the Fourth Amendment;"

2. Amendment to Subsection 10.4. Subsection 10.4 of the Credit Agreement is hereby amended by adding thereto the following new paragraph (e):

"(e) Notwithstanding the foregoing provisions of subsection 10.4(a), so long as no Default or Event of Default shall have occurred and is then continuing, 60% of the Net Proceeds from each Net Proceeds Event described in subsection 14.6(1) shall be required to permanently reduce the Aggregate Commitment at the times and in the manner specified in subsections 10.4(a) and 10.5 and the remaining 40% of such Net Proceeds shall be required to prepay the Loans but not reduce the Commitments."

3. Amendment to Subsection 14.1(a). Subsection 14.1(a) of the Credit Agreement is hereby amended by deleting the table set forth therein and substituting in lieu thereof the following new table:

Date ----	Ratio -----
March 31, 2001	1.75 to 1.0
June 30, 2001	1.75 to 1.0
September 30, 2001	1.75 to 1.0
December 31, 2001	2.00 to 1.0
March 31, 2002	2.00 to 1.0

4. Amendment to Subsection 14.1(b). Subsection 14.1(b) of the Credit Agreement is hereby amended by deleting the table set forth therein and substituting in lieu thereof the following new table:

Date ----	Ratio -----
March 31, 2001	6.50 to 1.0
June 30, 2001	6.25 to 1.0
September 30, 2001	6.00 to 1.0
December 31, 2001	5.75 to 1.0
March 31, 2002	5.50 to 1.0

5. Amendment to Subsection 14.1(c). Subsection 14.1(c) of the Credit Agreement is hereby amended by inserting after the amount "\$75,000,000" in the third line the following: "or, beginning with the 1999 fiscal year, \$50,000,000".

6. Addition of Subsection 14.1(d). There shall be added to the Credit Agreement the following new subsection 14.1(d):

"(d) Maintenance of Minimum EBITDA. Permit EBITDA for the period from January 1, 2000 to any date set forth below to be less than the amount set forth opposite such date:

Date ----	Amount -----
March 31, 2000	\$45,000,000
June 30, 2000	\$90,000,000
September 30, 2000	\$140,000,000
December 31, 2000	\$200,000,000"

7. Amendment to Subsection 14.2(b). Subsection 14.2(b) of the Credit Agreement is hereby amended by adding at the end thereof the following:



"; provided, further, that the Yen Credit Agreement may be amended to modify the maturity date thereunder to the earlier of (i) the date of completion of the sale of the entire Worldwide Professional Products business of the Company and (ii) December 31, 2000".

8. Amendment to Subsection 14.6. Subsection 14.6 of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (j) thereof, (b) deleting the period at the end of clause (k) and substituting in lieu thereof the following: "; and" and (c) adding at the end thereof the following new clause (l):

"(l) the sale by the Company or any of its Subsidiaries of (i) the Worldwide Professional Products business and (ii) the assets set forth on Schedule I to the Fourth Amendment."

9. Amendment to Subsection 14.7(a)(v). Subsection 14.7(a)(v) of the Credit Agreement is hereby amended by inserting after the words "extraordinary gains" and prior to the comma in the third line thereof the following: "and (without duplication) any gains from the asset sales described in subsection 14.6(l)".

10. Amendment to Subsection 14.8(e). Subsection 14.8(e) of the Credit Agreement is hereby amended by deleting the amount "\$200,000,000" each time it appears therein and substituting in lieu thereof the following: "the amount made in reliance on this paragraph (e) prior to the Fourth Amendment Effective Date".

11. Fees. In consideration of the agreement of the Lenders to consent to the amendments contained herein, the Company agrees to pay to each Lender which so consents on or prior to November 10, 1999, an amendment fee in an amount equal to 0.375% of the amount of such Lender's Commitment, payable on the date hereof in immediately available funds.

12. Conditions to Effectiveness. This Amendment shall become effective on and as of the date that the Administrative Agent shall have received counterparts of this Amendment duly executed by the Company and Lenders holding more than 85% of the Aggregate Commitment, and duly acknowledged and consented to by each Guarantor, Grantor and Pledgor and the amendments set forth in paragraphs 3 and 4 shall be deemed to be effective as of September 30, 1999. The execution and delivery of this Amendment by any Lender shall be binding upon each of its successors and assigns (including Transferees of its Commitments and Loans in whole or in part prior to effectiveness hereof) and binding in respect of all of its Commitments and Loans, including any acquired subsequent to its execution and delivery hereof and prior to the effectiveness hereof.

13. Representations and Warranties. The Company, as of the date hereof and after giving effect to the amendment contained herein, hereby confirms, reaffirms and restates the representations and warranties made by it in Section 11 of the Credit Agreement and otherwise in the Credit Documents to which it is a party; provided that each reference to the Credit Agreement therein shall be deemed to be a reference to the Credit Agreement after giving effect to this Amendment.

14. Reference to and Effect on the Credit Documents; Limited Effect. On and after the date hereof and the satisfaction of the conditions contained in Section 12 of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Credit Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agents under any of the Credit Documents, nor constitute a waiver of any provisions of any of the Credit Documents. Except as expressly amended herein, all of the provisions and covenants of the Credit Agreement and the other Credit Documents are and shall continue to remain in full force and effect in accordance with the terms thereof and are hereby in all respects ratified and confirmed.

15. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts (which may include counterparts delivered by facsimile transmission) and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Any executed counterpart delivered by facsimile transmission shall be effective as an original for all purposes hereof.

16. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their proper and duly authorized officers as of the day and year first above written.

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Irwin Engelman

-----  
Name: Irwin Engelman  
Title: Vice Chairman, Chief Administrative  
Officer and Treasurer

DEUTSCHE REVLON GMBH & CO. KG  
REVLON INTERNATIONAL CORPORATION  
(UK Branch)  
REVLON MANUFACTURING LIMITED  
(Australia Branch)  
REVLON MANUFACTURING (UK) LIMITED  
EUROPEENNE DE PRODUITS DE BEAUTE  
REVLON NEDERLAND B.V.  
REVLON K.K.  
REVLON CANADA, INC.  
REVLON SA  
REVLON-REALISTIC PROFESSIONAL PRODUCTS LTD.  
REVLON PROFESSIONAL LIMITED  
REVLON (HONG KONG) LIMITED  
EUROPEAN BEAUTY PRODUCTS S.P.A., as  
Local Subsidiaries

By: /s/ Robert K. Kretzman

-----  
Name: Robert K. Kretzman  
Title: Authorized Signatory

THE CHASE MANHATTAN BANK, as  
Administrative Agent and as a  
Lender

By: /s/ Neil R. Boylan

-----  
Name: Neil R. Boylan  
Title: Managing Director

CHASE SECURITIES INC., as Arranger

By: /s/ J. Matthew Lyness

-----  
Name: J. Matthew Lyness  
Title: Vice President

CITIBANK, N.A., as Documentation Agent and as  
a Lender

By: /s/ James Buchanan

-----  
Name: James Buchanan  
Title: Attorney-In-Fact

LEHMAN COMMERCIAL PAPER INC., as  
Syndication Agent and as a Lender

By: /s/ Michele Swanson

-----  
Name: Michele Swanson  
Title: Authorized Signatory

ABN AMRO BANK N.V., as a Local Fronting  
Lender in the Federal Republic of Germany

By: /s/ John D. Rogers

-----  
Name: John D. Rogers  
Title: Vice President

By: /s/ James S. Adelsheim

-----  
Name: James S. Adelsheim  
Title: Group Vice President

BANKBOSTON, N.A., as a Local Fronting  
Lender in the United Kingdom

By: /s/ Richard D. Hill, Jr.

-----  
Name: Richard D. Hill, Jr.  
Title: Managing Director

NATEXIS BANQUE BFCE, formerly  
BANQUE FRANCAISE DU COMMERCE EXTERIEUR,  
as a Local Fronting Lender in France

By: /s/ Jordan Sadler

-----  
Name: Jordan Sadler  
Title: Associate

By: /s/ Frank H. Madden, Jr.

-----  
Name: Frank H. Madden, Jr.  
Title: Vice President & Group Manager

THE SANWA BANK LTD., as a Local Fronting  
Lender in Japan

By: /s/ Jean-Michel Fatovic

-----  
Name: Jean-Michel Fatovic  
Title: Vice President

BANK OF AMERICA CANADA, as a Local Fronting  
Lender in Canada

By: /s/ Richard Hall

-----  
Name: Richard Hall  
Title: Vice President

CITIBANK LIMITED, as a Local Fronting  
Lender in Australia

By: /s/ James Buchanan

-----  
Name: James Buchanan  
Title: Attorney-In Fact

CITIBANK, N.A., as a Local Fronting  
Lender in Hong Kong

By: /s/ James Buchanan

-----  
Name: James Buchanan  
Title: Attorney-In-Fact

CITIBANK, N.A., as a Local Fronting  
Lender in the Netherlands

By: /s/ James Buchanan

-----  
Name: James Buchanan  
Title: Attorney-In-Fact

CITIBANK, N.A., as a Local Fronting  
Lender in Italy

By: /s/ James Buchanan

-----  
Name: James Buchanan  
Title: Attorney-In-Fact

ALLIED IRISH BANK, as a Local Fronting  
Lender in Ireland

By: /s/ Brian Oliver

-----  
Name: Brian Oliver  
Title: Senior Vice President

By: /s/ Germaine Reusch

-----  
Name: Germaine Reusch  
Title: Vice President

CITIBANK, N.A., as a Local Fronting  
Lender in Spain

By: /s/ James Buchanan

-----  
Name: James Buchanan  
Title: Attorney-In-Fact

ABN AMRO BANK N.V.  
New York Branch

By: /s/ John D. Rogers

-----  
Name: John D. Rogers  
Title: Vice President

By: /s/ James S. Adelsheim

-----  
Name: James S. Adelsheim  
Title: Group Vice President

ALLIED IRISH BANK PLC  
Cayman Islands Branch

By: /s/ Orla Boyle  
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Name: Orla Boyle  
Title: Vice President

By: /s/ Germaine Reusch  
-----

Name: Germaine Reusch  
Title: Vice President

BANKBOSTON, N.A., as a Co-Agent

By: /s/ Richard D. Hill, Jr.  
-----

Name: Richard D. Hill, Jr.  
Title: Managing Director

BANK OF AMERICA NATIONAL TRUST AND  
SAVINGS ASSOCIATION, as a Co-Agent

By: /s/ Robert Klawinski  
-----

Name: Robert Klawinski  
Title: Managing Director

THE BANK OF NEW YORK

By: /s/ Georgia Pan-Kita  
-----

Name: Georgia Pan-Kita  
Title: Vice President

NATEXIS BANQUE BFCE, formerly BANQUE  
FRANCAISE DU COMMERCE EXTERIEUR, as  
a Co-Agent

By: /s/ Jordan Sadler  
-----

Name: Jordan Sadler  
Title: Associate

By: /s/ Frank H. Madden, Jr.  
-----

Name: Frank H. Madden, Jr.  
Title: Vice President & Group Manager



PARIBAS

By: /s/ John J. McCormick, III

-----  
Name: John J. McCormick, III  
Title: Vice President

By: /s/ Ro Toyoshimn

-----  
Name: Ro Toyoshimn  
Title: Assistant Vice President

BARCLAYS BANK PLC

By: /s/ Marlene Wechselblatt

-----  
Name: Marlene Wechselblatt  
Title: Vice President

CREDIT AGRICOLE INDOSUEZ

By: /s/ Sarah McClintock

-----  
Name: Sarah McClintock  
Title: Vice President

By: /s/ Rene LeBlanc

-----  
Name: Rene LeBlanc  
Title: Vice President-Senior Rel. Manager

CREDIT LYONNAIS, New York Branch

By:

-----  
Name:  
Title:

CREDIT SUISSE FIRST BOSTON, as a Co-Agent

By: /s/ Joel Glodowski

-----  
Name: Joel Glodowski  
Title: Managing Director

By: /s/ Vitaly G. Butenko

-----  
Name: Vitaly G. Butenko  
Title: Assistant Vice President

EATON VANCE INSTITUTIONAL SENIOR LOAN FUND  
By EATON VANCE MANAGEMENT, as  
Investment Manager

By: /s/ Payson F. Swaffield

-----  
Name: Payson F. Swaffield  
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as  
a Co-Agent

By: /s/ Elliot Jaffee

-----  
Name: Elliot Jaffee  
Title: Senior Vice President

THE FUJI BANK, LIMITED, New York Branch, as  
a Co-Agent

By: /s/ Teiji Teramoto

-----  
Name: Teiji Teramoto  
Title: Vice President & Manager

GENERAL ELECTRIC CAPITAL CORPORATION, as  
a Co-Agent

By: /s/ William S. Richardson

-----  
Name: William S. Richardson  
Title: Duly Authorized Signatory

MERRILL LYNCH SENIOR FLOATING RATE FUND, INC.

By: /s/ Anthony Heyman

-----  
Name: Anthony Heyman  
Title: Authorized Signatory

THE MITSUBISHI TRUST AND BANKING CORPORATION

By: /s/ Toshihiro Hayashi

-----  
Name: Toshihiro Hayashi  
Title: Senior Vice President

NATIONSBANK, N.A.

By: /s/ Robert Klawinski

-----  
Name: Robert Klawinski  
Title: Managing Director

THE SANWA BANK, LIMITED  
NEW YORK BRANCH

By: /s/ Jean-Michel Fatovic

-----  
Name: Jean-Michel Fatovic  
Title: Vice President

VAN KAMPEN CLO I, LIMITED  
By VAN KAMPEN MANAGEMENT INC., as  
Collateral Manager

By: /s/ Darvin D. Pierce

-----  
Name: Darvin D. Pierce  
Title: Vice President

VAN KAMPEN PRIME RATE INCOME TRUST  
By VAN KAMPEN INVESTMENT ADVISORY CORP.

By: /s/ Darvin D. Pierce

-----  
Name: Darvin D. Pierce  
Title: Vice President

ROYAL BANK OF CANADA

By: /s/ Sheryl L. Greenberg

-----  
Name: Sheryl L. Greenberg  
Title: Vice President

SENIOR DEBT PORTFOLIO  
By BOSTON MANAGEMENT AND RESEARCH, as  
Investment Advisor

By: /s/ Payson F. Swaffield

-----  
Name: Payson F. Swaffield  
Title: Vice President

STRATA FUNDING LTD.

By: /s/ David Dyer

-----  
Name: David Dyer  
Title: Director

CERES FINANCE LTD.

By: /s/ David Dyer

-----  
Name: David Dyer  
Title: Director

MEDICAL LIABILITY MUTUAL INSURANCE COMPANY

By: Invesco Senior Secured Management, Inc.  
as Investment Manager

By: /s/ Anne M. McCarthy

-----  
Name: Anne M. McCarthy  
Title: Authorized Signatory

SCHEDULE I

All assets related to the business of manufacturing, marketing and distributing cosmetic and personal care products under the trademarks "Colorama", "Juvena", and "Bozanno" principally in Brazil. The assets include tangible and intangible assets, including, but not limited to, property, plant and equipment, inventory, receivables and intellectual property. The structure of the transaction will likely consist of the sale of the outstanding common stock of the Company's Subsidiary RGI (Cayman) Limited, which owns the shares of Comerical, Exportadora, Industrial Ltda. Assets owned by Comerical, Exportadora, Industrial Ltda. and not related to the brands to be sold will likely be transferred to a Subsidiary of the Company prior to the closing of the transaction.

All assets related to the business of manufacturing, marketing and distributing personal care products under the trademarks "Plusbelle" in Latin America, principally in Argentina. The assets include tangible and intangible assets, including, but not limited to, property, plant and equipment, inventory, receivables and intellectual property. The structure of the transaction will likely consist of the sale of the outstanding common stock of Revlon de Argentina, S.A.I.C. Assets owned by Revlon de Argentina, S.A.I.C. and not related to the "Plusbelle" brand will likely be transferred to a Subsidiary of the Company prior to the closing of the transaction.

ACKNOWLEDGEMENT AND CONSENT

Dated as of November 10, 1999

Each of the undersigned (in its capacity as a Guarantor, Grantor and/or Pledgor, as the case may be, under the Security Documents to which it is a party) does hereby (a) consent, acknowledge and agree to the transactions described in the foregoing Fourth Amendment and (b) after giving effect to such Fourth Amendment, (i) confirms, reaffirms and restates the representations and warranties made by it in each Credit Document to which it is a party, (ii) ratifies and confirms each Security Document to which it is a party and (iii) confirms and agrees that each such Security Document is, and shall continue to be, in full force and effect, with the Collateral described therein securing, and continuing to secure, the payment of all obligations of the undersigned referred to therein; provided that each reference to the Credit Agreement therein and in each of the other Credit Documents shall be deemed to be a reference to the Credit Agreement after giving effect to such Fourth Amendment.

ALMAY, INC.  
AMERICAN CREW, INC.  
AMERINAIL, INC.  
A.P. PRODUCTS LTD.  
CARRINGTON PARFUMS LTD.  
CHARLES OF THE RITZ GROUP LTD.  
CHARLES REVSON INC.  
COSMETIQUES HOLDINGS, INC.  
CREATIVE NAIL DESIGN, INC.  
FERMODYL PROFESSIONALS INC.  
MODERN ORGANIC PRODUCTS, INC.  
NEW ESSENTIALS LIMITED  
NORELL PERFUMES, INC.  
NORTH AMERICA REVSAL INC.  
OXFORD PROPERTIES CO.  
PACIFIC FINANCE & DEVELOPMENT CORP.  
PPI TWO CORPORATION  
PPI FOUR CORPORATION  
PRESTIGE FRAGRANCES, LTD.  
REALISTIC/ROUX PROFESSIONAL PRODUCTS INC.  
REVLON, INC.  
REVLON CONSUMER CORP.  
REVLON CONSUMER PRODUCTS CORPORATION  
REVLON GOVERNMENT SALES, INC.  
REVLON HOLDINGS INC.  
REVLON INTERNATIONAL CORPORATION  
REVLON PRODUCTS CORP.  
REVLON PROFESSIONAL, INC.  
REVLON PROFESSIONAL PRODUCTS INC.  
REVLON REAL ESTATE CORPORATION  
REVLON RECEIVABLES SUBSIDIARY, INC.  
RIROS CORPORATION  
RIROS GROUP INC.  
RIT INC.  
ROUX LABORATORIES, INC.  
VISAGE BEAUTE COSMETICS, INC.

By: /s/Robert K. Kretzman

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Title: Authorized Signatory

SECOND AMENDMENT  
TO CREDIT AGREEMENT

This SECOND AMENDMENT TO CREDIT AGREEMENT (this "AMENDMENT") is dated as of November 12, 1999 and entered into by and among PACIFIC FINANCE & DEVELOPMENT CORP., a California corporation ("COMPANY"), and GENERAL ELECTRIC CAPITAL CORPORATION, as assignee of The Long Term Credit Bank of Japan ("BANK") and, for purposes of Section 5 hereof, the Credit Support Parties (as defined in Section 5 hereof), and is made with reference to that certain Third Amended and Restated Credit Agreement dated as of June 30, 1997, as amended by First Amendment dated December 10, 1998 (the "CREDIT AGREEMENT"), by and between Company and Bank. Capitalized terms used herein without definitions shall have the same meanings herein as set forth in the Credit Agreement.

RECITALS

WHEREAS, Company and Bank desire to amend the Credit Agreement to (i) amend certain prepayment provisions, (ii) amend the Final Maturity Date, and (iii) make certain other amendments as set forth below;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. AMENDMENTS TO THE CREDIT AGREEMENT

1.1 AMENDMENTS TO SECTION 1: PROVISIONS RELATING  
TO DEFINED TERMS

A. Subsection 1.1 of the Credit Agreement is hereby amended by replacing the definition of "FINAL MATURITY DATE" with the definition set forth below, and adding thereto the following definition which shall be inserted in proper alphabetical order:

"BASIC AGREEMENT" means the Basic Agreement to be entered among Mortgagor, Mori Building Co., Ltd., Consumer Products and Revlon Kabushiki Kaisha.

"FINAL MATURITY DATE" means the earlier of (i) the Professional Products Disposition Date and (ii) December 31, 2000.

"PROFESSIONAL PRODUCTS DISPOSITION DATE" means the closing date of the sale of the business (the "Professional Products Business") conducted by Consumer Products and its Affiliates of manufacturing, marketing and selling (i) professional salon hair care products; (ii) ethnic hair care products; and (iii) retail hair care and personal care products principally in Spain, Portugal and Italy; provided, however, that if the closing date of the

sale of the Professional Products Business conducted inside the United States occurs on a different date than the closing date of the sale of the Professional Products Business conducted outside the United States, the Professional Products Disposition Date shall be the later of the two closing dates.

1.2 AMENDMENTS TO SECTION 2: AMOUNT AND TERMS OF LOAN

A. Subsection 2.06(b) of the Credit Agreement is hereby amended by deleting the text appearing therein and substituting therefor the following:

"The outstanding principal amount of the Loan and all accrued and unpaid interest and all Bank Charges and other amounts due to the Bank under this Agreement shall be due and payable on the Final Maturity Date."

B. Subsection 2.06(d) of the Credit Agreement is hereby amended by adding the following clause at the end of the first sentence thereof:

"provided further, that the disposition of the Roppongi Property (as defined in the Basic Agreement) as contemplated by the Basic Agreement shall be exempt from the prepayment provisions of this Section 2.06(d) if the Swap Transaction is completed concurrently therewith in accordance with Section 4 below (including, without limitation, the substitution of the Minami Aoyama Land for the Roppongi Property as provided in Section 4)."

SECTION 2. CONDITIONS TO EFFECTIVENESS

Section 1 of this Amendment shall become effective only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the "SECOND AMENDMENT EFFECTIVE DATE"):

A. On or before the Second Amendment Effective Date, Company shall deliver to Bank the following, each, unless otherwise noted, dated the Second Amendment Effective Date:

(i) Certified copies of its Certificate of Incorporation, together with a good standing certificate from the Secretary of State of the State of California, each dated a recent date prior to the Second Amendment Effective Date;

(ii) Copies of its Bylaws, certified by its corporate secretary or an assistant secretary;

(iii) Resolutions of its Board of Directors approving and authorizing the execution, delivery, and performance of this Amendment, certified by its corporate secretary or an assistant secretary as being in full force and effect without modification or amendment;



(iv) Signature and incumbency certificates of its officers executing this Amendment;

(v) An opinion of Robert K. Kretzman, Senior Vice President, Deputy General Counsel and Secretary of Consumer Products, in form and substance reasonably satisfactory to the Bank and its counsel; and

(vi) Executed copies of this Amendment executed by Company and each Credit Support Party.

B. On or before the Second Amendment Effective Date, Company shall have received the consent of the Required Lenders (as defined in the New Consumer Products Credit Agreement) to this Amendment.

### SECTION 3. COMPANY'S REPRESENTATIONS AND WARRANTIES

In order to induce Bank to enter into this Amendment and to amend the Credit Agreement in the manner provided herein, Company represents and warrants to Bank that the following statements are correct and complete:

A. CORPORATE POWER AND AUTHORITY. Each Obligor has all requisite corporate power and authority to enter into this Amendment, and to carry out the transactions contemplated by, and perform its obligations under, the Credit Agreement as amended by this Amendment (the "AMENDED AGREEMENT") and each of the other Operative Agreements, as applicable.

B. AUTHORIZATION OF AGREEMENTS. The execution and delivery of this Amendment and the performance of the Amended Agreement by Company have been duly authorized by all necessary corporate action on the part of Company and the execution and delivery of this Amendment have been duly authorized by all necessary corporate action on the part of each of the other Obligors.

C. NO CONFLICT. The execution and delivery by each Obligor of this Amendment and the performance by Company of the Amended Agreement do not and will not (i) violate any provision of any law or any governmental rule or regulation applicable to any Obligor or any of their respective Subsidiaries, the Certificate or Articles of Incorporation or Bylaws of any Obligor or any of their respective Subsidiaries or any order, judgment or decree of any court or other agency of government binding on any Obligor or any of their respective Subsidiaries, (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation of any Obligor or any of their respective Subsidiaries (including without limitation the New Consumer Products Credit Agreement, the Subsidiary Guaranty and the Revlon Senior Notes), (iii) result in or require the creation or imposition of any Lien upon any of the properties or assets of any Obligor or any of its Subsidiaries (other than Liens created under any of the Operative Agreements in favor of Bank), or (iv) require any approval of stockholders or any approval or consent of any Person under any material contractual obligation of any Obligor or any of their respective Subsidiaries.

D. GOVERNMENTAL CONSENTS. The execution and delivery by each Obligor of this Amendment and the performance by Company of the Amended Agreement do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body.

E. BINDING OBLIGATION. This Amendment and, in the case of Company, the Amended Agreement have been duly executed and delivered by each Obligor and are the legally valid and binding obligations of each Obligor, enforceable against each Obligor in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

F. INCORPORATION OF REPRESENTATIONS AND WARRANTIES FROM CREDIT AGREEMENT. The representations and warranties contained in Section 5 of the Credit Agreement are and will be correct and complete in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

G. ABSENCE OF DEFAULT. No event has occurred and is continuing and after giving effect to this Amendment, no event will result that would constitute an Event of Default or a Potential Event of Default.

#### SECTION 4. ACKNOWLEDGEMENT AND CONSENT BY COMPANY AND BANK

In accordance with the terms of the Basic Agreement, Mortgagor expects to transfer all its right, title and interest in the Roppongi Property to Mori Building Co., Ltd., and Mori Building Co. Ltd. expects to transfer all its right, title and interest in the Minami Aoyama Land (as defined in the Basic Agreement) to Mortgagor (such transfers, the "Swap Transaction"). In connection with the closing of the transactions contemplated by the Basic Agreement, Bank and Company hereby agree to take such further action, including causing the Mortgage to be amended or replaced (at the sole expense of the Company, including, without limitation, Bank's reasonable legal fees and expenses) as may reasonably be necessary to release the Lien of the Mortgage on the Roppongi Property and to provide that the Minami Aoyama Land shall be the Property subject to the Mortgage, free and clear of other liens. In connection with any such closing, the Company will deliver or cause to be delivered to Bank (i) an opinion of Japanese counsel in form and substance reasonably acceptable to Bank and customary for transactions of this type in Japan, as to the effectiveness and first priority of the lien on the Minami Aoyama Land in favor of Bank and the absence of other liens on the Minami Aoyama Land, and (ii) documents evidencing authorization of Mortgagor to enter into the transactions contemplated by this Section 4. From and after any such closing, the term "Mortgage" shall mean the Mortgage as so amended or replaced.

SECTION 5. ACKNOWLEDGEMENT AND CONSENT BY CREDIT SUPPORT PARTIES

Company is a party to the Pledge Agreement, as amended through the Second Amendment Effective Date, pursuant to which Company has created Liens in favor of Bank on certain collateral to secure the Loan Obligations. Mortgagor is a party to the Mortgage and the Mortgagor Acknowledgement, in each case as amended through the Second Amendment Effective Date, pursuant to which Mortgagor has created Liens in favor of Bank on certain collateral to secure the Loan Obligations. Revlon International is a party to the Stock Pledge Agreement, as amended through the Second Amendment Effective Date, pursuant to which Revlon International has pledged certain collateral to Bank to secure the Loan Obligations. Consumer Products is a party to the Consumer Products Guarantee, as amended through the Second Amendment Effective Date, pursuant to which Consumer Products has guaranteed the Loan Obligations. Company, Revlon International, Mortgagor and Consumer Products are collectively referred to herein as the "Credit Support Parties," and the Mortgage, the Pledge Agreement, the Stock Pledge Agreement, and the Consumer Products Guarantee are collectively referred to herein as the "Credit Support Documents."

Each Credit Support Party hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement and this Amendment and consents to the amendment of the Credit Agreement effected pursuant to this Amendment. Each Credit Support Party hereby confirms that each Credit Support Document to which it is a party or otherwise bound and all collateral encumbered thereby (except as otherwise permitted under Section 4 hereof) will continue to guaranty or secure, as the case may be, to the fullest extent possible the payment and performance of all "Loan Obligations," "Guaranteed Obligations" and "Secured Obligations," as the case may be (in each case as such term is defined in the applicable Credit Support Document), including without limitation the payment and performance of all such Loan Obligations," "Guaranteed Obligations" or "Secured Obligations," as the case may be, in respect of the Loan Obligations of the Company now or hereafter existing under or in respect of the Amended Agreement and the Notes defined therein.

Each Credit Support Party acknowledges and agrees that any of the Credit Support Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Each Credit Support Party represents and warrants that all representations and warranties contained in the Amended Agreement and the Credit Support Documents to which it is a party or otherwise bound are true, correct and complete in all material respects on and as of the Second Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date.

Each Credit Support Party acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Credit Support Party is not required by the terms of the Credit Agreement or any other Operative Agreement to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the

Credit Agreement, this Amendment or any other Operative Agreements shall be deemed to require the consent of such Credit Support Party to any future amendments to the Credit Agreement.

SECTION 6. MISCELLANEOUS

A. REFERENCE TO AND EFFECT ON THE CREDIT AGREEMENT AND THE OTHER OPERATIVE AGREEMENTS.

(i) On and after the Second Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Operative Agreements to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Amended Agreement.

(ii) Except as specifically amended by this Amendment, the Credit Agreement and the other Operative Agreements shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of Bank under, the Credit Agreement or any of the other Operative Agreements.

B. FEES AND EXPENSES. Company acknowledges that all costs, Bank Charges, fees and reasonable out-of-pocket third party expenses incurred by Bank and its counsel with respect to this Amendment and the documents and transactions contemplated hereby shall be for the account of Company.

C. TERMINATION. Either party may terminate this Amendment from and after November 30, 1999 if the conditions to effectiveness shall not have been satisfied on or before such date. In such event, this Amendment shall be void and of no further force of effect, and neither party shall have any liability or further obligation of any nature to the other party under this Amendment except as provided in Section 6.B. Termination of this Amendment under this Section 6.C shall in no event affect the obligations of the parties under the Credit Agreement of other Operative Agreements.

D. HEADINGS. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

E. APPLICABLE LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

F. COUNTERPARTS; EFFECTIVENESS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment (other than the provisions of Section 1 hereof, the effectiveness of which is governed by Section 2 hereof) shall become effective upon the execution of a counterpart hereof by Company and Bank and receipt by Company and Bank of written, telephonic or facsimile notification of such execution and authorization of delivery thereof. Any party executing this Amendment by facsimile shall promptly provide and executed original to the other parties.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

PACIFIC FINANCE & DEVELOPMENT CORP.

By: /s/ Robert K. Kretzman

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Name: Robert K. Kretzman  
Title: Vice President and Secretary

REVLON CONSUMER PRODUCTS CORPORATION (for purposes of Section 5 only)

By: /s/ Robert K. Kretzman

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Name: Robert K. Kretzman  
Title: Senior Vice President, Deputy General Counsel and Secretary

REVLON INTERNATIONAL CORPORATION (for purposes of Section 5 only)

By: /s/ Robert K. Kretzman

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Name: Robert K. Kretzman  
Title: Vice President and Secretary

REVLON REAL ESTATE KABUSHIKI KAISHA (for purposes of Section 5 only)

By: /s/ H. Timothy Ricks

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Name: H. Timothy Ricks  
Title: Representative Director

GENERAL ELECTRIC CAPITAL CORPORATION

By: /s/ William S. Richardson

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Name: William S. Richardson

Title: Duly Authorized Sigantory

REVLON EXECUTIVE DEFERRED COMPENSATION PLAN  
Amended and Restated August 6, 1999

1. PURPOSE

The purpose of this Revlon Executive Deferred Compensation Plan (the "Plan") is to enable a select group of management and highly compensated executives of Revlon Consumer Products Corporation (or any successor thereof) ("Revlon") and its subsidiaries and affiliates (individually and collectively, as the context may require, the "Company"), to defer bonuses in accordance with the terms and conditions set forth herein.

2. ADMINISTRATION

(a) The Plan shall be administered by the Board of Directors of Revlon or by a committee of three or more persons appointed by such Board (the Board serving in such function, or such committee, hereinafter called the "Committee").

(b) The Committee shall have full power and authority to administer the Plan and otherwise to perform the duties and responsibilities specified hereunder. Without limitation by way of specification, the Committee shall have the following specific powers and duties:

(i) to determine the employees who, from time to time, shall be eligible to participate in the Plan in accordance with Section 4;

(ii) to interpret the provisions of the Plan and make any and all determinations arising thereunder;

(iii) to maintain such records as it shall deem necessary or appropriate for the proper administration of the Plan; and

(iv) to establish such rules and procedures not inconsistent with the terms of the Plan as it shall deem necessary or appropriate to effectuate the purpose of the Plan.

3. PLAN YEAR

The Plan Year shall be each calendar year.

4. ELIGIBLE EMPLOYEES

The Committee shall determine, during the Plan Year and prior to the Deferral Election Date (as defined in Section 5(e)), the employees who shall be eligible to participate in the Plan for each such Plan Year and shall notify such employees in writing at such time during each such Plan Year as the Committee may determine. Initially, in 1993, eligible employees shall consist of all executive employees employed by the Company whose compensation is subject to U. S.



federal, state, and local income taxes, who are in salary grade 15 or above, who are actively employed as of October 31, 1993, and who have been notified of their eligibility to participate in the Plan.

#### 5. BONUS DEFERRALS

(a) Subject to such restrictions and limitations as the Committee may impose, each participant may elect, in writing on a form or forms prescribed by the Committee ("Election Form") and at the time prescribed below, to have the participant's employer defer payment of all or a portion (but not less than \$10,000) of the bonus otherwise payable to the participant with respect to a Plan Year. For purposes of the foregoing, the term "bonus" shall mean the bonus with respect to the calendar year that would otherwise be payable to the participant under the Revlon Executive Bonus Plan or any successor plan thereto (or in lieu thereof) in the following calendar year, but for the participant's election hereunder.

(b) Each Election Form filed by the participant shall specify, with respect to the bonus deferred thereby, (i) the time(s) at which deferred payments are to begin, and (ii) the form in which such deferred payments are to be made.

(c) A participant may elect the time at which payment of the deferred amount will be paid as follows: (i) up to 50% of the deferred amount to be paid in a lump sum on a date certain no earlier than the January 31 following the two-year anniversary of the Deferral Election Date and the remaining balance at the time described in clause (ii) following, or (ii) 100% of the deferred amount to be paid no earlier than the January 31 following the five-year anniversary of the Deferral Election Date or any subsequent January 31 or to be paid on retirement (as defined in Section 7(b) hereof) in the form described in paragraph (d) below. The deferred amounts shall become payable upon the participant's termination of employment for any reason, if earlier, as elected by the participant on the Election Form. If no deferral period is specified on the Election Form, payment shall be made on the January 31 following the five-year anniversary of the Deferral Election Date or upon Retirement, if earlier.

A Participant shall be afforded an opportunity, at such time and in such manner as the Committee may prescribe, to elect that an earlier payment starting date and/or form of payment apply to the payment of all or a portion of his account if payment is made on account of his Retirement within one year of a Triggering Event; and such earlier starting date may include lump sum payment as soon as practicable following his termination of employment on account of such Retirement.

(d) Except as otherwise provided herein, the form of payment may be (i) a lump sum payment, (ii) in the case of amounts payable upon the participant's termination of employment due to Retirement (as defined in Section 7(b) hereof), annual payments over a period certain specified by the participant or over a period that qualifies as an annuity (rounded up to the next whole year in the case of a fractional year) under 20 NYCRR Section 132.4(d), as amended, or any successor provision ("New York Annuity Rule"), as elected by the participant on the Election Form, or (iii) any other form requested by the participant and to which the

Committee consents. A payment pursuant to clause (ii) herein shall be subject to such modifications as the Committee, in its discretion, may determine are required to satisfy The New York Annuity Rule. If no form of payment is specified on the Election Form, payment shall be made in a lump sum. If the form of payment specified on the Election Form is for installment payments on Retirement and no time period has been elected, the payment shall be made in 5 equal annual installments beginning on the January 31 following the participant's Retirement date.

(e) Any deferral election shall be submitted to the Committee at such time as the Committee shall determine during the Plan Year with respect to which the bonus is determined ("Deferral Election Date"). Such election shall be irrevocable.

#### 6. DEFERRED BONUS ACCOUNT

The Committee shall establish a memorandum account ("Deferred Bonus Account") for each participant in the Plan. A participant's Deferred Bonus Account shall be (i) credited with all amounts deferred by the participant under the Plan as of the date such amounts would otherwise have become payable to such participant, (ii) increased to reflect the applicable interest rate, as described in Section 7, and (iii) charged with any distributions made with respect to the participant pursuant to Section 7.

#### 7. PAYMENT OF DEFERRED BONUS

(a) Except as otherwise provided below, the portion of a participant's Deferred Bonus Account relating to any year's deferred bonus, plus interest thereon computed in accordance with paragraph (b) or (c) below, as applicable, shall be paid to the participant by the Company at the time and in the manner specified in the Election Form executed and filed by the participant with respect to such deferral. Amounts remaining unpaid at the participant's death shall be paid to the participant's beneficiary in accordance with Section 8. All payments shall be made by check.

(b) If any portion of a participant's Deferred Bonus Account is paid to the participant (i) on or following the expiration of the deferral period, or (ii) during the applicable deferral period for any reason other than as provided in paragraph (c) below including by reason of the participant's termination of employment due to death, disability, Retirement, as defined below, or upon termination by the participant's employer other than for "good reason" (within the meaning of the Revlon Executive Severance Policy) or for "Good Reason" within one year following a Triggering Event, such portion shall be paid together with interest accrued thereon at an Incentive Interest Rate equal to one percent plus the Basic Interest Rate. The "Basic Interest Rate" shall be calculated separately for each Plan Year and shall be whichever of the following the Committee determines for that Plan Year: (i) the average prime rate in effect during January of such Plan Year minus one percent, or (ii) the average of the Federal Funds rate at the end of each week in January of such Plan Year plus two percent. "Retirement" shall occur when a participant leaves employment with the Company and is eligible to receive an early retirement

benefit or a normal retirement benefit under the Revlon Employees' Retirement Plan at the time that the participant departs from the Company.

(c) If any portion of a participant's Deferred Bonus Account is paid to the participant on account of: (i) the participant's voluntary termination of employment other than for Retirement, death, disability or for Good Reason within one year of a Triggering Event, or (ii) termination of employment by the participant's employer for "good reason" (within the meaning of the Revlon Executive Severance Policy), then such portion shall be paid together with interest accrued thereon at the Basic Interest Rate.

(d) For purposes of this Plan:

(1) "Triggering Event" shall mean the first to occur of any of the following:

(i) a merger of or combination involving Revlon, Inc. or Revlon or any parent thereof other than a merger or combination in which more than 50% in voting power of the voting securities of the surviving or resulting corporation or other entity outstanding immediately after such transaction is beneficially owned (as such term is defined in Section 13(d) of the Securities Exchange Act of 1934, as amended) by persons who beneficially owned outstanding voting securities of Revlon, Inc. immediately prior to such transaction, or the execution of a definitive contract for such a merger or combination provided the same is in fact consummated;

(ii) the adoption of a Plan contemplating the liquidation of all or substantially all of the business and assets of the Company;

(iii) a sale or other disposition of all or substantially all of the assets of the Company or of the business unit to which the participant's services are at the time dedicated, if any, whether for cash, securities or other property, other than to a corporation or other entity in which more than 50% in voting power of the outstanding voting securities outstanding immediately after such transaction is beneficially owned by persons who beneficially owned outstanding voting securities of Revlon, Inc. immediately prior to such transaction, or the execution of a definitive contract for such a sale or other disposition provided the same is in fact consummated; or

(iv) more than 50% of the voting power of the outstanding voting securities of Revlon, Inc. becomes beneficially owned, directly or indirectly, by one person or more than one person acting as a group other than the current beneficial owner of the ultimate parent company of Revlon, Inc.

(2) "Good Reason" shall mean any of the following occurring after a Triggering Event not agreed to in writing by the affected employee: (i) a relocation of the employee's principal place of business to a location which increases the employee's roundtrip commutation by more than 50 miles, (ii) failure of the employee to continue participation in bonus, salary review and equity incentive (or equivalent cash incentive) plans and programs at least substantially equivalent to those provided to the employee prior to the Triggering Event, or (iii) the failure of the employee to participate in all material employee benefit plans and fringe benefit

arrangements on substantially the same basis as other employees of the same grade level of the major business unit of which the employee is part, except that none of the foregoing events shall constitute "Good Reason" unless within 30 days after obtaining actual knowledge of such event the employee gives written notice to the Company (or if the employee has transferred to a purchaser of one or more of the Company's businesses, to the purchaser) specifically identifying the event constituting Good Reason, and the Company (or such purchaser) fails to cure such event within 30 days after such notice.

(e) In the event that a participant incurs an unforeseeable emergency the Committee, in its sole discretion and upon written application of such participant to the Committee, may authorize immediate payment of all or a portion of such participant's Deferred Bonus Account, including interest accrued thereon at the Basic Interest Rate, provided that such payment shall in no event exceed the amount necessary to alleviate such unforeseeable emergency. For purposes of this Plan, an unforeseeable emergency is an unanticipated emergency that is caused by an event beyond the control of the participant and that would result in severe financial hardship to the participant if early withdrawal were not permitted.

#### 8. DESIGNATION OF BENEFICIARY

A participant may designate a beneficiary or beneficiaries to receive after the participant's death any amount due to the participant hereunder by executing a form prescribed by the Committee and delivering it to the Committee at any time prior to the participant's death, and providing on such form the manner in which any such death benefits are to be paid. A participant may revoke or change the participant's beneficiary designation without the beneficiary's consent by executing a new form and delivering it to the Committee at any time and from time to time prior to the participant's death. If a participant shall have failed to designate a beneficiary, or if no such beneficiary shall survive the participant, then such amounts shall be paid to the participant's estate. Payment shall be made in a lump sum as soon as practicable following the participant's death.

#### 9. OTHER EMPLOYEE BENEFITS

Any bonus deferred and any interest thereon paid under this Plan shall not be includable in creditable compensation in computing benefits under any employee benefit plan of the Company or its affiliates or subsidiaries, except to the extent expressly provided for thereunder.

#### 10. NO RIGHT TO EMPLOYMENT

Nothing contained herein shall be construed as conferring upon any participant the right to continue in the employ of the Company.

#### 11. DEFERRED BONUS AS AN UNSECURED PROMISE; INSOLVENCY

(a) The Company shall not be required to segregate any funds representing the Deferred Bonus Accounts of participants hereunder, and nothing in this Plan shall be construed as providing for such segregation.

(b) Nothing in this Plan, and no action taken pursuant to its terms, shall create or be construed to create a trust or escrow account of any kind, or a fiduciary relationship between the Committee or the Company and any participant, beneficiary or any other person. The participants and their beneficiaries and any other persons entitled to payment hereunder shall rely solely on the unsecured promise of the Company to make the payments required hereunder, but shall have the right to enforce such a claim as an unsecured general creditor of the Company.

(c) No Plan participant (or a beneficiary) shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Company. Any rights created under this Plan shall be mere unsecured contractual rights of Plan participants (or their beneficiaries) against the Company. Any assets held by the Company will be subject to the claims of the Company's general creditors under federal and state law if the Company is insolvent (as defined in paragraph (d) below).

(d) If at any time the Committee has determined that the Company is insolvent, the Committee shall discontinue payments to the Plan participants (or their beneficiaries). The Company shall be considered "insolvent" for purposes of this Plan if (i) the Committee determines that the Company is unable to pay its debts as they become due, (ii) the Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code, or (iii) the Company is determined to be insolvent by the applicable federal and /or state regulatory agency. At all times during the continuance of the Plan, all amounts deferred under the Plan including any applicable interest shall be subject to the claims of the general creditors of the Company under federal and state law. The Committee shall resume payments to Plan participants (or their beneficiaries) in accordance with the terms of this Plan only after the Committee has determined that the Company is not insolvent (or is no longer insolvent). Provided that there are sufficient assets, if the Committee discontinues payments to Plan participants and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of this Plan for the period of such discontinuance, less the aggregate amount of any payment made to Plan participants (or their beneficiaries ) by the Company or any employer in lieu of the payments provided for hereunder during any such period of discontinuance.

#### 12. WITHHOLDING

The Committee shall make provision for the reporting and withholding of any U.S. federal, state or local taxes that may be required to be withheld with respect to the payments or the amounts deferred by a participant under this Plan and shall pay amounts withheld to the

appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by the company.

#### 13. NO ASSIGNMENT

Amounts payable to any participant, beneficiary, or any other person entitled to any payment hereunder may not be transferred, assigned (either at law or in equity), anticipated, mortgaged, alienated, pledged, or otherwise encumbered or subject to attachment, garnishment, levy, execution or other legal or equitable process, whether or not voluntary, in advance of any such payment and any attempt to do any of the foregoing shall be void. Except to the extent required by law, no payment shall be subject to seizure for the payment of public or private debts, judgments, alimony or separate maintenance, or be transferable by operation of law in event of bankruptcy, insolvency or otherwise.

#### 14. OBLIGATIONS TO THE COMPANY

If a participant or beneficiary becomes entitled to a payment under this Plan, and if at such time the participant has outstanding any debt, obligation, or other liability representing an amount owed to the Company, the amount of such indebtedness or claim may be set off against the amounts remaining to be paid to the participant or the participant's beneficiary. Consent to such reduction or set off shall be evidenced by the participant's signature on the Election Form.

#### 15. AMENDMENT AND TERMINATION

Revlon reserves the absolute right to amend or terminate the Plan, in whole or in part, at any time and from time to time without prior notice to any participant or beneficiary; provided that unless otherwise agreed to by the participant no such amendment or termination shall affect the right of any participant or beneficiary hereunder to receive payment of any amounts deferred hereunder, together with interest thereon, prior to the date of such amendment or termination, in accordance with the previously applicable provisions of the Plan. Notwithstanding any other provision of this Plan, upon termination of the Plan, the company may, in its sole discretion, make distribution of payments to all participants in such manner as the Company shall determine.

#### 16. NO THIRD PARTY RIGHTS

Nothing in this Plan shall be construed to create any rights hereunder in favor of the beneficiary of any participant prior to the participant's death or in favor of any other person (other than the Company and any participant) or to limit Revlon's right to amend or terminate the Plan in any manner to the extent provided in Section 15, notwithstanding that such amendment or termination might adversely affect potential rights of beneficiaries under the Plan.

#### 17. CLAIMS PROCEDURE

The Committee establishes the following claims procedures in accordance with applicable law in order to afford a reasonable opportunity to any participant or beneficiary whose claim for payments under the Plan has been denied for a full and fair review of the decision denying such claim. If a claim for payments under the Plan is denied in whole or in part, the participant (or beneficiary in the case the participant's death) will receive written notification from the Committee. The notification will include the specific reasons for the denial, a description of any additional information needed to perfect the claim and an explanation of the claim review procedure. Within 90 days after receiving the denial, the participant or beneficiary or a duly authorized representative may submit a written request for reconsideration of the claim to the Committee in accordance with Section 18. Any such request should be accompanied by documents or records in support of the appeal. The participant or beneficiary may review pertinent documents and submit issues and documents in writing. If more time is needed, the Committee may allow more than 90 days to file the request for review. The Committee will review the claim and by its next scheduled meeting will provide a written response to the appeal, explaining the reasons for the decision and the specific provision(s) on which the decision was based. If the appeal is filed within 30 days of the next scheduled Committee meeting, and there is not sufficient time for review, the Committee will notify the participant or beneficiary that the decision will be delayed until the next scheduled meeting. The Committee shall have the exclusive right to determine any questions arising in connection with the interpretation, application or administration of the Plan, and its determination shall be conclusive and binding upon all parties concerned including, without limitation, any participant or beneficiary.

#### 18. NOTICE

Any notice required or permitted to be made under this Plan shall be sufficient if in writing and delivered, or sent by registered or certified mail, to (i) in the case of notice to the Company or the Committee, the principal office of Revlon, directed to the attention of the Secretary of the Committee, and (ii) in the case of a participant or the participant's beneficiary, the participant's (or such beneficiary's) mailing address maintained in the Company's personnel records. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark or on the receipt for registration certification.

#### 19. VALIDITY

In the event any provision of this Plan is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provision of this Plan.

#### 20. DISTRIBUTION OF PLAN AND AMENDMENTS: ACKNOWLEDGMENTS

(a) The Committee shall furnish each participant with a copy of this Plan prior to the participant's initial deferral election hereunder. In addition, the Committee shall furnish each participant, or in the case of a deceased participant, the participant's beneficiary, with a copy of any amendment of this Plan.

(b) Each participant, prior to or simultaneously with the participant's initial deferral election, shall acknowledge receipt of a copy of the Plan. Such acknowledgment shall constitute an agreement by the participant that the participant, the participant's beneficiary and any representatives shall be bound by all of the terms and conditions of the Plan.

21. GOVERNING LAW

Except to the extent preempted by Federal law, this Plan shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Company has caused this Revlon Executive Deferred Compensation Plan to be adopted on this 6th day of August, 1999.

REVLON CONSUMER PRODUCTS CORPORATION

BY /s/ Wade H. Nichols III

-----  
Wade H. Nichols III  
Executive Vice President  
and General Counsel



EMPLOYMENT AGREEMENT, dated as of May 10, 1999, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("RCPC" and, together with its parent Revlon, Inc. and its subsidiaries, the "Company"), and D. ERIC POGUE (the "Executive").

RCPC wishes to continue the employment of the Executive with the Company, and the Executive wishes to accept continued employment with the Company, on the terms and conditions set forth in this Agreement.

Accordingly, RCPC and the Executive hereby agree as follows:

Employment, Duties and Acceptance.

1.1 Employment, Duties. RCPC hereby employs the Executive for the Term (as defined in Section 2.1), to render exclusive and full-time services to the Company, in the Executive's present capacity, and to perform such other duties of at least an equivalent level as may be assigned by the Executive's supervisor. The Executive's title shall be the Executive's present title or such other title of at least equivalent level consistent with the Executive's duties from time to time as may be assigned to the Executive by the Executive's supervisor.

1.2 Acceptance. The Executive hereby accepts such employment and agrees to render the services described above. During the Term, the Executive agrees to serve the Company faithfully and to the best of the Executive's ability, to devote the Executive's entire business time, energy and skill to such employment, and to use the Executive's best efforts, skill and ability to promote the Company's interests.

1.3 Location. The duties to be performed by the Executive hereunder shall be performed primarily at the office of RCPC in the New York City metropolitan area, subject to reasonable travel requirements consistent with the nature of the Executive's duties from time to time on behalf of the Company.

2. Term of Employment; Certain Post-Term Benefits.

2.1 The Term. The term of the Executive's employment under this Agreement (the "Term") shall commence on the date hereof (the "Effective Date") and shall end on the last day of the month thirty-six months following the consummation of the first Triggering Event to occur, provided, however, that if no Triggering Event occurs during the Term on or before December 31, 1999, the Term shall expire on April 30, 2002. During any period that the Executive's employment shall continue following termination of the Term, the Executive shall be eligible for severance on terms no less favorable than those of the Revlon Executive Severance Plan as in effect on the date of this Agreement, subject to the terms thereof, and the Executive shall be deemed to be an employee at will. As used herein, "Triggering Event" shall mean the first to occur of any of the following:

(i) a merger of or combination involving Revlon, Inc. or RCPC or any parent thereof other than a merger or combination in which more than 50% in voting power of the voting securities of the surviving or resulting corporation or other entity outstanding immediately after such transaction is beneficially owned (as such term is defined in Section 13(d) of the Securities Exchange Act of 1934, as amended) by persons who beneficially owned outstanding voting securities of Revlon, Inc. immediately prior to such transaction, or the execution of a definitive contract for such a merger or combination provided the same is in fact consummated;

(ii) the adoption of a Plan contemplating the liquidation of all or substantially all of the business and assets of the Company;

(iii) a sale or other disposition of all or substantially all of the assets of the Company or of the business unit to which the Executive's services are at the time dedicated, if any, whether for cash, securities or other property, other than to a corporation or other entity in which more than 50% in voting power of the outstanding voting securities outstanding immediately after such transaction is beneficially owned by persons who beneficially owned outstanding voting securities of Revlon, Inc. immediately prior to such transaction, or the execution of a definitive contract for such a sale or other disposition provided the same is in fact consummated; or

(iv) more than 50% of the voting power of the outstanding voting securities of Revlon, Inc. becomes beneficially owned, directly or indirectly, by one person or more than one person acting as a group other than the current beneficial owner of the ultimate parent company of Revlon, Inc.

2.2 Special Curtailment. The Term shall end earlier than the date provided in Section 2.1, if sooner terminated pursuant to Section 4.

### 3. Compensation; Benefits.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive during the Term a base salary, payable bi-weekly in arrears, at the annual rate of not less than the Executive's base salary on the date hereof (the "Base Salary"). All payments of Base Salary or other compensation hereunder shall be less such deductions or withholdings as are required by applicable law and regulations. In the event that RCPC, in its sole discretion, from time to time determines to increase the Base Salary, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of this Agreement and shall not thereafter be decreased.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, the Executive shall be eligible to receive annual bonus calculated at the same target and maximum percentages of Base Salary as the Executive currently is eligible to receive, based upon achievement of objectives set annually not later than March 31 of such year.

Notwithstanding the foregoing, if the Executive's employment shall end pursuant to Section 4.2 at any time during the Term or pursuant to Section 4.4 at any time prior to the occurrence of a Triggering Event, the Executive's bonus with respect to the calendar year in which the termination occurs shall be an amount equal to the bonus that would have been payable to the Executive with respect to such year if the Executive had remained employed to the date for payment of bonuses under such Plan, multiplied by a fraction of which the numerator is the number of days of the Term during such year and the denominator is 365, and if the Executive's employment shall end pursuant to Section 4.4 on or after the occurrence of a Triggering Event, the Executive's bonus with respect to the calendar year in which the termination occurs shall be an amount equal to the greater of the full year bonus that would have been payable to the Executive as above described or the Executive's full year target bonus, in either case without proration, notwithstanding any contrary provision of any plan.

3.3 Stock Options. The Executive shall be recommended to the Compensation Committee or other committee of the Board administering the Revlon, Inc. Second Amended and Restated 1996 Stock Plan or any plan that may replace it, as from time to time in effect, to receive an option not later than February 28 of each year of the Term covering a number of shares not less than the option granted to the Executive on February 22, 1999, on terms substantially the same as other senior executives of the Executive's level, provided that if the Term is to end pursuant to Section 2.1 otherwise than at a calendar year end, the Company shall not be required to recommend that the stock option to be granted to the Executive with respect to such final year of the Term cover more than that number of shares that is the product of multiplying the annual grant provided for above by a fraction of which the numerator is the number of days of the Term during such final year and the denominator is 365, and provided further that this Section 3.3 shall not apply following a Triggering Event.

3.4 Business Expenses. RCPC shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by the Executive during the Term in the performance of the Executive's services under this Agreement, subject to and in accordance with the Company's applicable expense reimbursement and related policies and procedures as in effect from time to time.

3.5 Vacation. During each year of the Term, the Executive shall be entitled to a vacation period or periods in accordance with the vacation policy of the Company as in effect from time to time, but not less than the Executive's current entitlement.

3.6 Fringe Benefits. During the Term, the Executive shall be entitled to continue to participate in those qualified and non-qualified defined benefit, defined contribution, insurance, medical, dental, disability and other benefit plans and programs of the Company as from time to time in effect (or their successors) in which the Executive participated on the date hereof as and if in effect from time to time and in such other plans and programs as may be made available to senior executives of the Company of the Executive's level generally. In addition,

during the Term the Company shall provide to the Executive an automobile, in accordance with the Company's executive automobile program, of a class at least comparable to the automobile currently assigned to the Executive, and the Executive shall be entitled to reimbursement for tax preparation and financial counseling services with annual maximums at least comparable to those current in effect.

#### 4. Termination.

4.1 Death. If the Executive shall die during the Term, the Term shall terminate and no further amounts or benefits shall be payable hereunder except pursuant to life insurance provided under Section 3.6.

4.2 Disability. If during the Term the Executive shall become physically or mentally disabled, whether totally or partially, such that the Executive is unable to perform the Executive's services hereunder for (i) a period of six consecutive months or (ii) shorter periods aggregating six months during any twelve month period, RCPC may at any time after the last day of the six consecutive months of disability or the day on which the shorter periods of disability shall have equaled an aggregate of six months, by written notice to the Executive (but before the Executive has returned to active service following such disability), terminate the Term and no further amounts or benefits shall be payable hereunder except as provided in Section 3.6.

4.3 Cause. RCPC may at any time by written notice to the Executive terminate the Term for "Cause" and, upon such termination, the Executive shall be entitled to receive no further amounts or benefits hereunder, except as required by law. As used herein the term "Cause" shall mean gross neglect by the Executive of the Executive's duties hereunder, conviction of the Executive of any felony, conviction of the Executive of any lesser crime or offense involving the property of the Company or any of its affiliates, willful misconduct by the Executive in connection with the performance of the Executive's duties hereunder or other material breach by the Executive of this Agreement, or any other conduct on the part of the Executive which would make the Executive's continued employment with the Company materially prejudicial to the best interests of the Company.

4.4 Company Breach; Other Termination. The Executive shall be entitled to terminate the Term and the Executive's employment upon 60 days' prior written notice in the event that RCPC materially breaches any of its obligations hereunder or that at any time prior to a Triggering Event the Compensation Committee (or other appropriate Committee) of the Board of Directors of Revlon, Inc. shall fail to implement the recommendations of management regarding stock options pursuant to Section 3.3. In addition, at any time following a Triggering Event, the Executive shall be entitled to terminate the Term and the Executive's employment upon 60 days' prior written notice to RCPC for "Good Reason". As used herein, the term "Good Reason" shall mean any of the following occurring following a Triggering Event which is not agreed to in writing by the Executive: (a) a substantial adverse change in the Executive's

assigned responsibilities, (b) a relocation of the Executive's principal place of business to a location which increases the Executive's round-trip commutation by more than 50 miles, (c) failure of the Executive to continue participation in bonus, salary review and equity incentive (or equivalent cash incentive) plans and programs at least substantially equivalent to those provided to the Executive prior to the Triggering Event, or (d) the failure of the Executive to participate in all material employee benefit plans and fringe benefit arrangements on substantially the same basis as like executives of the major business unit of which the Executive is a part, provided however that none of the foregoing events shall constitute "Good Reason" unless within 30 days after obtaining actual knowledge of such event the Executive gives written notice to the Company of the Executive's intention to resign, specifically identifying the event constituting Good Reason therefor, and the Company shall fail to cure such event within 30 days after such notice. In addition, RCPC shall be entitled to terminate the Term and the Executive's employment at any time and without prior notice otherwise than pursuant to the provisions of Section 4.2 or 4.3. In consideration of the Executive's covenant in Section 5.2, upon termination under this Section 4.4 by the Executive, or in the event RCPC so terminates the Term otherwise than pursuant to the provisions of Section 4.2 or 4.3, RCPC agrees, and the Company's sole obligation arising from such termination (except as otherwise provided in Section 3.6) shall be (at the Executive's election by written notice within 10 days after such termination), for RCPC either

(i) to make the payment in lieu of bonus prescribed by Section 3.2 and to continue payments in lieu of Base Salary in the amounts prescribed by Section 3.1 and continue the Executive's participation in the group life insurance and in the medical and dental plans of the Company in which the Executive was entitled to participate pursuant to Section 3.6 (in each case less amounts required by law to be withheld) through the date on which the Term would otherwise have expired pursuant to Section 2.1, provided that such benefit continuation is subject to the terms of such plans, provided further that such group life insurance continuation is subject to a limit of two years pursuant to the terms thereof, provided further that the Executive shall cease to be covered by medical and/or dental plans of the Company at such time as the Executive becomes covered by like plans of another company, and provided finally that the Executive shall, as a condition, execute such release, confidentiality, non-competition and other covenants as would be required in order for the Executive to receive payments and benefits under the Policy referred to in clause (ii) below, or (ii) to make the payments and provide the benefits prescribed by the Executive Severance Policy of the Company as in effect on the date of this Agreement other than the provision in Paragraph IIIC(ii) establishing a limit of six months on the lump sum payment provided for therein, which shall not be applicable to the Executive, upon the Executive's compliance with the terms thereof. If such termination of employment shall occur prior to a Triggering Event, any compensation earned by the Executive from other employment or a consultancy shall reduce the payments required pursuant to clause (i) above or shall be governed by the terms of the Executive Severance Policy as modified by the foregoing in the case of clause (ii) above, but if the Executive's termination of employment shall occur following a Triggering Event, the Executive shall have no duty to mitigate by seeking other employment or

otherwise and no compensation earned by the Executive from other employment or a consultancy shall reduce the payments provided for by clause (i) or (ii).

#### 4.5 Section 280G.

4.5.1 If it shall be determined by the firm of Ernst & Young (or if such firm shall be unable to serve, by another so-called Big 5 accounting firm selected by such firm) ("E&Y") that there is not substantial authority to support the deductibility for federal income tax purposes of one or more payments or benefits due to the Executive, pursuant to this Agreement or otherwise, by reason of section 280G of the Internal Revenue Code as amended (the "Code") or any successor provisions, then RCPC shall reduce the payment in lieu of bonus provided for in Section 3.2 and then the payments in lieu of Base Salary provided for in Section 4.4 (said reductions to be applied in inverse order against the last payments otherwise due) to the extent necessary to avoid or, if full avoidance is not possible by such reductions, to minimize, the loss of deductions described above, provided that (a) except as specified in clause (b) below, such reductions shall not exceed the amount of (i) payments or benefits due solely as a result of this Agreement (and not as a result of the Executive's participation in any incentive or benefit plan or arrangement applicable to the Executive without regard to this Agreement), (ii) benefits arising from the grant of any options to the Executive effective May 10, 1999 or thereafter, and (iii) benefits arising from the acceleration to February 12, 2000 of the exercisability of the stock options granted to the Executive effective February 12, 1999 (and not as a result of the grant of such stock options), provided that (b) such reductions shall exceed the amount specified in clause (a) above if and to the extent that E&Y determines that on an after-tax basis a further reduction pursuant to this clause (b) is more favorable to the Executive than foregoing such further reduction. The parties agree that all income tax returns filed for the periods affected by the foregoing shall be filed on a basis consistent with the determinations of E&Y pursuant hereto, and that the determinations of E&Y with respect to the foregoing shall be final and binding and not subject to judicial or other review (except by E&Y at its own instance before or after any filing). RCPC shall pay all fees and charges of E&Y in connection with this Section 4.5.

4.5.2 The parties acknowledge that as a result of uncertainty in the application of Section 280G of the Code at the time of any determination by E&Y pursuant to Section 4.5.1, it is possible that amounts will be paid or distributed by RCPC to or for the benefit of the Executive which the parties intended under Section 4.5.1 not to have been paid or distributed (an "Overpayment") or that amounts will not be paid or distributed by RCPC to or for the benefit of the Executive that the parties intended under Section 4.5.1 to have been paid or distributed (an "Underpayment"). In the event that E&Y (based upon the assertion of a deficiency by the Internal Revenue Service against RCPC or its affiliates or against the Executive or at E&Y's own instance before or after any filing or deficiency) determines that an Overpayment or an Underpayment has been made, such amount shall be treated for all purposes as a loan by RCPC (in the case of an Overpayment) or by the Executive (in the case of an Underpayment) to the other party which shall, promptly following notice of such determination by E&Y, be repaid

together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code, provided however that to the extent that any Overpayment would result in a reduction of payments or benefits other than those referred to in subclauses (i), (ii) and (iii) of Section 4.5.1(a), such loan shall be deemed made and the Executive shall be required to repay the same only to the extent that E&Y determines that on an after-tax basis such loan and repayment pursuant to this Section 4.5.2 is more favorable to the Executive than foregoing such loan and repayment, and provided further that no loan shall be deemed to have been made and no amount shall be required to be repaid pursuant to this Section 4.5.2 to the extent that in the opinion of counsel to the Company such loan and repayment would not either reduce the amount on which the Executive is subject to excise tax or increase the amount of payments that are deductible by the Company in relation to Section 280G of the Code.

4.6 Litigation Expenses. If RCPC and the Executive become involved in any action, suit or proceeding relating to the alleged breach of this Agreement by RCPC or the Executive, then if and to the extent that a final judgment in such action, suit or proceeding is rendered in favor of the Executive, RCPC shall reimburse the Executive for all expenses (including reasonable attorneys' fees) incurred by the Executive in connection with such action, suit or proceeding or the portion thereof adjudicated in favor of the Executive. Such costs shall be paid to the Executive promptly upon presentation of expense statements or other supporting information evidencing the incurrence of such expenses.

#### 5. Protection of Confidential Information; Non-Competition.

5.1 The Executive acknowledges that the Executive's services will be unique, that they will involve the development of Company-subsidized relationships with key customers, suppliers, and service providers as well as with key Company employees and that the Executive's work for the Company has given and will give the Executive access to highly confidential information not available to the public or competitors, including trade secrets and confidential marketing, sales, product development and other data and plans which it would be impracticable for the Company to effectively protect and preserve in the absence of this Section 5 and the disclosure or misappropriation of which could materially adversely affect the Company. Accordingly, the Executive agrees:

5.1.1 except in the course of performing the Executive's duties provided for in Section 1.1, not at any time, whether during or after the Executive's employment with the Company, to divulge to any other entity or person any confidential information acquired by the Executive concerning the Company's or its affiliates' financial affairs or business processes or methods or their research, development or marketing programs or plans, any other of its or their trade secrets, any information regarding personal matters of any directors, officers, employees or agents of the Company or its affiliates or their respective family members, or any information concerning the circumstances of the Executive's employment and any termination of the Executive's employment with the Company or any information regarding discussions related to any

of the foregoing. The foregoing prohibitions shall include, without limitation, directly or indirectly publishing (or causing, participating in, assisting or providing any statement, opinion or information in connection with the publication of) any diary, memoir, letter, story, photograph, interview, article, essay, account or description (whether fictionalized or not) concerning any of the foregoing, publication being deemed to include any presentation or reproduction of any written, verbal or visual material in any communication medium, including any book, magazine, newspaper, theatrical production or movie, or television or radio programming or commercial. In the event that the Executive is requested or required to make disclosure of information subject to this Section 5.1.1 under any court order, subpoena or other judicial process, the Executive will promptly notify RCPC, take all reasonable steps requested by RCPC to defend against the compulsory disclosure and permit RCPC to control with counsel of its choice any proceeding relating to the compulsory disclosure. The Executive acknowledges that all information the disclosure of which is prohibited by this section is of a confidential and proprietary character and of great value to the Company.

5.1.2 to deliver promptly to the Company on termination of the Executive's employment with the Company, or at any time that RCPC may so request, all memoranda, notes, records, reports, manuals, drawings, blueprints and other documents (and all copies thereof) relating to the Company's business and all property associated therewith, which the Executive may then possess or have under the Executive's control.

5.2 In consideration of RCPC's covenant in Section 4.4, the Executive agrees (i) in all respects fully to comply with the terms of the Employee Agreement as to Confidentiality and Non-Competition referred to in the Revlon Executive Severance Policy (the "Non-Competition Agreement"), whether or not the Executive is a signatory thereof, with the same effect as if the same were set forth herein in full, and (ii) in the event that the Executive shall terminate the Executive's employment otherwise than as provided in Section 4.4, the Executive shall comply with the restrictions set forth in paragraph 9(e) of the Non-Competition Agreement through the earliest date on which the Term would have expired pursuant to Section 2.1, subject only to the Company continuing to make payments equal to the Executive's Base Salary during such period, notwithstanding the limitation otherwise applicable under paragraph 9(d) thereof or any other provision of the Non-Competition Agreement.

5.3 If the Executive commits a breach of any of the provisions of Sections 5.1 or 5.2 hereof, RCPC shall have the following rights and remedies:

5.3.1 the right and remedy to immediately terminate all further payments and benefits provided for in this Agreement, except as may otherwise be required by law in the case of qualified benefit plans,

5.3.2 the right and remedy to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such



breach will cause irreparable injury to the Company and that money damages and disgorgement of profits will not provide an adequate remedy to the Company, and, if the Executive attempts or threatens to commit a breach of any of the provisions of Sections 5.1 or 5.2, the right and remedy to be granted a preliminary and permanent injunction in any court having equity jurisdiction against the Executive committing the attempted or threatened breach (it being agreed that each of the rights and remedies enumerated above shall be independent of the others and shall be severally enforceable, and that all of such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to RCPC under law or in equity), and

5.3.3 the right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits (collectively "Benefits") derived or received by the Executive as the result of any transactions constituting a breach of any of the provisions of Sections 5.1 or 5.2 hereof, and the Executive hereby agrees to account for and pay over such Benefits as directed by RCPC.

5.4 If any of the covenants contained in Sections 5.1, 5.2 or 5.3, or any part thereof, hereafter are construed to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid portions.

5.5 If any of the covenants contained in Sections 5.1 or 5.2, or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision so as to be enforceable to the maximum extent permitted by applicable law and, in its reduced form, said provision shall then be enforceable.

5.6 The parties hereto intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 5.1, 5.2 and 5.3 upon the courts of any state within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold such covenants wholly unenforceable by reason of the breadth of such covenants or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect RCPC's right to the relief provided above in the courts of any other states within the geographical scope of such covenants as to breaches of such covenants in such other respective jurisdictions, the above covenants as they relate to each state being for this purpose severable into diverse and independent covenants.

5.7 Any termination of the Term or the Executive's employment shall have no effect on the continuing operation of this Section 5.

6. Inventions and Patents.

6.1 The Executive agrees that all processes, technologies and inventions (collectively, "Inventions"), including new contributions, improvements, ideas and discoveries, whether patentable or not, conceived, developed, invented or made by him during the Term shall belong to the Company, provided that such Inventions grew out of the Executive's work with the Company or any of its subsidiaries or affiliates, are related in any manner to the business (commercial or experimental) of the Company or any of its subsidiaries or affiliates or are conceived or made on the Company's time or with the use of the Company's facilities or materials. The Executive shall further: (a) promptly disclose such Inventions to the Company; (b) assign to the Company, without additional compensation, all patent and other rights to such Inventions for the United States and foreign countries; (c) sign all papers necessary to carry out the foregoing; and (d) give testimony in support of the Executive's inventorship.

6.2 If any Invention is described in a patent application or is disclosed to third parties, directly or indirectly, by the Executive within two years after the termination of the Executive's employment with the Company, it is to be presumed that the Invention was conceived or made during the Term.

6.3 The Executive agrees that the Executive will not assert any rights to any Invention as having been made or acquired by the Executive prior to the date of this Agreement, except for Inventions, if any, disclosed to the Company in writing prior to the date hereof.

#### 7. Intellectual Property.

Notwithstanding and without limitation of Section 6, the Company shall be the sole owner of all the products and proceeds of the Executive's services hereunder, including, but not limited to, all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs and other intellectual properties that the Executive may acquire, obtain, develop or create in connection with or during the Term, free and clear of any claims by the Executive (or anyone claiming under the Executive) of any kind or character whatsoever (other than the Executive's right to receive payments hereunder). The Executive shall, at the request of RCPC, execute such assignments, certificates or other instruments as RCPC may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its right, title or interest in or to any such properties.

#### 8. Indemnification.

RCPC will indemnify the Executive, to the maximum extent permitted by applicable law, against all costs, charges and expenses incurred or sustained by the Executive in connection with any action, suit or proceeding to which the Executive may be made a party, brought by any shareholder of the Company directly or derivatively or by any third party by reason of any act or omission of the Executive as an officer, director or employee of the Company or of any subsidiary or affiliate of the Company.

9. Notices.

All notices, requests, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by overnight courier or mailed first class, postage prepaid, by registered or certified mail (notices mailed shall be deemed to have been given on the date mailed), as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company, to:

Revlon Consumer Products Corporation  
625 Madison Avenue  
New York, New York 10022  
Attention: General Counsel

If to the Executive, to the Executive's principal residence as reflected in the records of the Company.

10. General.

10.1 This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to agreements made between residents thereof and to be performed entirely in New York.

10.2 The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

10.3 This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

10.4 This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, nor may the Executive pledge, encumber or anticipate any payments or benefits due hereunder, by operation of law or otherwise. RCPC may assign its rights, together with its obligations, hereunder (i) to any affiliate or (ii) to a third party in connection with any sale, transfer or other disposition of all or substantially all of any business to which the Executive's services are then principally devoted, provided that no assignment

pursuant to clause (ii) shall relieve RCPC from its obligations hereunder to the extent the same are not timely discharged by such assignee.

10.5 This Agreement may be amended, modified, superseded, canceled, renewed or extended and the terms or covenants hereof may be waived, only by a written instrument executed by both of the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by either party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

10.6 This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. Subsidiaries and Affiliates. As used herein, the term "subsidiary" shall mean any corporation or other business entity controlled directly or indirectly by the corporation or other business entity in question, and the term "affiliate" shall mean and include any corporation or other business entity directly or indirectly controlling, controlled by or under common control with the corporation or other business entity in question.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

REVLON CONSUMER PRODUCTS CORPORATION

By /s/ WADE H. NICHOLS

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Wade H. Nichols  
Executive Vice President and General Counsel

/s/ D. ERIC POGUE

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D. Eric Pogue



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