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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2014

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.)

**237 Park Avenue, New York, New York**

(Address of principal executive offices)

**10017**

(Zip Code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of March 31, 2014, 52,356,798 shares of Class A Common Stock were outstanding. At such date, 40,669,640 shares of Class A Common Stock were beneficially owned by MacAndrews & Forbes Holdings Inc. and certain of its affiliates.

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**REVLON, INC. AND SUBSIDIARIES**  
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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**REVLON, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(dollars in millions, except share and per share amounts)**

	<b>March 31, 2014 (Unaudited)</b>	<b>December 31, 2013<sup>(a)</sup></b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 196.3	\$ 244.1
Trade receivables, less allowance for doubtful accounts of \$5.8 and \$4.2 as of March 31, 2014 and December 31, 2013, respectively	265.5	253.5
Inventories	188.4	175.0
Deferred income taxes – current	61.2	65.1
Prepaid expenses and other	72.4	61.4
Total current assets	<u>783.8</u>	<u>799.1</u>
Property, plant and equipment, net of accumulated depreciation of \$251.5 and \$243.1 as of March 31, 2014 and December 31, 2013, respectively	195.5	195.9
Deferred income taxes – noncurrent	172.6	179.6
Goodwill	472.3	472.3
Intangible assets, net of accumulated amortization of \$24.6 and \$19.0 as of March 31, 2014 and December 31, 2013, respectively	355.1	360.1
Other assets	125.8	123.8
Total assets	<u>\$ 2,105.1</u>	<u>\$ 2,130.8</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>		
Current liabilities:		
Short-term borrowings	\$ 11.8	\$ 7.9
Current portion of long-term debt	65.4	65.4
Accounts payable	185.6	165.7
Accrued expenses and other	272.1	313.7
Total current liabilities	<u>534.9</u>	<u>552.7</u>
Long-term debt	1,861.3	1,862.3
Long-term pension and other post-retirement plan liabilities	109.8	118.3
Other long-term liabilities	188.1	194.0
Commitments and contingencies		
Stockholders' deficiency:		
Class A Common Stock, par value \$0.01 per share; 900,000,000 shares authorized; 53,231,651 shares issued as of March 31, 2014 and December 31, 2013, respectively	0.5	0.5
Additional paid-in capital	1,015.5	1,015.3
Treasury stock, at cost: 754,853 shares of Class A Common Stock as of March 31, 2014 and December 31, 2013, respectively	(9.8)	(9.8)
Accumulated deficit	(1,447.2)	(1,452.7)
Accumulated other comprehensive loss	(148.0)	(149.8)
Total stockholders' deficiency	<u>(589.0)</u>	<u>(596.5)</u>
Total liabilities and stockholders' deficiency	<u>\$ 2,105.1</u>	<u>\$ 2,130.8</u>

<sup>(a)</sup> During the three months ended March 31, 2014, the Company recorded Measurement Period Adjustments (as hereinafter defined) to certain net assets and intangible assets acquired in the Colomer Acquisition (as hereinafter defined) on October 9, 2013. Accordingly, the prior period has been retrospectively adjusted for such Measurement Period Adjustments. Refer to Note 2, "Business Combination" for additional details.

See Accompanying Notes to Unaudited Consolidated Financial Statements

**REVLON, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
(dollars in millions, except share and per share amounts)

	Three Months Ended March 31,	
	2014	2013
Net sales	\$ 469.8	\$ 325.9
Cost of sales	163.5	114.4
Gross profit	306.3	211.5
Selling, general and administrative expenses	246.2	161.6
Acquisition and integration costs	3.8	—
Restructuring charges and other, net	13.5	0.2
Operating income	42.8	49.7
Other expenses, net:		
Interest expense	22.3	18.8
Interest expense – preferred stock dividends	—	1.6
Amortization of debt issuance costs	1.4	1.3
Loss on early extinguishment of debt	1.9	27.9
Foreign currency losses, net	1.4	3.3
Miscellaneous, net	0.1	0.1
Other expenses, net	27.1	53.0
Income (loss) from continuing operations before income taxes	15.7	(3.3)
Provision for income taxes	7.0	1.2
Income (loss) from continuing operations, net of taxes	8.7	(4.5)
Loss from discontinued operations, net of taxes	(3.2)	(2.4)
Net income (loss)	\$ 5.5	\$ (6.9)
Other comprehensive income:		
Currency translation adjustment, net of tax <sup>(a)</sup>	1.6	(0.8)
Amortization of pension related costs, net of tax <sup>(b)(d)</sup>	1.2	1.9
Revaluation of derivative financial instruments, net of tax <sup>(c)</sup>	(1.0)	—
Other comprehensive income	1.8	1.1
Total comprehensive income (loss)	\$ 7.3	\$ (5.8)
Basic earnings (loss) per common share:		
Continuing operations	\$ 0.17	\$ (0.08)
Discontinued operations	(0.06)	(0.05)
Net income (loss)	\$ 0.11	\$ (0.13)
Diluted earnings (loss) per common share:		
Continuing operations	\$ 0.17	\$ (0.08)
Discontinued operations	(0.06)	(0.05)
Net income (loss)	\$ 0.11	\$ (0.13)
Weighted average number of common shares outstanding:		
Basic	52,356,798	52,356,798
Diluted	52,367,944	52,356,798

<sup>(a)</sup> Net of tax (benefit) expense of \$(0.5) million and \$0.3 million for the three months ended March 31, 2014 and 2013, respectively.

<sup>(b)</sup> Net of tax benefit of nil and \$(0.3) million for the three months ended March 31, 2014 and 2013, respectively.

<sup>(c)</sup> Net of tax expense of \$0.6 million for the three months ended March 31, 2014.

<sup>(d)</sup> This other comprehensive income component is included in the computation of net periodic benefit (income) costs. See Note 5, "Pension and Post-Retirement Benefits," for additional information regarding net periodic benefit (income) costs.

See Accompanying Notes to Unaudited Consolidated Financial Statements

**REVLON, INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIENCY**  
(dollars in millions)

	<u>Common Stock</u>	<u>Additional Paid- In-Capital</u>	<u>Treasury Stock</u>	<u>Accumulated Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total Stockholders' Deficiency</u>
Balance, January 1, 2014	\$ 0.5	\$ 1,015.3	\$ (9.8)	\$ (1,452.7)	\$ (149.8)	\$ (596.5)
Stock-based compensation amortization		0.2				0.2
Net income				5.5		5.5
Other comprehensive income, net <sup>(a)</sup>					1.8	1.8
Balance, March 31, 2014	<u>\$ 0.5</u>	<u>\$ 1,015.5</u>	<u>\$ (9.8)</u>	<u>\$ (1,447.2)</u>	<u>\$ (148.0)</u>	<u>\$ (589.0)</u>

<sup>(a)</sup> See Note 12, "Accumulated Other Comprehensive Loss," regarding the changes in the accumulated balances for each component of other comprehensive income during the three months ended March 31, 2014.

See Accompanying Notes to Unaudited Consolidated Financial Statements

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

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 5.5	\$ (6.9)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	24.8	17.0
Amortization of debt discount	0.3	0.4
Stock compensation amortization	0.2	—
Provision for (benefit from) deferred income taxes	8.2	(1.6)
Loss on early extinguishment of debt	1.9	27.9
Amortization of debt issuance costs	1.4	1.3
Gain on sale of certain assets	—	(0.4)
Pension and other post-retirement income	(1.3)	(0.1)
Change in assets and liabilities:		
(Increase) decrease in trade receivables	(12.9)	26.9
Increase in inventories	(13.7)	(15.4)
Increase in prepaid expenses and other current assets	(9.6)	(10.5)
Increase in accounts payable	16.1	11.1
Decrease in accrued expenses and other current liabilities	(37.6)	(48.3)
Pension and other post-retirement plan contributions	(6.3)	(2.7)
Purchases of permanent displays	(13.7)	(11.1)
Other, net	(8.8)	(4.5)
Net cash used in operating activities	(45.5)	(16.9)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(3.7)	(5.5)
Proceeds from the sale of certain assets	0.1	0.4
Net cash used in investing activities	(3.6)	(5.1)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in short-term borrowings and overdraft	6.1	0.2
Repayments under the Acquisition Term Loan	(1.8)	—
Proceeds from the issuance of the 5¾% Senior Notes	—	500.0
Repayment of the 9¾% Senior Secured Notes	—	(330.0)
Repayments under the 2011 Term Loan	—	(113.0)
Payment of financing costs	(1.6)	(27.9)
Other financing activities	(0.5)	(0.6)
Net cash provided by financing activities	2.2	28.7
Effect of exchange rate changes on cash and cash equivalents	(0.9)	(2.2)
Net (decrease) increase in cash and cash equivalents	(47.8)	4.5
Cash and cash equivalents at beginning of period	244.1	116.3
Cash and cash equivalents at end of period	\$ 196.3	\$ 120.8
<i>Supplemental schedule of cash flow information:</i>		
Cash paid during the period for:		
Interest	\$ 29.5	\$ 24.2
Income taxes, net of refunds	4.9	2.7
Preferred stock dividends	—	1.6

See Accompanying Notes to Unaudited Consolidated Financial Statements

## 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Revlon, Inc. (and together with its subsidiaries, the "Company") conducts its business exclusively through its direct wholly-owned operating subsidiary, Revlon Consumer Products Corporation ("Products Corporation"), and its subsidiaries. Revlon, Inc. is a direct and indirect majority-owned subsidiary of MacAndrews & Forbes Holdings Inc. ("MacAndrews & Forbes Holdings" and, together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation wholly-owned by Ronald O. Perelman.

The Company's vision is to establish Revlon as the quintessential and most innovative beauty company in the world by offering products that make consumers feel attractive and beautiful. We want to inspire our consumers to express themselves boldly and confidently. The Company operates in two segments, the consumer division ("Consumer") and the professional division ("Professional"), and manufactures, markets and sells worldwide an extensive array of beauty and personal care products, including cosmetics, hair color, hair care and hair treatments, beauty tools, men's grooming products, anti-perspirant deodorants, fragrances, skincare and other beauty care products. The Company's principal customers for its products in the Consumer segment include large mass volume retailers and chain drug and food stores (collectively, the "mass retail channel") in the U.S. and internationally, as well as certain department stores and other specialty stores, such as perfumeries, outside the U.S. The Company's principal customers for its products in the Professional segment include hair and nail salons and distributors in the U.S. and internationally.

The accompanying Consolidated Financial Statements are unaudited. In management's opinion, all adjustments necessary for a fair presentation have been made. The Unaudited Consolidated Financial Statements include the accounts of the Company after the elimination of all material intercompany balances and transactions.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Significant estimates made in the accompanying Unaudited Consolidated Financial Statements include, but are not limited to, allowances for doubtful accounts, inventory valuation reserves, expected sales returns and allowances, trade support costs, certain assumptions related to the valuation of acquired intangible and long-lived assets and the recoverability of intangible and long-lived assets, income taxes, including deferred tax valuation allowances and reserves for estimated tax liabilities, restructuring costs, certain estimates and assumptions used in the calculation of the net periodic benefit (income) costs and the projected benefit obligations for the Company's pension and other post-retirement plans, including the expected long-term return on pension plan assets and the discount rate used to value the Company's pension benefit obligations. The Unaudited Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and related notes contained in Revlon, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 5, 2014 (the "2013 Form 10-K").

The Company's results of operations and financial position for interim periods are not necessarily indicative of those to be expected for a full year.

### Discontinued Operations Presentation

As a result of the Company's decision on December 30, 2013 to exit its business operations in China, the Company is reporting the results of its China operations within loss from discontinued operations, net of taxes in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss). Accordingly, prior year amounts have been restated to conform to this presentation. See Note 4, "Discontinued Operations," for further discussion.

### Recently Adopted Accounting Pronouncements

In March 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-04, "Accounting for Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date," requiring an entity to record an obligation resulting from joint and several liability arrangements at the greater of the amount that the entity has agreed to pay or the amount the entity expects to pay. Additional disclosures about joint and several liability arrangements will also be required. This guidance is effective for fiscal periods beginning after December 15, 2013, and is applied retrospectively for obligations that existed at the beginning of the fiscal year for which the entity adopted such guidance, with early adoption permitted. The Company adopted ASU No. 2013-04 beginning January 1, 2014, and such adoption did not have an impact on the Company's results of operations, financial condition or disclosures.

### Recently Issued Accounting Pronouncements

In April 2014, the FASB issued ASU No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity," which changes the requirements for reporting discontinued operations under Accounting Standards Codification Topic 205. Under ASU No. 2014-08, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity's operations and financial results. The standard states that a strategic shift could include a disposal of (i) a major geographical area of operations, (ii) a major line of business, (iii) a major equity method investment or (iv) other major parts of an entity. ASU No. 2014-08 no longer precludes presentation as a discontinued operation if (i) there are operations and cash flows of the component that have not been eliminated from the reporting entity's ongoing operations or (ii) there is significant continuing involvement with a component after its disposal. Additional disclosures about discontinued operations will also be required. The guidance is effective for annual periods beginning on or after December 15, 2014, and is to be applied prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. The Company expects to adopt ASU No. 2014-08 on a prospective basis beginning January 1, 2015.

## 2. BUSINESS COMBINATION

### *The Colomer Acquisition*

On October 9, 2013 (the "Acquisition Date"), Products Corporation completed its acquisition of The Colomer Group Participations, S.L. ("Colomer" and the "Colomer Acquisition"), a Spanish company which primarily manufactures, markets and sells professional products to hair and nail salons and other professional channels under brands such as **Revlon Professional**, **CND**, including **CND Shellac**, and **American Crew**, as well as retail and multi-cultural product lines. The cash purchase price for the Colomer Acquisition was \$664.5 million, which Products Corporation financed with proceeds from the Acquisition Term Loan under the Amended Term Loan Facility (both as hereinafter defined). The Colomer Acquisition provides the Company with broad brand, geographic and channel diversification and substantially expands the Company's business, providing both distribution into new channels and cost synergy opportunities.

The results of operations of the Colomer business are included in the Company's Consolidated Financial Statements commencing on the Acquisition Date.

For the three months ended March 31, 2014, the Company incurred \$3.8 million of acquisition and integration costs in the Consolidated Statements of Operations and Comprehensive Income (Loss), which consist of \$0.4 million of acquisition costs and \$3.4 million of integration costs related to the Colomer Acquisition. The acquisition costs primarily include legal and consulting fees related to the Colomer Acquisition. The integration costs consist of non-restructuring costs related to the Company's plans to integrate Colomer's operations into the Company's business, and, for 2014, primarily include employee-related costs related to management changes and audit-related fees.

### Purchase Price Allocation

The Company accounted for the Colomer Acquisition as a business combination during the fourth quarter of 2013. The table below summarizes the amounts recognized for assets acquired and liabilities assumed as of the Acquisition Date, as well as adjustments made in the period after the Acquisition Date to the amounts initially recorded in 2013 (the "Measurement Period Adjustments"). Accordingly, the Company retrospectively adjusted its balance sheet as of December 31, 2013 to reflect these Measurement Period Adjustments. The Measurement Period Adjustments did not have a material impact on the Company's Consolidated Statements of Operations and Comprehensive Income for the year ended December 31, 2013.

The total consideration of \$664.5 million was recorded based on the respective estimated fair values of the net assets acquired on the Acquisition Date with resulting goodwill, as follows:



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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

	Amounts Previously Recognized As of October 9, 2013 (Provisional) <sup>(a)</sup>	Measurement Period Adjustments	Amounts Recognized as of Acquisition Date (Adjusted)
Cash and cash equivalents	\$ 36.9	\$ —	\$ 36.9
Trade receivables	83.9	—	83.9
Inventories	75.1	—	75.1
Prepaid expenses and other	31.3	—	31.3
Property, plant and equipment	96.7	—	96.7
Intangible assets <sup>(b)</sup>	292.7	5.4	298.1
Goodwill <sup>(b)(c)</sup>	255.7	(2.4)	253.3
Deferred tax asset - non-current	53.1	—	53.1
Other assets <sup>(c)</sup>	1.9	3.9	5.8
Total assets acquired	927.3	6.9	934.2
Accounts payable	48.0	—	48.0
Accrued expenses and other	65.6	—	65.6
Long-term debt	0.9	—	0.9
Long-term pension and other benefit plan liabilities	4.5	—	4.5
Deferred tax liability <sup>(b)</sup>	123.3	2.1	125.4
Other long-term liabilities <sup>(c)</sup>	20.5	4.8	25.3
Total liabilities assumed	262.8	6.9	269.7
Total consideration	\$ 664.5	\$ —	\$ 664.5

<sup>(a)</sup> As previously reported in Revlon, Inc.'s 2013 Form 10-K.

<sup>(b)</sup> The Measurement Period Adjustments to intangible assets, deferred tax liability and goodwill during the three months ended March 31, 2014 relate to a change in assumptions used to calculate the fair value of an acquired customer relationship intangible asset, which increased the intangible asset by \$5.4 million and extended the life of the asset from 10 to 20 years, increased deferred tax liabilities by \$2.1 million, and resulted in a net decrease to goodwill of \$3.3 million.

<sup>(c)</sup> The Company also recorded a \$3.9 million income tax adjustment to the beginning tax balance within other assets and a \$4.8 million adjustment to other long-term liabilities, resulting in a net increase to goodwill of \$0.9 million.

The fair values of the net assets acquired in the Colomer Acquisition are based on management's preliminary estimate of the respective fair values. The estimated fair values of net assets and resulting goodwill are subject to the Company finalizing its analysis of the fair value of Colomer's assets and liabilities as of the Acquisition Date and may be adjusted upon completion of such analysis. In addition, information unknown at the time of the Colomer Acquisition could result in adjustments to the respective fair values and resulting goodwill within the year following the Colomer Acquisition.

In determining the fair values of net assets acquired and resulting goodwill, the Company considered, among other factors, the analyses of Colomer's historical financial performance and an estimate of the future performance of the acquired business, as well as market participants' intended use of the acquired assets.

The acquired intangible assets, based on the fair values of the identifiable intangible assets, are as follows:

	Fair Values at October 9, 2013	Weighted Average Remaining Useful Life (in years)
Trade names, indefinite-lived	\$ 108.6	Indefinite
Trade names, finite-lived	109.4	5 - 20
Customer relationships	62.4	15 - 20
License agreement	4.1	10
Internally-developed IP	13.6	10
Total acquired intangible assets	\$ 298.1	

REVLON, INC. AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Unaudited Pro Forma Results

The following table presents the Company's pro forma consolidated net sales and income from continuing operations, before income taxes for the three months ended March 31, 2013. The unaudited pro forma results include the historical consolidated statements of operations of the Company and Colomer, giving effect to the Colomer Acquisition and related financing transactions as if they had occurred on January 1, 2012.

	<b>Unaudited Pro Forma Results</b>	
	<b>Three Months Ended March 31, 2013</b>	
Net sales	\$	450.0
Loss from continuing operations, before income taxes		(4.0)

The pro forma results, prepared in accordance with U.S. GAAP, include the following pro forma adjustments related to the Colomer Acquisition:

(i) the pro forma increase in depreciation and amortization expense based on the fair value adjustments to property, plant and equipment and acquired finite-lived intangible assets recorded in connection with the Colomer Acquisition of \$4.6 million in the three months ended March 31, 2013; and

(ii) the pro forma increase in interest expense and amortization of debt issuance costs, resulting from the issuance of the Acquisition Term Loan used by Products Corporation to finance the Colomer Acquisition, for a total combined increase of \$6.1 million in the three months ended March 31, 2013.

The unaudited pro forma results do not include: (1) any revenue or cost reductions that may be achieved through the business combination; or (2) the impact of non-recurring items directly related to the business combination.

The unaudited pro forma results are not necessarily indicative of the operating results that would have occurred if the Colomer Acquisition had been completed as of the date for which the pro forma financial information is presented. In addition, the unaudited pro forma results do not purport to project the future consolidated operating results of the combined company.

### 3. RESTRUCTURING CHARGES

#### *Integration Program*

In January 2014, the Company announced that it was implementing actions to integrate Colomer's operations into the Company's business, as well as additional restructuring actions identified to reduce costs across the Company's businesses (all such actions, together, the "Integration Program").

The Company expects to recognize total restructuring charges, capital expenditures and related non-restructuring costs under the Integration Program of approximately \$45 million to \$50 million in the aggregate over the periods described below.

The Integration Program is designed to deliver cost reductions throughout the combined organization by generating synergies and operating efficiencies within the Company's global supply chain and consolidating offices and back office support, and other actions designed to reduce selling, general and administrative ("SG&A") expenses. Certain actions that are part of the Integration Program are subject to consultations with employees, works councils or unions and governmental authorities. The Company expects to substantially complete the Integration Program by the end of 2015.

The approximately \$45 million to \$50 million of total expected non-restructuring costs, capital expenditures and restructuring charges under the Integration Program referred to above consist of the following:

1. \$12.5 million and \$3.4 million of non-restructuring integration costs recognized in 2013 and for the three months ended March 31, 2014, respectively. Such costs have been reflected within acquisition and integration costs in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss) and are related to combining Colomer's operations into the Company's business.
2. Expected integration-related capital expenditures of approximately \$8 million, none of which has been incurred in the first quarter of 2014, of which approximately \$7 million is expected to be paid during the remainder of 2014 and the remaining balance in 2015.
3. \$13.6 million of restructuring and related charges recognized for the three months ended March 31, 2014. The Company expects total restructuring and related charges of approximately \$26 million, with approximately \$7 million expected to be recognized during the remainder of 2014 and any remaining charges to be recognized in 2015. A summary of the

**REVLON, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

restructuring and related charges incurred through March 31, 2014 and expected to be incurred for the Integration Program, are as follows:

	<b>Restructuring Charges and Other, Net</b>					<b>Total Restructuring and Related Charges</b>
	<b>Employee Severance and Other Personnel Benefits</b>	<b>Other</b>	<b>Total Restructuring Charges</b>	<b>Inventory Write-offs and Other Manufacturing-Related Costs</b>	<b>Other Charges (a)</b>	
Charges incurred for the three months ended March 31, 2014	\$ 13.4	\$ 0.1	\$ 13.5	\$ —	\$ 0.1	\$ 13.6
Total expected charges	\$ 18.0	\$ 3.5	\$ 21.5	\$ 3.0	\$ 1.5	\$ 26.0

(a) Other charges are recorded within SG&A expenses within the Company's Consolidated Statements of Operations and Comprehensive Income (Loss).

Of the \$13.6 million of restructuring and related charges recognized in the first quarter of 2014, \$5.9 million relates to the Consumer segment and \$7.7 million relates to the Professional segment.

The Company expects cash payments to total approximately \$26 million related to the restructuring and related charges in connection with the Integration Program, of which \$1.4 million was paid in the first quarter of 2014, approximately \$20 million is expected to be paid in the remainder of 2014 and the balance in 2015.

**December 2013 Program**

In December 2013, the Company announced restructuring actions that include exiting its business operations in China, as well as implementing other immaterial restructuring actions outside the U.S. that are expected to generate other operating efficiencies (the "December 2013 Program"). Certain of these restructuring actions are subject to consultations with employees, works councils or unions and governmental authorities and will result in the Company eliminating approximately 1,100 positions in 2014, primarily in China, which included eliminating in the first quarter of 2014 approximately 940 beauty advisors retained indirectly through a third-party agency. The charges incurred for the December 2013 Program relate entirely to the Consumer segment.

A summary of the restructuring and related charges incurred through March 31, 2014 and expected to be incurred for the December 2013 Program, are as follows:

	<b>Restructuring Charges and Other, Net</b>						<b>Total Restructuring and Related Charges</b>
	<b>Employee Severance and Other Personnel Benefits</b>	<b>Other</b>	<b>Total Restructuring Charges</b>	<b>Allowances and Returns</b>	<b>Inventory Write-offs</b>	<b>Other Charges</b>	
Charges incurred through December 31, 2013	\$ 9.1	\$ 0.5	\$ 9.6	\$ 7.4	\$ 4.0	\$ 0.4	\$ 21.4
Cumulative charges incurred through March 31, 2014	\$ 9.1	\$ 0.5	\$ 9.6	\$ 7.4	\$ 4.0	\$ 0.4	\$ 21.4
Total expected charges	\$ 9.6	\$ 0.5	\$ 10.1	\$ 7.4	\$ 4.0	\$ 0.5	\$ 22.0

The Company expects cash payments related to the December 2013 Program to total approximately \$20 million, of which \$0.1 million was paid in 2013, \$7.4 million was paid in the first quarter of 2014, and the balance is expected to be paid in the remainder of 2014.

**September 2012 Program**

In September 2012, the Company announced a restructuring (the "September 2012 Program"), which primarily involved the Company exiting its owned manufacturing facility in France and its leased manufacturing facility in Maryland; rightsizing its organizations in France and Italy; and realigning its operations in Latin America and Canada. The charges incurred related to the September 2012 Program relate entirely to the Consumer segment.

During the first quarter of 2013, the Company recorded charges related to the September 2012 Program of \$0.3 million. Of the \$0.3 million charge, \$0.2 million is recorded in restructuring charges and \$0.1 million is recorded in SG&A expenses. The Company has recognized cumulative charges of \$27.2 million through December 31, 2013 related to the September 2012 Program, all of which relate to the Company's Consumer segment. There were no charges related to such program in the first quarter of 2014.

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The Company expects net cash payments to total approximately \$25 million related to the September 2012 Program, of which \$21.1 million was paid cumulatively through December 31, 2013, \$2.2 million was paid in the three months ended March 31, 2014 and the balance is expected to be paid during the remainder of 2014.

**Restructuring Reserve**

The related liability balance and activity for the restructuring costs are presented below:

	Balance Beginning of Year	(Income) Expense, Net	Foreign Currency Translation	Utilized, Net		Balance End of Year
				Cash	Noncash	
<b>Integration Program:</b>						
Employee severance and other personnel benefits	\$ —	\$ 13.4	\$ —	\$ (1.3)	\$ —	\$ 12.1
Other	—	0.1	—	(0.1)	—	—
<b>December 2013 Program:</b>						
Employee severance and other personnel benefits	9.0	—	(0.2)	(6.3)	—	2.5
Other	0.5	—	—	(0.5)	—	—
<b>September 2012 Program:</b>						
Employee severance and other personnel benefits	2.7	—	—	(1.4)	—	1.3
Other	1.5	—	—	(0.8)	—	0.7
<b>Total restructuring reserve</b>	<b>\$ 13.7</b>	<b>\$ 13.5</b>	<b>\$ (0.2)</b>	<b>\$ (10.4)</b>	<b>\$ —</b>	<b>\$ 16.6</b>

As of March 31, 2014, \$16.2 million of the restructuring reserve balance was included within accrued expenses and other and \$0.4 million was included within other long-term liabilities in the Company's Consolidated Balance Sheet. As of December 31, 2013, the entire restructuring reserve balance was included within accrued expenses and other in the Company's Consolidated Balance Sheet.

**4. DISCONTINUED OPERATIONS**

On December 30, 2013, the Company announced that it was implementing restructuring actions that include exiting its business operations in China (refer to Note 3, "Restructuring Charges"). The Company expects to complete such exit by the end of 2014.

The results of the China discontinued operations are included within loss from discontinued operations, net of taxes, within the Consumer segment. The summary comparative financial results of discontinued operations are as follows:

	Three Months Ended March 31,	
	2014	2013
Net sales	\$ 0.4	\$ 6.0
Loss from discontinued operations, before taxes	(2.8)	(2.4)
Provision for income taxes	0.4	—
Loss from discontinued operations, net of taxes	(3.2)	(2.4)

Assets and liabilities of discontinued operations included in the Consolidated Balance Sheets consist of the following:

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	March 31, 2014	December 31, 2013
Cash and cash equivalents	\$ 17.4	\$ 0.9
Trade receivables, net	1.1	1.9
Inventories	—	—
Other current assets	0.1	—
Total current assets	18.6	2.8
Total assets	\$ 18.6	\$ 2.8
Accounts payable	\$ 7.5	\$ 4.7
Accrued expenses and other	16.0	27.6
Total current liabilities	23.5	32.3
Other long-term liabilities	—	2.8
Total liabilities	\$ 23.5	\$ 35.1

#### 5. PENSION AND POST-RETIREMENT BENEFITS

The components of net periodic benefit (income) costs for the Company's pension and the other post-retirement benefit plans for the first quarter of 2014 and 2013 are as follows:

	Pension Plans		Other Post-Retirement Benefit Plans	
	Three Months Ended March 31,			
	2014	2013	2014	2013
Net periodic benefit (income) costs:				
Service cost	\$ 0.2	\$ 0.2	\$ —	\$ —
Interest cost	7.5	6.9	0.2	0.1
Expected return on plan assets	(10.4)	(9.5)	—	—
Amortization of actuarial loss	1.2	2.1	—	0.1
	\$ (1.5)	\$ (0.3)	\$ 0.2	\$ 0.2

In the three months ended March 31, 2014, the Company recognized net periodic benefit income of \$(1.3) million, compared to \$(0.1) million in the three months ended March 31, 2013, primarily due to an increase in the fair value of pension plan assets at December 31, 2013, as well as lower amortization of actuarial losses. Net periodic benefit (income) costs are reflected in the Company's Unaudited Consolidated Financial Statements as follows:

	Three Months Ended March 31,	
	2014	2013
Net periodic benefit (income) costs:		
Cost of sales	\$ (0.7)	\$ (0.4)
Selling, general and administrative expense	(0.2)	0.6
Inventories	(0.4)	(0.3)
	\$ (1.3)	\$ (0.1)

The Company expects that it will have net periodic benefit income of approximately \$(5) million for its pension and other post-retirement benefit plans for all of 2014, compared with net periodic benefit income of \$(0.4) million in 2013.

During the first quarter of 2014, \$6.1 million and \$0.2 million were contributed to the Company's pension plans and other post-retirement benefit plans, respectively. The Company currently expects to contribute approximately \$20 million in the aggregate to its pension and other post-retirement benefit plans in 2014.

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Relevant aspects of the qualified defined benefit pension plans, nonqualified pension plans and other post-retirement benefit plans sponsored by Products Corporation are disclosed in Note 16, "Savings Plan, Pension and Post-Retirement Benefits," to the Consolidated Financial Statements in Revlon, Inc.'s 2013 Form 10-K.

## 6. SEGMENT DATA AND RELATED INFORMATION

Reportable operating segments include components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (the "Chief Executive Officer") in deciding how to allocate resources and in assessing performance. As a result of the similarities in the procurement, marketing and distribution processes for all of the Company's products, much of the information provided in the consolidated financial statements is similar to, or the same as, that reviewed on a regular basis by the Company's management.

At March 31, 2014, the Company's operations are organized into the following two operating segments, which also represent the Company's reportable segments:

- **Consumer** - The Consumer segment is comprised of the Company's consumer brands, which primarily include **Revlon**, **Almay**, **SinfulColors** and **Pure Ice** in cosmetics; **Revlon ColorSilk** in women's hair color; **Revlon** in beauty tools; and **Mitchum** in anti-perspirant deodorants. The Company's principal customers for its consumer products include the mass retail channel, consisting of large mass volume retailers and chain drug and food stores in the U.S. and internationally, as well as certain department stores and other specialty stores, such as perfumeries, outside the U.S. The Consumer segment also includes a skincare and hair color line sold in the mass retail channel, primarily in Spain, which were acquired as part of the Colomer Acquisition.
- **Professional** - The Professional segment is comprised primarily of the brands which the Company acquired in the Colomer Acquisition, which include **Revlon Professional** in hair color and hair care; **CND**-branded products in nail polishes and nail enhancements; and **American Crew** in men's grooming products, all of which are sold worldwide in the professional salon channel. The Professional segment also includes a multi-cultural line consisting of **Crème of Nature** hair care products sold in the mass retail channel and in professional salons, primarily in the U.S. The Company's principal customers for its professional products include hair and nail salons and distributors in the U.S. and internationally.

The Company's management evaluates segment profit, which is defined as income from continuing operations before interest, taxes, depreciation, amortization, gains/losses on foreign currency fluctuations, gains/losses on the early extinguishment of debt and miscellaneous expenses, for each of the Company's Consumer and Professional segments. Segment profit also excludes unallocated corporate expenses and the impact of certain items that are not directly attributable to the segments' underlying operating performance, which for the three months ended March 31, 2014 and 2013 include the impact of: (i) restructuring and related charges; (ii) acquisition and integration costs; (iii) costs of sales resulting from a fair value adjustment to inventory acquired in the Colomer Acquisition; and (iv) insurance proceeds received in 2013 related to the 2011 fire that destroyed the Company's facility in Venezuela. Such items are shown in the table reconciling segment profit to consolidated income before income taxes. Unallocated corporate expenses primarily relate to general and administrative expenses related to the corporate organization. These expenses are recorded in unallocated corporate expenses as these items are centrally directed and controlled and are not included in internal measures of segment operating performance. The Company does not have any material inter-segment sales.

The accounting policies for each of the reportable segments are the same as those described in Note 1, "Description of Business and Summary of Significant Accounting Policies" in Revlon, Inc.'s 2013 Form 10-K. The assets and liabilities of the Company are managed centrally and are reported internally in the same manner as the consolidated financial statements; thus, no additional information regarding assets and liabilities of the Company's operating segments is produced for the Company's management or included herein.

The following table is a comparative summary of the Company's net sales and segment profit by operating segment for the three months ended March 31, 2014 and 2013:

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	Three Months Ended March 31,	
	2014 <sup>(a)</sup>	2013
<b>Segment Net Sales:</b>		
Consumer	\$ 339.5	\$ 325.9
Professional	130.3	—
Total	<u>\$ 469.8</u>	<u>\$ 325.9</u>
<b>Segment Profit:</b>		
Consumer	\$ 71.5	\$ 76.3
Professional	31.9	—
Total	<u>\$ 103.4</u>	<u>\$ 76.3</u>
<b>Reconciliation:</b>		
Segment Profit	\$ 103.4	\$ 76.3
Less:		
Unallocated corporate expenses	15.6	17.6
Depreciation and amortization	25.0	17.0
Non-recurring items:		
Restructuring and related charges	13.6	0.3
Acquisition and integration costs	3.8	—
Inventory purchase accounting adjustment, cost of sales	2.6	—
Gain from insurance proceeds related to Venezuela fire	—	(8.3)
Operating Income	42.8	49.7
Less:		
Interest Expense	22.3	18.8
Interest Expense - Preferred Stock	—	1.6
Amortization of debt issuance costs	1.4	1.3
Loss on early extinguishment of debt	1.9	27.9
Foreign currency losses, net	1.4	3.3
Miscellaneous, net	0.1	0.1
Income (loss) from continuing operations before income taxes	<u>\$ 15.7</u>	<u>\$ (3.3)</u>

<sup>(a)</sup> The Consumer segment net sales and segment profit in the first quarter of 2014 include the results of retail brands acquired in the Colomer Acquisition, which had previously been reported in the Professional segment.

As of March 31, 2014, the Company had operations established in 24 countries outside of the U.S. and its products are sold throughout the world. Generally, net sales by geographic area are presented by attributing revenues from external customers on the basis of where the products are sold.

In the tables below, certain prior year amounts have been reclassified to conform to the current period's presentation.

	Three Months Ended March 31,			
	2014		2013	
<b>Geographic area:</b>				
Net sales:				
United States	\$ 250.2	53%	\$ 192.1	59%
Outside of the United States	219.6	47%	133.8	41%
	<u>\$ 469.8</u>		<u>\$ 325.9</u>	

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	March 31, 2014		December 31, 2013	
Long-lived assets, net:				
United States	\$	840.4   73%	\$	837.0   73%
Outside of the United States		308.3   27%		315.1   27%
	\$	<u>1,148.7</u>	\$	<u>1,152.1</u>

	Three Months Ended March 31,			
	2014		2013	
<b>Classes of similar products:</b>				
Net sales:				
Color cosmetics	\$	255.3   54%	\$	219.2   67%
Hair care		130.7   28%		41.6   13%
Beauty care and fragrance		83.8   18%		65.1   20%
	\$	<u>469.8</u>	\$	<u>325.9</u>

**7. INVENTORIES**

	March 31, 2014	December 31, 2013
Raw materials and supplies	\$ 51.0	\$ 50.8
Work-in-process	20.1	12.8
Finished goods	117.3	111.4
	<u>\$ 188.4</u>	<u>\$ 175.0</u>

**8. GOODWILL AND INTANGIBLE ASSETS, NET**

***Goodwill***

The following table presents the changes in goodwill by segment during the three months ended March 31, 2014:

	Consumer	Professional	Total
Balance at December 31, 2013 before Measurement Period Adjustments <sup>(a)</sup>	\$ 217.9	\$ 256.8	\$ 474.7
Measurement Period Adjustments	—	(2.4)	(2.4)
Balance at December 31, 2013 and March 31, 2014	<u>\$ 217.9</u>	<u>\$ 254.4</u>	<u>\$ 472.3</u>

<sup>(a)</sup> As previously reported in Revlon, Inc.'s 2013 Form 10-K.

During the three months ended March 31, 2014, the Company recorded Measurement Period Adjustments to certain net assets and intangible assets acquired in the Colomer Acquisition on October 9, 2013. See Note 2, "Business Combination" for further discussion of the Colomer Acquisition.

***Intangible Assets, Net***

The following tables present details of the Company's total intangible assets:



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	March 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Finite-lived intangible assets:</b>			
Trademarks and Licenses	\$ 142.5	\$ (14.3)	\$ 128.2
Customer relationships	111.5	(8.4)	103.1
Patents and Internally-Developed IP	15.8	(1.9)	13.9
Total finite-lived intangible assets	\$ 269.8	\$ (24.6)	\$ 245.2
<b>Indefinite-lived intangible assets:</b>			
Trade Names	\$ 109.9		\$ 109.9
Total indefinite-lived intangible assets	\$ 109.9		\$ 109.9
Total intangible assets	\$ 379.7	\$ (24.6)	\$ 355.1
	December 31, 2013 <sup>(a)</sup>		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Finite-lived intangible assets:</b>			
Trademarks and Licenses	\$ 142.1	\$ (11.0)	\$ 131.1
Customer relationships	111.5	(6.7)	104.8
Patents and Internally-Developed IP	15.8	(1.3)	14.5
Total finite-lived intangible assets	\$ 269.4	\$ (19.0)	\$ 250.4
<b>Indefinite-lived intangible assets:</b>			
Trade Names	\$ 109.7		\$ 109.7
Total indefinite-lived intangible assets	\$ 109.7		\$ 109.7
Total intangible assets	\$ 379.1	\$ (19.0)	\$ 360.1

<sup>(a)</sup> During the three months ended March 31, 2014, the Company recorded Measurement Period Adjustments to customer relationships acquired in the Colomer Acquisition on October 9, 2013. Accordingly, the prior period has been retrospectively adjusted for such Measurement Period Adjustments. Refer to Note 2, "Business Combination" for additional details.

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**9. ACCRUED EXPENSES AND OTHER**

	March 31, 2014	December 31, 2013
Sales returns and allowances	\$ 70.4	\$ 91.5
Compensation and related benefits	55.9	74.5
Advertising and promotional costs	50.3	42.9
Taxes	24.0	28.5
Interest	6.3	13.8
Restructuring reserve	16.2	13.7
Other	49.0	48.8
	<u>\$ 272.1</u>	<u>\$ 313.7</u>

**10. LONG-TERM DEBT**

	March 31, 2014	December 31, 2013
Amended Term Loan Facility: Acquisition Term Loan due 2019, net of discounts <sup>(a)</sup>	\$ 696.6	\$ 698.3
Amended Term Loan Facility: 2011 Term Loan due 2017, net of discounts <sup>(a)</sup>	670.8	670.1
Amended Revolving Credit Facility <sup>(b)</sup>	—	—
5¾% Senior Notes due 2021 <sup>(c)</sup>	500.0	500.0
Amended and Restated Senior Subordinated Term Loan due 2014 <sup>(d)</sup>	58.4	58.4
Spanish Government Loan due 2025 <sup>(e)</sup>	0.9	0.9
	<u>1,926.7</u>	<u>1,927.7</u>
Less current portion	(65.4)	(65.4)
	<u>\$ 1,861.3</u>	<u>\$ 1,862.3</u>

<sup>(a)</sup> In February 2014, Products Corporation entered into an amendment (the "February 2014 Term Loan Amendment") to the Company's amended term loan agreement, which is comprised of (i) the \$675.0 million term loan due November 19, 2017 (the "2011 Term Loan") and (ii) the \$700.0 million term loan due October 8, 2019 (the "Acquisition Term Loan"), which had \$698.2 million in aggregate principal balance outstanding as of March 31, 2014 (together, the "Amended Term Loan Agreement"). The February 2014 Term Loan Amendment reduced the interest rates applicable to the 2011 Term Loan. See "Recent Debt Transactions - February 2014 Term Loan Amendment" below for further discussion. Additionally, see Note 11, "Long-Term Debt and Redeemable Preferred Stock," to the Consolidated Financial Statements in Revlon, Inc.'s 2013 Form 10-K for additional details regarding Products Corporation's Amended Term Loan Agreement.

<sup>(b)</sup> See Note 11, "Long-Term Debt and Redeemable Preferred Stock," to the Consolidated Financial Statements in Revlon, Inc.'s 2013 Form 10-K for certain details regarding Products Corporation's existing \$175.0 million asset-based, multi-currency revolving credit facility (the "Amended Revolving Credit Facility").

<sup>(c)</sup> See Note 11, "Long-Term Debt and Redeemable Preferred Stock," to the Consolidated Financial Statements in Revlon, Inc.'s 2013 Form 10-K for certain details regarding Products Corporation's 5¾% Senior Notes that mature on February 15, 2021.

<sup>(d)</sup> See Note 11, "Long-Term Debt and Redeemable Preferred Stock," to the Consolidated Financial Statements in Revlon, Inc.'s 2013 Form 10-K for certain details regarding the \$58.4 million principal amount outstanding under the Amended and Restated Senior Subordinated Term Loan Agreement, which matures on October 8, 2014 (the "Non-Contributed Loan").

<sup>(e)</sup> See Note 11, "Long-Term Debt and Redeemable Preferred Stock," to the Consolidated Financial Statements in Revlon, Inc.'s 2013 Form 10-K for certain details regarding the euro-denominated loan payable to the Spanish government which matures on June 30, 2025.

## Recent Debt Transactions

### *February 2014 Term Loan Amendment*

In February 2014, Products Corporation entered into the February 2014 Term Loan Amendment to the Company's Amended Term Loan Agreement among Products Corporation, as borrower, a syndicate of lenders and Citicorp USA, Inc., as administrative and collateral agent.

Pursuant to the February 2014 Term Loan Amendment, the interest rates applicable to Eurodollar Loans under the \$675.0 million 2011 Term Loan bear interest at the Eurodollar Rate plus 2.5% per annum, with the Eurodollar Rate not to be less than 0.75% (compared to 3.0% and 1.0%, respectively, prior to the February 2014 Term Loan Amendment), while Alternate Base Rate Loans under the 2011 Term Loan bear interest at the Alternate Base Rate plus 1.5%, with the Alternate Base Rate not to be less than 1.75% (compared to 2.0% in each case prior to the February 2014 Term Loan Amendment) (and as each such term is defined in the Amended Term Loan Agreement). The 2011 Term Loan is subject to a 1% premium in connection with any repricing transaction occurring prior to the date that is 12 months after the closing of such amendment (or February 26, 2015).

Products Corporation's Acquisition Term Loan and Amended Revolving Credit Facility were not amended in connection with the February 2014 Term Loan Amendment.

For the three months ended March 31, 2014, the Company incurred approximately \$1.1 million of fees and expenses in connection with the February 2014 Term Loan Amendment, which were expensed as incurred, and wrote-off \$0.8 million of unamortized debt discount and deferred financing costs as a result of the February 2014 Term Loan Amendment. These amounts, totaling \$1.9 million, were recognized within loss on early extinguishment of debt in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2014.

## Covenants

Products Corporation was in compliance with all applicable covenants under the Amended Term Loan Agreement and the Amended Revolving Credit Facility as of March 31, 2014. At March 31, 2014, the aggregate principal amounts outstanding under the Acquisition Term Loan and the 2011 Term Loan were \$698.2 million and \$675.0 million, respectively, and availability under the \$175.0 million Amended Revolving Credit Facility, based upon the calculated borrowing base less \$9.5 million of outstanding undrawn letters of credit and nil then drawn on the Amended Revolving Credit Facility, was \$165.5 million.

Products Corporation was in compliance with all applicable covenants under its 5¾% Senior Notes Indenture as of March 31, 2014.

## 11. BASIC AND DILUTED EARNINGS (LOSS) PER COMMON SHARE

Shares used in basic earnings (loss) per share are computed using the weighted average number of common shares outstanding during each period. Shares used in diluted earnings (loss) per share include the dilutive effect of unvested restricted shares and outstanding stock options under the Company's stock plan using the treasury stock method. For the three months ended March 31, 2014 and 2013, all outstanding options to purchase shares of Revlon, Inc. Class A common stock, par value of \$0.01 per share (the "Class A Common Stock"), that could potentially dilute basic earnings per common share in the future were excluded from the calculation of diluted earnings per common share as their effect would be anti-dilutive, as in each case their exercise price was in excess of the average NYSE closing price of the Class A Common Stock for these periods.

For the three months ended March 31, 2014, there are 108,854 weighted average shares of unvested restricted stock that could potentially dilute basic earnings per common share in the future that were excluded from the calculation of diluted earnings per common share as their effect would be anti-dilutive. For the three months ended March 31, 2013, there were no shares of unvested restricted stock outstanding.

The components of basic and diluted earnings (loss) per common share for the three months ended March 31, 2014 and 2013 are as follows:

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	Three Months Ended March 31,	
	2014	2013
<b>Numerator:</b>		
Income (loss) from continuing operations	\$ 8.7	\$ (4.5)
Loss from discontinued operations	(3.2)	(2.4)
Net income (loss)	<u>\$ 5.5</u>	<u>\$ (6.9)</u>
<b>Denominator:</b>		
Weighted average common shares outstanding – Basic	52,356,798	52,356,798
Effect of dilutive restricted stock	11,146	—
Weighted average common shares outstanding – Diluted	<u>52,367,944</u>	<u>52,356,798</u>
<b>Basic earnings (loss) per common share:</b>		
Continuing operations	\$ 0.17	\$ (0.08)
Discontinued operations	(0.06)	(0.05)
Net income (loss)	<u>\$ 0.11</u>	<u>\$ (0.13)</u>
<b>Diluted earnings (loss) per common share:</b>		
Continuing operations	\$ 0.17	\$ (0.08)
Discontinued operations	(0.06)	(0.05)
Net income (loss)	<u>\$ 0.11</u>	<u>\$ (0.13)</u>

## 12. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss as of March 31, 2014 are as follows:

	Foreign Currency Translation	Actuarial (Loss) Gain on Post- retirement Benefits	Deferred Gain - Hedging	Accumulated Other Comprehensive Loss
Balance, January 1, 2014	\$ 19.2	\$ (170.5)	\$ 1.5	\$ (149.8)
Currency translation adjustment, net of tax benefit of \$0.5 million	1.6	—	—	1.6
Amortization of pension related costs, net of tax of nil <sup>(a)</sup>	—	1.2	—	1.2
Revaluation of derivative financial instrument, net of tax of \$0.6 million <sup>(b)</sup>	—	—	(1.0)	(1.0)
Other comprehensive income (loss)	1.6	1.2	(1.0)	1.8
Balance, March 31, 2014	<u>\$ 20.8</u>	<u>\$ (169.3)</u>	<u>\$ 0.5</u>	<u>\$ (148.0)</u>

<sup>(a)</sup> Amount represents the change in accumulated other comprehensive loss as a result of the amortization of unrecognized prior service costs and actuarial losses (gains) arising during each year related to the Company's pension and other post-retirement plans. See Note 5, "Pension and Post-retirement Benefits," for further discussion of the Company's pension and other post-retirement plans.

<sup>(b)</sup> For the three months ended March 31, 2014, the 2013 Interest Rate Swap (as hereinafter defined) was deemed effective and therefore the changes in fair value related to the 2013 Interest Rate Swap are recorded in other comprehensive income. See Note 14, "Financial Instruments," for further discussion of the 2013 Interest Rate Swap.

## 13. FAIR VALUE MEASUREMENTS

Assets and liabilities are required to be categorized into three levels of fair value based upon the assumptions used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3, if applicable, generally would require significant management judgment. The three levels for categorizing the fair value measurement of assets and liabilities are as follows:

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- Level 1: Fair valuing the asset or liability using observable inputs, such as quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair valuing the asset or liability using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and
- Level 3: Fair valuing the asset or liability using unobservable inputs that reflect the Company's own assumptions regarding the applicable asset or liability.

As of March 31, 2014, the fair values of the Company's financial assets and liabilities that are required to be measured at fair value are categorized in the table below:

	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Derivatives:				
FX Contracts <sup>(a)</sup>	\$ 0.6	\$ —	\$ 0.6	\$ —
2013 Interest Rate Swap <sup>(b)</sup>	0.9	—	0.9	—
<b>Total assets at fair value</b>	<b>\$ 1.5</b>	<b>\$ —</b>	<b>\$ 1.5</b>	<b>\$ —</b>
<b>Liabilities:</b>				
Derivatives:				
FX Contracts <sup>(a)</sup>	\$ 0.5	\$ —	\$ 0.5	\$ —
<b>Total liabilities at fair value</b>	<b>\$ 0.5</b>	<b>\$ —</b>	<b>\$ 0.5</b>	<b>\$ —</b>

As of December 31, 2013, the fair values of the Company's financial assets and liabilities that are required to be measured at fair value are categorized in the table below:

	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Derivatives:				
FX Contracts <sup>(a)</sup>	\$ 1.0	\$ —	\$ 1.0	\$ —
2013 Interest Rate Swap <sup>(b)</sup>	2.5	—	2.5	—
<b>Total assets at fair value</b>	<b>\$ 3.5</b>	<b>\$ —</b>	<b>\$ 3.5</b>	<b>\$ —</b>
<b>Liabilities:</b>				
Derivatives:				
FX Contracts <sup>(a)</sup>	\$ 0.2	\$ —	\$ 0.2	\$ —
<b>Total liabilities at fair value</b>	<b>\$ 0.2</b>	<b>\$ —</b>	<b>\$ 0.2</b>	<b>\$ —</b>

<sup>(a)</sup> The fair value of the Company's foreign currency forward exchange contracts ("FX Contracts") was measured based on observable market transactions of spot and forward rates on the respective dates. See Note 14, "Financial Instruments."

<sup>(b)</sup> The fair value of the Company's 2013 Interest Rate Swap was measured based on the implied forward rates from the U.S. Dollar three-month LIBOR yield curve on the respective dates. See Note 14, "Financial Instruments."

As of March 31, 2014, the fair values and carrying values of the Company's long-term debt, including the current portion of long-term debt, are categorized in the table below:

	Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
<b>Liabilities:</b>					
Long-term debt, including current portion	\$ —	\$ 1,933.8	\$ —	\$ 1,933.8	\$ 1,926.7

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As of December 31, 2013, the fair values and carrying values of the Company's long-term debt, including the current portion of long-term debt, are categorized in the table below:

	Fair Value			Total	Carrying Value
	Level 1	Level 2	Level 3		
<b>Liabilities:</b>					
Long-term debt, including current portion	\$ —	\$ 1,931.9	\$ —	\$ 1,931.9	\$ 1,927.7

The fair value of the Company's long-term debt, including the current portion of long-term debt, is based on the quoted market prices for the same issues or on the current rates offered for debt of similar remaining maturities.

The carrying amounts of cash and cash equivalents, trade receivables, notes receivable, accounts payable and short-term borrowings approximate their fair values.

#### 14. FINANCIAL INSTRUMENTS

Products Corporation maintains standby and trade letters of credit for various corporate purposes under which Products Corporation is obligated, of which \$9.5 million and \$9.9 million (including amounts available under credit agreements in effect at that time) were maintained at March 31, 2014 and December 31, 2013, respectively. Included in these amounts is approximately \$7.8 million and \$8.1 million at March 31, 2014 and December 31, 2013, respectively, in standby letters of credit which support Products Corporation's self-insurance programs. The estimated liability under such programs is accrued by Products Corporation.

##### *Derivative Financial Instruments*

The Company uses derivative financial instruments, primarily (i) FX Contracts, intended for the purpose of managing foreign currency exchange risk by reducing the effects of fluctuations in foreign currency exchange rates on the Company's net cash flows, and (ii) interest rate hedging transactions, such as the 2013 Interest Rate Swap, intended for the purpose of managing interest rate risk associated with Products Corporation's variable rate indebtedness.

##### *Foreign Currency Forward Exchange Contracts*

The FX Contracts are entered into primarily to hedge the anticipated net cash flows resulting from inventory purchases and intercompany payments denominated in currencies other than the local currencies of the Company's foreign and domestic operations and generally have maturities of less than one year.

The U.S. Dollar notional amount of the FX Contracts outstanding at March 31, 2014 and December 31, 2013 was \$34.0 million and \$52.9 million, respectively.

##### *Interest Rate Swap Transaction*

In November 2013, Products Corporation executed a forward-starting floating-to-fixed interest rate swap transaction with a 1.00% floor, based on a notional amount of \$400 million in respect of indebtedness under the Acquisition Term Loan over a period of three years (the "2013 Interest Rate Swap"). The Company designated the 2013 Interest Rate Swap as a cash flow hedge of the variability of the forecasted three-month LIBOR interest rate payments related to its Acquisition Term Loan with respect to the \$400 million notional amount over the three-year term of the 2013 Interest Rate Swap. Under the terms of the 2013 Interest Rate Swap, Products Corporation will receive from the counterparty a floating interest rate based on the higher of three-month USD LIBOR or 1.00% commencing in May 2015, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which effectively fixes the interest rate on such notional amount at 5.0709% over the three-year term of the 2013 Interest Rate Swap.) For the three months ended March 31, 2014, the 2013 Interest Rate Swap was deemed effective and therefore the changes in fair value related to the 2013 Interest Rate Swap have been recorded in Other Comprehensive Income.

##### *Credit Risk*

Exposure to credit risk in the event of nonperformance by any of the counterparties is limited to the gross fair value of the derivative instruments in asset positions, which totaled \$1.5 million and \$3.5 million as of March 31, 2014 and December 31, 2013, respectively. The Company attempts to minimize exposure to credit risk by generally entering into derivative contracts with counterparties that have investment-grade credit ratings and are major financial institutions. The Company also periodically monitors any changes in the credit ratings of its counterparties. Given the current credit standing of the Company's derivative instrument counterparties, the Company believes the risk of loss under these derivative instruments arising from any non-performance by any of the counterparties is remote.

**Quantitative Information – Derivative Financial Instruments**

The effects of the Company’s derivative instruments on its consolidated financial statements were as follows:

(a) Fair Values of Derivative Financial Instruments in Consolidated Balance Sheets:

	Fair Values of Derivative Instruments					
	Assets			Liabilities		
	Balance Sheet Classification	March 31, 2014 Fair Value	December 31, 2013 Fair Value	Balance Sheet Classification	March 31, 2014 Fair Value	December 31, 2013 Fair Value
<i>Derivatives designated as hedging instruments:</i>						
2013 Interest Rate Swap <sup>(i)</sup>	Other assets	\$ 0.9	\$ 2.5			
<i>Derivatives not designated as hedging instruments:</i>						
FX Contracts <sup>(ii)</sup>	Prepaid expenses and other	0.6	1.0	Accrued Expenses	\$ 0.5	\$ 0.2

<sup>(i)</sup> The fair values of the 2013 Interest Rate Swap at March 31, 2014 and December 31, 2013 were measured based on the implied forward rates from the U.S. Dollar three-month LIBOR yield curve at March 31, 2014 and December 31, 2013, respectively.

<sup>(ii)</sup> The fair values of the FX Contracts at March 31, 2014 and December 31, 2013 were measured based on observable market transactions of spot and forward rates at March 31, 2014 and December 31, 2013, respectively.

(b) Effects of Derivative Financial Instruments on the Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2014 and 2013:

	Income Statement Classification	Amount of Gain (Loss) Recognized in Other Comprehensive Income	
		Three Months Ended March 31,	
		2014	2013
<i>Derivatives designated as hedging instruments:</i>			
2013 Interest Rate Swap		\$ (1.6)	\$ —
<b>Amount of Gain (Loss) Recognized in Net Income (Loss)</b>			
<b>Three Months Ended March 31,</b>			
<b>Income Statement Classification</b>			
<b>2014</b>			
<b>2013</b>			
<i>Derivatives not designated as hedging instruments:</i>			
FX Contracts	Foreign currency losses, net	\$ (0.1)	\$ 0.5

**15. INCOME TAXES**

The provision for income taxes represents federal, foreign, state and local income taxes. The effective tax rate differs from the applicable federal statutory rate due to the effect of state and local income taxes, tax rates and income in foreign jurisdictions, utilization of tax loss carryforwards, foreign earnings taxable in the U.S., non-deductible expenses and other items. The Company’s tax provision changes quarterly based on various factors including, but not limited to, the geographical mix of earnings, enacted tax legislation, foreign, state and local income taxes, tax audit settlements and the interaction of various global tax strategies. In addition, changes in judgment from the evaluation of new information resulting in the recognition, derecognition and/or re-measurement of a tax position taken in a prior period are recognized in the quarter in which any such change occurs.

For the first quarter of 2014 and 2013, the Company recorded a provision for income taxes of \$7.0 million and \$1.2 million, respectively. The \$5.8 million increase in the provision for income taxes was primarily attributable to the loss on early extinguishment of debt recognized in the first quarter of 2013 that favorably impacted the provision for income taxes in the first quarter of 2013, partially offset by certain discrete items that favorably impacted the provision for income taxes in the first quarter of 2014, including the favorable resolution of tax matters in foreign jurisdictions in the first quarter of 2014.

The Company's effective tax rate for the three months ended March 31, 2014 was higher than the federal statutory rate of 35% due principally to foreign dividends and earnings taxable in the U.S., partially offset by foreign and U.S. tax effects attributable to operations outside the U.S.

The Company remains subject to examination of its income tax returns in various jurisdictions including, without limitation, Australia and Spain, for tax years ended December 31, 2009 through December 31, 2012 and the U.S. (federal) and South Africa for tax years ended December 31, 2010 through December 31, 2012.

## 16. CONTINGENCIES

The Company is involved in various routine legal proceedings incidental to the ordinary course of its business. The Company believes that the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, financial condition and/or its results of operations. However, in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period.

## 17. RELATED PARTY TRANSACTIONS

### Reimbursement Agreements

As previously disclosed in Revlon, Inc.'s 2013 Form 10-K, Revlon, Inc., Products Corporation and MacAndrews & Forbes Inc. (a wholly-owned subsidiary of MacAndrews & Forbes Holdings) have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which (i) MacAndrews & Forbes Inc. is obligated to provide (directly or through its affiliates) certain professional and administrative services, including, without limitation, employees, to Revlon, Inc. and its subsidiaries, including, without limitation, Products Corporation, and to purchase services from third party providers, such as insurance, legal, accounting and air transportation services, on behalf of Revlon, Inc. and its subsidiaries, including Products Corporation, to the extent requested by Products Corporation, and (ii) Products Corporation is obligated to provide certain professional and administrative services, including, without limitation, employees, to MacAndrews & Forbes and to purchase services from third party providers, such as insurance, legal and accounting services, on behalf of MacAndrews & Forbes to the extent requested by MacAndrews & Forbes, provided that in each case the performance of such services does not cause an unreasonable burden to MacAndrews & Forbes or Products Corporation, as the case may be.

The Company reimburses MacAndrews & Forbes for the allocable costs of the services purchased for or provided by MacAndrews & Forbes to the Company and its subsidiaries and for the reasonable out-of-pocket expenses incurred by MacAndrews & Forbes in connection with the provision of such services. MacAndrews & Forbes reimburses Products Corporation for the allocable costs of the services purchased for or provided by Products Corporation to MacAndrews & Forbes and for the reasonable out-of-pocket expenses incurred in connection with the purchase or provision of such services. Each of the Company, on the one hand, and MacAndrews & Forbes Inc., on the other, has agreed to indemnify the other party for losses arising out of the services provided by it under the Reimbursement Agreements, other than losses resulting from its willful misconduct or gross negligence.

The Reimbursement Agreements may be terminated by either party on 90 days' notice. The Company does not intend to request services under the Reimbursement Agreements unless their costs would be at least as favorable to the Company as could be obtained from unaffiliated third parties.

The Company participates in MacAndrews & Forbes' directors and officers liability insurance program (the "D&O Insurance Program"), as well as its other insurance coverages, such as property damage, business interruption, liability and other coverages, which cover the Company, as well as MacAndrews & Forbes and its subsidiaries. The limits of coverage for certain of the policies are available on an aggregate basis for losses to any or all of the participating companies and their respective directors and officers. The Company reimburses MacAndrews & Forbes from time to time for its allocable portion of the premiums for such coverage or the Company pays the insurers directly, which premiums the Company believes are more favorable than the premiums the Company would pay were it to secure stand-alone coverage. Any amounts paid by the Company directly to MacAndrews & Forbes in respect of premiums are included in the amounts paid under the Reimbursement Agreements.



The net activity related to services provided and/or purchased under the Reimbursement Agreements during the three months ended March 31, 2014 and 2013 was \$3.8 million and \$6.1 million, respectively, which primarily includes the partial payments made by the Company to MacAndrews & Forbes during the first quarter of 2014 and 2013 for premiums related to the Company's allocable portion of the 5-year renewal of the D&O Insurance Program for the period from January 31, 2012 through January 31, 2017. As of March 31, 2014 and December 31, 2013, a payable balance of \$0.1 million and nil, respectively, from MacAndrews & Forbes was included in the Company's Consolidated Balance Sheets for transactions subject to the Reimbursement Agreements.

#### **18. SUBSEQUENT EVENT**

On April 30, 2014, Products Corporation delivered notice to the administrative agent for the Amended and Restated Senior Subordinated Term Loan Agreement, indicating that on May 1, 2014 Products Corporation will use available cash on hand to optionally prepay in full the remaining \$58.4 million principal amount outstanding under the Non-Contributed Loan that is owing from Products Corporation to various third parties. The Non-Contributed Loan would have otherwise matured on October 8, 2014.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

#### *Overview of the Business*

The Company (as defined below) is providing this overview in accordance with the SEC's December 2003 interpretive guidance regarding Management's Discussion and Analysis of Financial Condition and Results of Operations.

Revlon, Inc. (and together with its subsidiaries, the "Company") conducts its business exclusively through its direct wholly-owned operating subsidiary, Revlon Consumer Products Corporation ("Products Corporation"), and its subsidiaries. Revlon, Inc. is a direct and indirect majority-owned subsidiary of MacAndrews & Forbes Holdings Inc. ("MacAndrews & Forbes Holdings" and together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation wholly-owned by Ronald O. Perelman.

The Company currently operates in two segments, the consumer division ("Consumer") and the professional division ("Professional"), and manufactures, markets and sells worldwide an extensive array of beauty and personal care products, including cosmetics, hair color, hair care and hair treatments, beauty tools, men's grooming products, anti-perspirant deodorants, fragrances, skincare and other beauty care products. The Company believes that its global brand name recognition, product quality, R&D, new product innovation and marketing experience have enabled it to create leading global consumer and professional brands.

On October 9, 2013 (the "Acquisition Date"), Products Corporation completed its acquisition of The Colomer Group Participations, S.L. ("Colomer" and the "Colomer Acquisition"). The results of operations of the Colomer business are included in the Company's Consolidated Financial Statements commencing on the Acquisition Date.

#### *The Company's Business Strategy*

The Company's vision is to establish Revlon as the quintessential and most innovative beauty company in the world by offering products that make consumers feel attractive and beautiful. We want to inspire our consumers to express themselves boldly and confidently.

The Company's strategic goal is to optimize the market and financial performance of its portfolio of brands and assets. The business strategies employed by the Company to achieve this goal are:

1. **Manage financial drivers for value creation.** We are focused on gross profit margin expansion, which includes optimizing price, as well as allocating sales allowances to maximize our return on trade spending. We also continue to focus on reducing costs across our global supply chain. In addition, we are focused on eliminating non-value added general and administrative costs in order to fund reinvestment to facilitate growth.
2. **Grow our global brands through exceptional innovation and effective brand support.** We are focused on creating fewer, bigger and better innovations across our brands that are relevant, unique, impactful and distinctive. We want to continue to build strong brands by focusing on high-quality, consumer-preferred offerings; effective consumer communication; increased levels of effective advertising and promotion; and superb execution and collaboration with our customers.
3. **Pursue growth opportunities.** We are focused on pursuing organic growth opportunities within our existing brand portfolio and existing channels, as well as seeking acquisition opportunities that complement our portfolio. We are also focused on exploring opportunities to expand our geographical presence in key markets, as appropriate.
4. **Improve cash flow.** We are focused on improving our cash flows through, among other things, continued effective management of our working capital and by focusing on appropriate return on capital spending.

#### *Discontinued Operations Presentation*

As a result of the Company's decision on December 30, 2013 to exit its business operations in China, the Company is reporting the results of its China operations within loss from discontinued operations, net of taxes, in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss). Accordingly, prior year amounts have been restated to conform to this presentation. Unless otherwise stated, financial results discussed within "Overview" and "Results of Operations" refer to continuing operations. See Note 4, "Discontinued Operations," to the Unaudited Consolidated Financial Statements in this Form 10-Q for further discussion.

#### *Overview of Net Sales and Earnings Results*

Consolidated net sales in the first quarter of 2014 were \$469.8 million, an increase of \$143.9 million, or 44.2%, compared to \$325.9 million in the first quarter of 2013. Excluding the unfavorable impact of foreign currency fluctuations of \$10.0 million,

consolidated net sales increased \$153.9 million, or 47.2%, in the first quarter of 2014, primarily driven by the inclusion of \$145.8 million of net sales as a result of the Colomer Acquisition in October 2013, of which \$130.3 million was included within the Professional segment and \$15.5 million was included within the Consumer segment.

Consolidated income from continuing operations, net of taxes, in the first quarter of 2014 was \$8.7 million, compared to a loss from continuing operations, net of taxes of \$4.5 million in the first quarter of 2013, which was primarily due to:

- \$94.8 million of higher gross profit due to a \$143.9 million increase in consolidated net sales, partially offset by a \$49.1 million increase in cost of sales; and
- a \$27.9 million aggregate loss on early extinguishment of debt recognized in the first quarter of 2013 primarily due to the 2013 Senior Notes Refinancing (as hereinafter defined), compared to an aggregate loss on early extinguishment of debt of \$1.9 million in the first quarter of 2014 as a result of the February 2014 Term Loan Amendment (as hereinafter defined);

with the foregoing partially offset by:

- \$84.6 million of higher selling general and administrative ("SG&A") expenses primarily driven by the inclusion of the SG&A expenses as a result of the Colomer Acquisition; and
- \$13.3 million of higher restructuring charges related to continuing operations incurred in the first quarter of 2014, as a result of the Integration Program.

These items are discussed in more detail within "Results of Operations" below.

### **Recent Events**

#### Integration Program

In January 2014, the Company announced that it was implementing actions to integrate Colomer's operations into the Company's business, as well as additional restructuring actions identified to reduce costs across the Company's businesses (all such actions, together, the "Integration Program").

The Company expects to recognize total restructuring charges, capital expenditures and related non-restructuring costs under the Integration Program of approximately \$45 million to \$50 million in the aggregate over the periods described below, and to achieve annualized cost reductions of approximately \$30 million to \$35 million by the end of 2015. Approximately \$10 million to \$15 million of these cost reductions are expected to benefit 2014 results.

The Integration Program is designed to deliver cost reductions throughout the combined organization by generating synergies and operating efficiencies within the Company's global supply chain and consolidating offices and back office support, and other actions designed to reduce selling, general and administrative expenses. Certain actions that are part of the Integration Program are subject to consultations with employees, works councils or unions and governmental authorities. The Company expects to substantially complete the Integration Program by the end of 2015.

The approximately \$45 million to \$50 million of total restructuring charges, related non-restructuring costs and capital expenditures under the Integration Program referred to above consist of the following:

- Restructuring and related costs: During the first quarter of 2014, the Company recorded charges totaling \$13.6 million related to restructuring and related actions under the Integration Program, of which \$13.5 million is recorded in restructuring charges and other, net and \$0.1 million is recorded in SG&A expenses. The Company expects total restructuring and related charges of approximately \$26 million, with approximately \$7 million expected to be recognized for the remainder of 2014 and any remaining charges to be recognized in 2015. The Company expects cash payments related to the restructuring and related charges in connection with the Integration Program to total approximately \$26 million, of which \$1.4 million was paid in the first quarter of 2014, with \$20 million expected to be paid in the remainder of 2014 and with the remaining balance expected to be paid in 2015.
- Non-restructuring integration costs: \$12.5 million and \$3.4 million of non-restructuring integration costs recognized in 2013 and for the three months ended March 31, 2014, respectively. Such costs have been reflected within acquisition and integration costs in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss) related to combining Colomer's operations into the Company's business.
- Capital Expenditures: Expected integration-related capital expenditures of approximately \$8 million, none of which has been incurred in the first quarter of 2014. The Company expects approximately \$7 million to be paid during the remainder of 2014, with the remaining balance to be paid in 2015.

For further discussion of the Colomer Acquisition and the Integration Program, see Note 2, "Business Combination" and Note 3, "Restructuring Charges - Integration Program" to the Unaudited Consolidated Financial Statements in this Form 10-Q.

#### 2014 Debt Transactions

In February 2014, Products Corporation entered into an amendment (the "February 2014 Term Loan Amendment") to the Company's amended term loan agreement, which is comprised of (i) the \$675.0 million term loan due November 19, 2017 (the "2011 Term Loan") and (ii) the \$700.0 million term loan due October 8, 2019 (the "Acquisition Term Loan"), which has \$698.2 million in aggregate principal balance outstanding as of March 31, 2014 (together, the "Amended Term Loan Agreement"). The February 2014 Term Loan Amendment reduced the interest rates applicable to Eurodollar Loans under the 2011 Term Loan to the Eurodollar Rate plus 2.5% per annum, with the Eurodollar Rate not to be less than 0.75%, and interest rates applicable to Alternate Base Rate Loans under the 2011 Term Loan to the Alternate Base Rate plus 1.5%, with the Alternate Base Rate not to be less than 1.75%. See "Financial Condition, Liquidity and Capital Resources – Long-Term Debt Instruments" for further discussion.

#### **Operating Segments**

Commencing on the Colomer Acquisition Date, the Company began operating in two segments, the Consumer segment and the Professional segment:

- The Consumer segment is comprised of the Company's consumer brands, which primarily include **Revlon**, **Almay**, **SinfulColors** and **Pure Ice** in color cosmetics; **Revlon ColorSilk** in women's hair color; **Revlon** in beauty tools; and **Mitchum** in anti-perspirant deodorants. The Company's principal customers for its consumer products include the mass retail channel in the U.S. and internationally, consisting of large mass volume retailers and chain drug and food stores in the U.S., as well as certain department stores and other specialty stores, such as perfumeries, outside the U.S. The Consumer segment also includes a skincare line and a hair color line sold in the mass retail channel, primarily in Spain, which was acquired as part of the Colomer Acquisition.
- The Professional segment is comprised primarily of the brands which the Company acquired in the Colomer Acquisition, which include **Revlon Professional** in hair color and hair care; **CND**-branded products in nail polishes and nail enhancements; and **American Crew** in men's grooming products, all of which are sold worldwide in the professional salon channel. The Professional segment also includes a multi-cultural hair care line sold in the mass retail channel and in professional salons, primarily in the U.S. The Company's principal customers for its professional products include hair and nail salons and distributors in the U.S. and internationally.

#### **Results of Operations**

In the tables, all amounts are in millions and numbers in parentheses ( ) denote unfavorable variances.

##### **Consolidated Net Sales:**

Consolidated net sales in the first quarter of 2014 were \$469.8 million, an increase of \$143.9 million, or 44.2%, compared to \$325.9 million in the first quarter of 2013. Excluding the unfavorable impact of foreign currency fluctuations of \$10.0 million, consolidated net sales increased \$153.9 million, or 47.2%, in the first quarter of 2014, primarily driven by the inclusion of the net sales as a result of the Colomer Acquisition, commencing on the Acquisition Date. See "Segment Results" below for further discussion.

##### **Segment Results:**

The Company's management evaluates segment profit, which is defined as income from continuing operations before interest, taxes, depreciation, amortization, gains/losses on foreign currency fluctuations, gains/losses on the early extinguishment of debt and miscellaneous expenses, for each of the Company's Consumer and Professional segments. Segment profit also excludes unallocated corporate expenses and the impact of certain items that are not directly attributable to the segments' underlying operating performance, which for the three months ended March 31, 2014 and 2013 includes the impact of: (i) restructuring and related charges; (ii) acquisition and integration costs; (iii) costs of sales resulting from a fair value adjustment to inventory acquired in the Colomer Acquisition; and (iv) insurance proceeds received in 2013 related to the 2011 fire that destroyed the Company's facility in Venezuela. Unallocated corporate expenses primarily relate to general and administrative expenses related to the corporate organization. These expenses are recorded in unallocated corporate expenses as these items are centrally directed and controlled and are not included in internal measures of segment operating performance. The Company does not have any material inter-segment sales. For a reconciliation of segment profit to income from continuing operations before income taxes, see Note 6, "Segment Data and Related Information" to the Unaudited Consolidated Financial Statements in this Form 10-Q.

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The following table is a comparative summary of the Company's segment results for the three months ended March 31, 2014 and 2013:

	Net Sales						Segment Profit			
	Three Months Ended March 31,		Change		XFX Change <sup>(a)</sup>		Three Months Ended March 31,		Change	
	2014	2013	\$	%	\$	%	2014	2013	\$	%
Consumer	\$ 339.5	\$ 325.9	\$ 13.6	4.2%	\$ 23.6	7.2%	\$ 71.5	\$ 76.3	\$ (4.8)	(6.3)%
Professional	130.3	—	130.3	—	130.3	—	31.9	—	31.9	—
Total Net Sales	\$ 469.8	\$ 325.9	\$ 143.9	44.2%	\$ 153.9	47.2%	\$ 103.4	\$ 76.3	\$ 27.1	35.5%

<sup>(a)</sup> XFX excludes the impact of foreign currency fluctuations.

**Consumer Segment**

Consumer segment net sales in the first quarter of 2014 were \$339.5 million, an increase of \$13.6 million, or 4.2%, compared to \$325.9 million in the first quarter of 2013. Excluding the unfavorable impact of foreign currency fluctuations of \$10.0 million, total Consumer net sales increased \$23.6 million, or 7.2%, in the first quarter of 2014, compared to the first quarter of 2013, primarily driven by (i) the inclusion of \$15.5 million of net sales from consumer brands acquired in the Colomer Acquisition, which effective with the first quarter of 2014 are reported within the Consumer segment; (ii) a \$6.3 million favorable returns adjustment in the U.S. during the first quarter of 2014, as a result of lower expected discontinued products related to the Company's strategy to focus on fewer, bigger and better innovations; and (iii) higher net sales of **Revlon ColorSilk** hair color; partially offset by lower net sales of **SinfulColors** color cosmetics.

Consumer segment profit in the first quarter of 2014 was \$71.5 million, a decrease of \$4.8 million, or 6.3%, compared to \$76.3 million in the first quarter of 2013, primarily due to \$8.4 million of higher advertising expense to support the Company's Consumer brands and unfavorable foreign currency fluctuations of approximately \$2 million, partially offset by higher gross profit, primarily due to the returns adjustment discussed above, net of related inventory write-off charges. See "Gross Profit" below for further discussion.

**Professional Segment**

The Company's Professional segment is comprised primarily of the operations acquired by the Company in the Colomer Acquisition in October 2013 (with the exception of the retail brands acquired in the Colomer Acquisition, which the Company has included within the Consumer segment beginning with the first quarter of 2014, as noted above). As there are no comparable prior years' net sales and segment profit for the Professional segment, an analysis of net sales and segment profit for the Professional segment in the first quarter of 2014, compared to the first quarter of 2013, is not included in this Form 10-Q. Professional net sales were \$130.3 million for the first quarter of 2014, consisting primarily of the net sales of **CND** products worldwide, including **CND Shellac**; **American Crew** products; **Revlon Professional** products, primarily in Europe; and other professional brands world-wide.

Professional segment profit in the first quarter of 2014 was \$31.9 million and is comprised primarily of the operating results of the operations acquired in the Colomer Acquisition.

**Geographic Results:**

In connection with changes that the organization made to its management reporting structure following the Colomer Acquisition, beginning with the first quarter of 2014, the Company has combined its former Latin America and Canada; Asia Pacific; and Europe, Middle East and Africa operating regions into the International region for reporting purposes. The Company has modified its net sales discussion to conform to how management reviews the business, and, accordingly, prior year amounts have been restated to conform to this presentation.

The following table is a comparative summary of the Company's net sales by region for the three months ended March 31, 2014 and 2013:

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	Three Months Ended March 31,		Change		XFX Change <sup>(a)</sup>	
	2014	2013	\$	%	\$	%
United States	\$ 250.2	\$ 192.1	\$ 58.1	30.2%	\$ 58.1	30.2%
International	219.6	133.8	85.8	64.1%	95.8	71.6%
<b>Total Net Sales</b>	<b>\$ 469.8</b>	<b>\$ 325.9</b>	<b>\$ 143.9</b>	<b>44.2%</b>	<b>\$ 153.9</b>	<b>47.2%</b>

<sup>(a)</sup> XFX excludes the impact of foreign currency fluctuations.

**United States**

In the U.S., net sales in the first quarter of 2014 increased 30.2% to \$250.2 million, as compared to \$192.1 million in the first quarter of 2013, primarily due to the inclusion of \$50.9 million of net sales as a result of the Colomer Acquisition. Net sales in the U.S. were also impacted by a \$6.3 million favorable returns adjustments during the first quarter 2014 as a result of lower expected discontinued products related to the Company's strategy to focus on fewer, bigger and better innovations, as well as higher net sales of **Revlon ColorSilk** hair color, partially offset by lower net sales of **SinfulColors** color cosmetics.

**International**

International net sales in the first quarter of 2014 increased 64.1% to \$219.6 million, as compared to \$133.8 million in the first quarter of 2013. Excluding the \$10.0 million unfavorable impact of foreign currency fluctuations, International net sales increased \$95.8 million, or 71.6%, primarily due to the inclusion of \$94.9 million of net sales as a result of the Colomer Acquisition. Additionally, net sales were impacted by higher net sales of **Revlon** color cosmetics in Japan.

**Gross profit:**

	Three Months Ended March 31,		Change
	2014	2013	2014 vs 2013
Gross profit	\$ 306.3	\$ 211.5	\$ 94.8
<i>Percentage of net sales</i>	65.2%	64.9%	0.3%

Gross profit increased \$94.8 million in the first quarter of 2014, compared to the first quarter of 2013. As a percentage of net sales, gross profit increased 0.3 percentage points in the first quarter of 2014, compared to the first quarter of 2013. The drivers of gross profit in the first quarter of 2014, compared to the first quarter of 2013, primarily included:

- the inclusion of gross profit from the October 2013 Colomer Acquisition, which increased gross profit by \$98.5 million and increased gross profit as a percentage of net sales by 0.8 percentage points;
- the favorable impact of a first quarter 2014 returns accrual adjustment, net of related inventory write-off charges, due to lower expected discontinued products related to the Company's strategy to focus on fewer, bigger and better innovations, which increased gross profit by \$4.0 million, with a de minimis impact to gross profit as a percentage of net sales;
- favorable product and country sales mix within the Consumer segment, which increased gross profit by \$2.9 million and increased gross profit as a percentage of net sales by 0.9 percentage points; and
- lower manufacturing and freight costs, as a result of supply chain cost reduction initiatives and restructuring cost reductions, which increased gross profit by \$1.6 million and increased gross profit as a percentage of net sales by 0.5 percentage points;

with the foregoing partially offset by:

- unfavorable foreign currency fluctuations, which reduced gross profit by \$7.1 million and reduced gross profit as a percentage of net sales by 0.2 percentage points;
- higher inventory obsolescence expense, which reduced gross profit by \$2.4 million and reduced gross profit as a percentage of net sales by 0.7 percentage points; and

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- additional inventory costs as a result of the recognition of an increase in the fair value of inventory acquired in the Colomer Acquisition, which reduced gross profit by \$2.6 million and reduced gross profit as a percentage of net sales by 0.6 percentage points.

**SG&A expenses:**

	Three Months Ended March 31,		Change
	2014	2013	2014 vs 2013
SG&A expenses	\$ 246.2	\$ 161.6	\$ (84.6)

SG&A expenses increased \$84.6 million in the first quarter of 2014, as compared to the first quarter of 2013, primarily driven by:

- the inclusion of SG&A expenses as a result of the Colomer Acquisition, commencing on the Acquisition Date, which contributed \$73.5 million to the increase in SG&A expenses;
- \$8.4 million of higher advertising expenses to support the Company's brands within the Consumer segment; and
- an \$8.3 million gain from insurance proceeds in the first quarter of 2013 due to the settlement of the Company's claim for the loss of inventory from the fire that destroyed the Company's facility in Venezuela that did not recur in the first quarter of 2014;

with the foregoing partially offset by:

- \$4.4 million of favorable impact of foreign currency fluctuations.

**Acquisition and Integration Costs:**

	Three Months Ended March 31,		Change
	2014	2013	2014 vs 2013
Acquisition and integration costs	\$ 3.8	\$ —	\$ (3.8)

The \$3.8 million in acquisition and integration costs for the first quarter of 2014 consist of \$0.4 million of acquisition costs and \$3.4 million of integration costs related to the Colomer Acquisition. The acquisition costs primarily include legal fees directly attributable to the Colomer Acquisition. The integration costs consist of non-restructuring costs related to the Company's integration of Colomer's operations into the Company's business, primarily including employee-related costs related to management changes and audit-related fees.

**Restructuring charges and other, net:**

	Three Months Ended March 31,		Change
	2014	2013	2014 vs 2013
Restructuring charges and other, net	\$ 13.5	\$ 0.2	\$ (13.3)

*Integration Program*

During the first quarter of 2014, the Company recorded charges totaling \$13.6 million related to restructuring and related actions under the Integration Program, of which \$13.5 million was recorded in restructuring charges and other, net and \$0.1 million is recorded in SG&A expenses. (For additional details on the Integration Program, please see "Overview - Recent Events - Integration Program.")

*December 2013 Program*

The Company has recognized cumulative charges of \$21.4 million through December 31, 2013, with no additional charges incurred in the first quarter of 2014, related to restructuring actions that include exiting its business operations in China, as well as implementing other immaterial restructuring actions outside the U.S. that are expected to generate other operating efficiencies (the "December 2013 Program"). The Company expects to recognize approximately \$1 million of additional charges during the remainder of 2014 for a total of approximately \$22 million in cumulative charges related to the December 2013 Program.

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The Company expects cash payments to total approximately \$20 million related to the December 2013 Program, of which \$0.1 million was paid in 2013, \$7.4 million was paid in the first quarter of 2014, with the balance expected to be paid during the remainder of 2014.

The Company expects approximately \$8 million of cost reductions to benefit 2014 from the December 2013 Program and annualized cost reductions thereafter are expected to be approximately \$11 million.

*September 2012 Program*

In September 2012, the Company announced a restructuring (the "September 2012 Program"), which primarily involved the Company exiting its owned manufacturing facility in France and its leased manufacturing facility in Maryland; rightsizing its organizations in France and Italy; and realigning its operations in Latin America and Canada.

During the first quarter of 2013, the Company recorded charges related to the September 2012 Program of \$0.3 million. Of the \$0.3 million charge, \$0.2 million is recorded in restructuring charges and \$0.1 million is recorded in SG&A expenses. The Company has recognized cumulative charges of \$27.2 million through December 31, 2013, with no additional charges related to the September 2012 Program incurred in the first quarter of 2014.

The Company expects net cash payments to total approximately \$25 million related to the September 2012 Program, of which \$21.1 million was paid cumulatively through December 31, 2013, \$2.2 million was paid in the three months ended March 31, 2014, with the balance expected to be paid during the remainder of 2014.

For further discussion of the Integration Program, December 2013 Program and September 2012 Program, see Note 3, "Restructuring Charges," to the Unaudited Consolidated Financial Statements in this Form 10-Q.

**Interest expense:**

	Three Months Ended March		Change 2014 vs 2013
	31,		
	2014	2013	
Interest expense	\$ 22.3	\$ 18.8	\$ (3.5)
Interest expense - preferred stock dividends	—	1.6	1.6

The \$3.5 million increase in interest expense in the first quarter of 2014, as compared to the first quarter of 2013, was primarily due to higher average debt as a result of Products Corporation's Acquisition Term Loan that was used to fund the Colomer Acquisition, partially offset by lower weighted-average borrowing rates.

In accordance with the terms of the certificate of designation of the Revlon, Inc. Series A Preferred Stock, par value \$0.01 per share (the "Preferred Stock"), during the first quarter of 2013, Revlon, Inc. recognized \$1.6 million of interest expense related to the regular quarterly dividends on the Preferred Stock. Revlon, Inc. consummated the mandatory redemption of such Preferred Stock in October 2013.

**Loss on early extinguishment of debt:**

	Three Months Ended March		Change 2014 vs 2013
	31,		
	2014	2013	
Loss on early extinguishment of debt	\$ 1.9	\$ 27.9	\$ 26.0

The Company recognized an aggregate loss on the early extinguishment of debt of \$1.9 million during the first quarter of 2014, primarily due to \$1.1 million of fees and expenses which were expensed as incurred in connection with the February 2014 Term Loan Amendment, as well as the write-off of \$0.8 million of unamortized debt discount and deferred financing fees as a result of such transaction. Refer to "Financial Condition, Liquidity and Capital Resources - Long Term Debt Instruments" for further discussion.

The Company recognized an aggregate loss on the early extinguishment of debt of \$27.9 million during the first quarter of 2013, primarily due to \$18.6 million of fees and expenses which were expensed as incurred in connection with the (i) February 2013 refinancing of Products Corporation's 9¾% Senior Secured Notes and Products Corporation's issuance of the 5¾% Senior Notes (the "2013 Senior Notes Refinancing") and (ii) the February 2013 amendments to the 2011 Term Loan (the "February 2013 Term Loan Amendments"), as well as the write-off of \$9.3 million of unamortized debt discount and deferred financing fees as a result of such transactions.



**Foreign currency losses, net:**

	Three Months Ended March 31,		Change
	2014	2013	2014 vs 2013
Foreign currency losses, net	\$ 1.4	\$ 3.3	\$ 1.9

The decrease in foreign currency losses, net of \$1.9 million during the first quarter of 2014, as compared to the first quarter of 2013, was primarily driven by the net favorable impact of the revaluation of certain foreign currency denominated intercompany receivables and U.S. dollar denominated payables from the Company's foreign subsidiaries.

**Provision for income taxes:**

	Three Months Ended March 31,		Change
	2014	2013	2014 vs 2013
Provision for income taxes	\$ 7.0	\$ 1.2	\$ (5.8)

The provision for income taxes increased \$5.8 million in the first quarter of 2014, as compared to the first quarter of 2013, primarily due to the loss on early extinguishment of debt recognized in the first quarter of 2013 that favorably impacted the provision for income taxes in the first quarter of 2013, partially offset by certain discrete items that favorably impacted the provision for income taxes in the first quarter of 2014, including the favorable resolution of tax matters in foreign jurisdictions in the first quarter of 2014.

The Company's effective tax rate for the three months ended March 31, 2014 was higher than the federal statutory rate of 35% due principally to foreign dividends and earnings taxable in the U.S., partially offset by foreign and U.S. tax effects attributable to operations outside the U.S.

The Company expects that its tax provision and effective tax rate in any individual quarter will vary and may not be indicative of the Company's tax provision and effective tax rate for the full year.

**Financial Condition, Liquidity and Capital Resources**

At March 31, 2014, the Company had a liquidity position of \$349.9 million, consisting of unrestricted cash and cash equivalents (net of any outstanding checks) of \$184.4 million, as well as \$165.5 million in available borrowings under the \$175.0 million asset-based, multi-currency revolving credit facility (the "Amended Revolving Credit Facility") based upon the borrowing base less \$9.5 million of undrawn outstanding letters of credit and nil then drawn under the Amended Revolving Credit Facility at such date.

The Company's foreign operations held \$82.2 million out of the total \$184.4 million in unrestricted cash and cash equivalents as of March 31, 2014. The cash held by the Company's foreign operations is primarily used to fund such operations. The Company regularly assesses its cash needs and the available sources of cash to fund these needs. As part of this assessment, the Company determines the amount of foreign earnings, if any, that it intends to repatriate to help fund its domestic cash needs, including for the Company's debt service obligations, and pays applicable U.S. income and foreign withholding taxes, if any, on such earnings. The Company believes that the cash generated by its domestic operations and availability under the Amended Revolving Credit Facility and other permitted lines of credit should be sufficient to meet its domestic liquidity needs for at least the next twelve months. Therefore, the Company does not currently anticipate that restrictions or taxes on repatriation of foreign earnings will have a material effect on the Company's liquidity during such period.

**Changes in Cash Flows**

At March 31, 2014, the Company had cash and cash equivalents of \$196.3 million, compared with \$244.1 million at December 31, 2013. The following table summarizes the Company's cash flows from operating, investing and financing activities for three months ended March 31, 2014 and 2013:

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	Three Months Ended March 31,	
	2014	2013
Net cash used in operating activities	\$ (45.5)	\$ (16.9)
Net cash used in investing activities	(3.6)	(5.1)
Net cash provided by financing activities	2.2	28.7
Effect of exchange rate changes on cash and cash equivalents	(0.9)	(2.2)

*Operating Activities*

Net cash used in operating activities was \$45.5 million and \$16.9 million the first three months of 2014 and 2013, respectively. As compared to cash used in the first three months of 2013, cash used in operating activities in the first three months of 2014 was impacted by unfavorable changes in working capital, including restructuring and other payments related to the Company's exit of its China operations and the payment of acquisition and integration costs related to the Colomer Acquisition, partially offset by cash provided by operating activities related to the operations acquired in the Colomer Acquisition.

Net cash used in operating activities related to discontinued operations, including restructuring payments, was approximately \$13 million and \$3 million for the three months ended March 31, 2014 and 2013, respectively.

*Investing Activities*

Net cash used in investing activities was \$3.6 million and \$5.1 million for the three months ended March 31, 2014 and 2013, respectively, which included \$3.7 million and \$5.5 million of cash used for capital expenditures, respectively.

*Financing Activities*

Net cash provided by financing activities was \$2.2 million and \$28.7 million for the three months ended March 31, 2014 and 2013, respectively.

Net cash provided by financing activities for the first three months of 2014 included:

- \$6.1 million of short-term borrowings and overdraft;

with the foregoing partially offset by:

- a \$1.8 million scheduled amortization payment on the Acquisition Term Loan; and
- the payment of \$1.6 million of financing costs primarily related to the February 2014 Term Loan Amendment.

Net cash provided by financing activities for the first three months of 2013 included:

- Products Corporation's issuance of the \$500.0 million aggregate principal amount of the 5¾% Senior Notes at par;

with the foregoing partially offset by:

- the repayment and redemption of all of the \$330.0 million aggregate principal amount outstanding of Products Corporation's 9¾% Senior Secured Notes in connection with the 2013 Senior Notes Refinancing;
- the repayment of the \$113.0 million in principal on the 2011 Term Loan in connection with the consummation of the February 2013 Term Loan Amendments; and
- the payment of \$27.9 million of financing costs comprised of: (i) \$17.4 million of redemption and tender offer premiums, as well as fees and expenses related to the repayment and redemption of all of the \$330.0 million aggregate principal amount outstanding of the 9¾% Senior Secured Notes; (ii) \$9.4 million of underwriters' fees and other fees in connection with the issuance of the 5¾% Senior Notes; and (iii) \$1.1 million of fees incurred in connection with the February 2013 Term Loan Amendments.

***Cash Pooling Arrangement***

Certain of the Company's foreign subsidiaries utilize a cash pooling arrangement with a financial institution for cash management purposes. This cash pooling arrangement allows the participating entities to withdraw cash from the financial institution to the extent aggregate cash deposits held by its participating locations are available at the financial institution. To the extent any participating location on an individual basis is in an overdraft position, such overdrafts would be recorded within short-term borrowings in the consolidated balance sheet and reflected as financing activities in the consolidated statement of cash flows, and the cash deposits held as collateral for such overdrafts would be classified as restricted cash within cash and cash equivalents. As of March 31, 2014, the Company had \$3.3 million of such overdrafts recorded in short-term borrowings and \$3.3 million of restricted cash recorded in cash and cash equivalents in the Consolidated Balance Sheet.

### ***Long-Term Debt Instruments***

For further detail regarding Products Corporation's long-term debt instruments, see Note 11, "Long-Term Debt and Redeemable Preferred Stock," to the Consolidated Financial Statements in Revlon, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2013, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 5, 2014 (the "2013 Form 10-K"), as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition, Liquidity and Capital Resources" in Revlon, Inc.'s 2013 Form 10-K.

#### **(a) Recent Debt Transactions**

##### ***Term Loan and Revolving Credit Facility Amendments***

In February 2014, Products Corporation entered into an amendment (the "February 2014 Term Loan Amendment") to the Amended Term Loan Agreement among Products Corporation, as borrower, a syndicate of lenders and Citicorp USA, Inc., as administrative and collateral agent.

Pursuant to the February 2014 Term Loan Amendment, the interest rates applicable to Eurodollar Loans under the \$675.0 million 2011 Term Loan bear interest at the Eurodollar Rate plus 2.5% per annum, with the Eurodollar Rate not to be less than 0.75% (compared to 3.0% and 1.0%, respectively, prior to the February 2014 Term Loan Amendment), while Alternate Base Rate Loans under the 2011 Term Loan bear interest at the Alternate Base Rate plus 1.5%, with the Alternate Base Rate not to be less than 1.75% (compared to 2.0% in each case prior to the February 2014 Term Loan Amendment) (and as each such term is defined in the Amended Term Loan Agreement). The 2011 Term Loan is subject to a 1% premium in connection with any repricing transaction occurring prior to the date that is 12 months after the closing of such amendment (or February 26, 2015).

Products Corporation's Acquisition Term Loan and Amended Revolving Credit Facility were not amended in connection with the February 2014 Term Loan Amendment.

For the three months ended March 31, 2014, the Company incurred approximately \$1.1 million of fees and expenses in connection with the February 2014 Term Loan Amendment, which were expensed as incurred, and wrote-off \$0.8 million of unamortized debt discount and deferred financing costs as a result of the February 2014 Term Loan Amendment. These amounts, totaling \$1.9 million, were recognized within loss on early extinguishment of debt in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2014.

#### **(b) Covenants**

##### ***Amended Credit Agreements***

Products Corporation was in compliance with all applicable covenants under the Amended Term Loan Agreement and the Amended Revolving Credit Facility (the "Amended Credit Agreements") as of March 31, 2014. At March 31, 2014, the aggregate principal amount outstanding under the Acquisition Term Loan and the 2011 Term Loan was \$698.2 million and \$675.0 million, respectively, and availability under the \$175.0 million Amended Revolving Credit Facility, based upon the calculated borrowing base less \$9.5 million of outstanding undrawn letters of credit and nil then drawn on the Amended Revolving Credit Facility, was \$165.5 million. During the first quarter of each of 2014 and 2013 there were no borrowings under the Amended Revolving Credit Facility.

Products Corporation was in compliance with all applicable covenants under its 5¾% Senior Notes Indenture as of March 31, 2014.

##### ***Impact of Foreign Currency Translation – Venezuela***

During the first quarters of 2014 and 2013, Revlon Venezuela had net sales of approximately 1% and 2%, respectively, of the Company's consolidated net sales. At March 31, 2014 and December 31, 2013, Revlon Venezuela's assets were approximately 1% of the Company's total assets, respectively.

Highly-Inflationary Economy: Effective January 1, 2010, Venezuela was designated as a highly inflationary economy under U.S. GAAP. As a result, beginning January 1, 2010, the U.S. Dollar is the functional currency for Revlon Venezuela. As Venezuela is designated as highly inflationary, currency translation adjustments of Revlon Venezuela's balance sheet are reflected in earnings.

Currency Devaluation: In January 2014, the Venezuela government announced that its foreign exchange commission, the *Comisión de Administración de Divisas* ("CADIVI"), would be replaced by the government-operated National Center of Foreign Commerce (the "CENCOEX"), and indicated that the Ancillary Foreign Currency Administration System ("SICAD") market would continue to be offered as an alternative exchange. Additionally, a parallel foreign exchange system has been developed, SICAD II, which started functioning on March 24, 2014 and through the date of this filing, had an average translation rate of approximately

50 Bolivars per U.S. Dollar. The Company will decide whether to exchange Bolivars for U.S. Dollars to the extent permitted through the CENCOEX, SICAD and SICAD II markets based on its ability to participate in those markets and to the extent reasonable for its business in the future. During the first quarter of 2014, the Company imported certain products utilizing CADIVI. Although the Company received approval in 2013 to import certain products utilizing the SICAD market, the Company did not import any products through the SICAD market during the first quarter of 2014. The Company has not participated in the SICAD II market through the date of this filing. Accordingly, the Company continued to utilize a rate of 6.30 Bolivars per U.S. Dollar (the "Official Rate") to translate Revlon Venezuela's financial statements for the three months ended March 31, 2014.

Volume restrictions on the conversion of the Bolivar to the U.S. Dollar limits Revlon Venezuela's purchasing activity. There is uncertainty about the legal ability of the Company to participate in the existing currency exchange markets and the Company's intentions as to which of the existing currency exchange markets it will use. The use of the current exchange rates in any of those markets in lieu of the Official Rate to translate Revlon Venezuela's financial statements could have a negative impact on the Company's results of operations going forward. At March 31, 2014, the impact to the Company of using a SICAD II exchange rate of approximately 50 Bolivars per U.S. Dollar would have been a one-time foreign currency loss of approximately \$1.5 million to reflect the re-measurement of Revlon Venezuela's balance sheet. Going forward, the Company will assess factors such as its ability to participate in certain of Venezuela's currency exchange markets and its intent to do so in order to determine the appropriate Venezuelan exchange rate to use to translate Revlon Venezuela's financial statements. Current or additional governmental restrictions, worsening import authorization controls, price and profit controls or labor unrest in Venezuela, could have further adverse impacts on the Company's business and results of operations.

### **Sources and Uses**

The Company's principal sources of funds are expected to be operating revenues, cash on hand and funds available for borrowing under the Amended Revolving Credit Facility and other permitted lines of credit. The Amended Credit Agreements, the 5¾% Senior Notes Indenture and the Amended and Restated Senior Subordinated Term Loan Agreement contain certain provisions that by their terms limit Products Corporation and 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, including expenses in connection with the continued execution of the Company's business strategy, integration costs related to the Colomer Acquisition, purchases of permanent wall displays, capital expenditure requirements, debt service payments and costs, tax payments, pension and post-retirement benefit plan contributions, payments in connection with the Company's restructuring programs, severance not otherwise included in the Company's restructuring programs and debt and/or equity repurchases, if any, and costs related to litigation. The Company's cash contributions to its pension and post-retirement benefit plans in the first three months of 2014 were \$6.3 million. The Company expects cash contributions to its pension and post-retirement benefit plans to be approximately \$20 million in the aggregate for full year 2014. The Company's cash taxes paid in the first three months of 2014 were \$4.9 million. The Company expects to pay cash taxes of approximately \$20 million in the aggregate for full year 2014. The Company's purchases of permanent wall displays and capital expenditures in the first three months of 2014 were \$13.7 million and \$3.7 million, respectively. The Company expects purchases of permanent wall displays to be approximately \$55 million in the aggregate for full year 2014. The Company expects capital expenditures to be approximately \$55 million in the aggregate for full year 2014. The Company expects total cash paid for its discontinued operations in China for full year 2014 to be approximately \$13 million, which is in addition to restructuring cash payments for the December 2013 Program.

The Company has undertaken, and continues to assess, refine and implement, a number of programs to efficiently manage its working capital, including, among other things, initiatives intended to optimize inventory levels over time; centralized procurement to secure discounts and efficiencies; prudent management of trade receivables and accounts payable; and controls on general and administrative spending. In the ordinary course of business, the Company's source or use of cash from operating activities may vary on a quarterly basis as a result of a number of factors, including the timing of working capital flows.

Continuing to execute the Company's business strategy could include taking advantage of additional opportunities to reposition, repackage or reformulate one or more brands or product lines, launching additional new products, acquiring businesses or brands, divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining the Company's approach to retail merchandising and/or taking further actions to optimize its manufacturing, sourcing and organizational size and structure, including optimizing the integration of the Colomer Acquisition. The Company plans to integrate the operations of Colomer into the Company's business and expects to achieve approximately \$30 million to \$35 million of annualized cost reductions by the end of 2015, with approximately \$10 million to \$15 million of these cost reductions expected to benefit 2014 results, at a cost of approximately \$45 million to \$50 million in the aggregate over 2013 through 2015. Any of these actions, the intended purpose of which would be to create value through improving our financial performance, could result in the Company making investments and/or recognizing charges related to executing against such opportunities. Any such activities may be funded with cash on hand, funds available under the Amended Revolving Credit Facility and/or other permitted additional sources of capital, which actions could increase the Company's total debt.

The Company may also, from time to time, seek to retire or purchase its outstanding debt obligations and/or equity in open market purchases, in privately negotiated transactions or otherwise and may seek to refinance some or all of its indebtedness based upon market conditions. Any retirement or purchase of debt and/or equity may be funded with operating cash flows of the business or other sources and will depend upon prevailing market conditions, liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

The Company expects that operating revenues, cash on hand and funds available for borrowing under the Amended Revolving Credit Facility and other permitted lines of credit will be sufficient to enable the Company to pay its operating expenses for 2014, including expenses in connection with the execution of the Company's business strategy, integration costs related to the Colomer Acquisition, purchases of permanent wall displays, capital expenditure requirements, debt service payments and costs, tax payments, pension and post-retirement plan contributions, payments in connection with the Company's restructuring programs, severance not otherwise included in the Company's restructuring programs, debt and/or equity repurchases, if any, and costs related to litigation.

There can be no assurance that available funds will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company's anticipated level of revenues is not achieved because of, among other things, decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care products in either the Consumer or Professional segment; adverse changes in currency exchange rates, currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors; changes in consumer purchasing habits, including with respect to shopping channels; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing or promotional strategies by the Company's customers; or less than anticipated results from the Company's existing or new products or from its advertising, promotional and/or marketing plans; or if the Company's expenses, including, without limitation, for restructuring costs, acquisition and integration costs, costs related to litigation, advertising, promotional and marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the anticipated level of expenses, the Company's current sources of funds may be insufficient to meet the Company's cash requirements.

Any such developments, if significant, could reduce the Company's revenues and operating income and could adversely affect Products Corporation's ability to comply with certain financial covenants under the Amended Credit Agreements and in such event the Company could be required to take measures, including, among other things, reducing discretionary spending. (See Item 1A. "Risk Factors" in Revlon, Inc.'s 2013 Form 10-K for further discussion of certain risks associated with the Company's business and indebtedness.)

### ***Derivative Financial Instruments***

#### *Foreign Currency Forward Exchange Contracts*

Products Corporation enters into foreign currency forward exchange contracts ("FX Contracts") and option contracts from time to time to hedge certain net cash flows denominated in currencies other than the local currencies of the Company's foreign and domestic operations. The FX Contracts are entered into primarily for the purpose of hedging anticipated inventory purchases and certain intercompany payments denominated in currencies other than the local currencies of the Company's foreign and domestic operations and generally have maturities of less than one year. At March 31, 2014, the FX Contracts outstanding had a notional amount of \$34.0 million and a net asset fair value of \$0.1 million.

#### *Interest Rate Swap Transaction*

In November 2013, Products Corporation executed a forward-starting floating-to-fixed interest rate swap transaction with a 1.00% floor, based on a notional amount of \$400 million in respect of indebtedness under the Acquisition Term Loan over a period of three years. The Company designated the 2013 Interest Rate Swap as a cash flow hedge of the variability of the forecasted three-month LIBOR interest rate payments related to its Acquisition Term Loan with respect to the \$400 million notional amount over the three-year term of the 2013 Interest Rate Swap. Under the terms of the 2013 Interest Rate Swap, Products Corporation will receive from the counterparty a floating interest rate based on the higher of three-month USD LIBOR or 1.00% commencing in May 2015, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which effectively fixes the interest rate on such notional amount at 5.0709% over the three-year term of the 2013 Interest Rate Swap). For the three months ended March 31, 2014, the 2013 Interest Rate Swap was deemed effective and therefore the changes in fair value related to the 2013 Interest Rate Swap have been recorded in Other Comprehensive Income in the Consolidated Financial Statements. The fair value of the Company's 2013 Interest Rate Swap at March 31, 2014 was an asset of \$0.9 million.

#### *Credit Risk*

Exposure to credit risk in the event of nonperformance by any of the counterparties is limited to the gross fair value of the derivative instruments in asset positions, which totaled \$1.5 million and \$3.5 million as of March 31, 2014 and December 31,

2013, respectively. The Company attempts to minimize exposure to credit risk by generally entering into derivative contracts with counterparties that have investment-grade credit ratings and are major financial institutions. The Company also periodically monitors any changes in the credit ratings of its counterparties. Given the current credit standing of the Company's derivative instrument counterparties, the Company believes the risk of loss arising from any non-performance by any of the counterparties under these derivative instruments is remote.

#### Disclosures about Contractual Obligations and Commercial Commitments

As of March 31, 2014, there were no material changes to the Company's total contractual cash obligations, as set forth in the contractual obligations and commercial commitments disclosure included in Revlon, Inc.'s 2013 Form 10-K, other than those entered into in connection with the February 2014 Term Loan Amendment.

The following reflects the impact of the February 2014 Term Loan Amendment on the Company's interest obligations related to its long-term debt:

Contractual Obligations	Payments Due by Period (dollars in millions)				
	Total	2014 Q2-Q4	2015-2016	2016-2017	After 2017
Interest on long-term debt <sup>(a)</sup>	\$ 449.4	\$ 57.8	\$ 164.7	\$ 138.0	\$ 88.9

<sup>(a)</sup> Consists of interest through the respective maturity dates on (i) the \$698.2 million aggregate principal amount outstanding under the Acquisition Term Loan; (ii) the \$675.0 million in aggregate principal amount outstanding under the 2011 Term Loan; (iii) the \$500.0 million in aggregate principal amount of the 5¾% Senior Notes; and (iv) the \$58.4 million aggregate principal amount outstanding of the Non-Contributed Loan; based on interest rates under such debt agreements as of March 31, 2014. For a discussion of the 2013 Interest Rate Swap, see "Interest Rate Swap Transaction" above.

#### Off-Balance Sheet Transactions

The Company does not maintain any off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonably likely to have a material current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

#### Discussion of Critical Accounting Policies

For a discussion of the Company's critical accounting policies, see Revlon, Inc.'s 2013 Form 10-K.

#### Effect of Recent Accounting Pronouncements

See discussion of recent accounting pronouncements in Note 1, "Description of Business and Basis of Presentation," to the Unaudited Consolidated Financial Statements in this Form 10-Q.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**
**Interest Rate Sensitivity**

The Company has exposure to changing interest rates primarily under the Amended Term Loan Facility, Amended Revolving Credit Facility and the Amended and Restated Senior Subordinated Term Loan. The Company manages interest rate risk through a combination of fixed and floating rate debt. The Company from time to time makes use of derivative financial instruments to adjust its fixed and floating rate ratio, such as the 2013 Interest Rate Swap referenced below. The Company does not hold or issue financial instruments for trading purposes.

The qualitative and quantitative information presented in Item 7A of Revlon, Inc.'s 2013 Form 10-K ("Item 7A") describes significant aspects of the Company's financial instrument programs that have material market risk as of December 31, 2013. The following tables present this information as required by Item 7A as of March 31, 2014:

**Expected Maturity Date for the year ended December 31,**

(dollars in millions, except for rate information)

	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value March 31, 2014
<b>Debt</b>								
Short-term variable rate (various currencies)	\$ 10.6						\$ 10.6	\$ 10.6
Average interest rate <sup>(a)</sup>	4.0%							
Short-term fixed rate (third party - EUR)	1.2						1.2	1.2
Average interest rate	11.9%							
Long-term fixed rate – third party (USD)						\$ 500.0	500.0	500.0
Average interest rate						5.75%		
Long-term fixed rate – third party (EUR)			\$ 0.1	\$ 0.1	\$ 0.1	0.6	0.9	0.9
Average interest rate			—	—	—	—		
Long-term variable rate – third party (USD)	63.6 <sup>(b)</sup>	\$ 7.0	7.0	682.0	7.0	665.0	1,431.6	1,432.9
Average interest rate <sup>(a)(c)</sup>	8.1%	4.0%	4.2%	4.0%	5.0%	5.3%		
<b>Total debt</b>	<b>\$ 75.4</b>	<b>\$ 7.0</b>	<b>\$ 7.1</b>	<b>\$ 682.1</b>	<b>\$ 7.1</b>	<b>\$ 1,165.6</b>	<b>\$ 1,944.3</b>	<b>\$ 1,945.6</b>

<sup>(a)</sup> Weighted average variable rates are based upon implied forward rates from the U.S. Dollar LIBOR and Euribor yield curves at March 31, 2014.

<sup>(b)</sup> Includes the \$58.4 million aggregate principal amount outstanding for the Non-Contributed Loan (the portion of the Amended and Restated Senior Subordinated Term Loan that remains owing from Products Corporation to various third parties) as of March 31, 2014, which loan matures on October 8, 2014, and the quarterly amortization payments required under the Acquisition Term Loan.

<sup>(c)</sup> At March 31, 2014, the Acquisition Term Loan bears interest at the Eurodollar Rate (as defined in the Amended Term Loan Agreement) plus 3.00% per annum (with the Eurodollar Rate not to be less than 1.00%). As a result of the February 2014 Term Loan Amendment, the 2011 Term Loan bears interest at the Eurodollar Rate plus 2.5% per annum (with the Eurodollar Rate not to be less than 0.75%). The Non-Contributed Loan bears interest at a floating rate of LIBOR plus 7%, with a 1.5% LIBOR floor, which is payable quarterly in arrears in cash. For discussion of the February 2014 Term Loan Amendment, which reduced interest rates on the 2011 Term Loan, refer to Note 10, "Long-Term Debt," to the Unaudited Consolidated Financial Statements in this Form 10-Q.

In November 2013, Products Corporation executed the 2013 Interest Rate Swap, which is a forward-starting, floating-to-fixed interest rate swap transaction with a 1.00% floor, based on a notional amount of \$400 million in respect of indebtedness under the Acquisition Term Loan over a period of three years. The Company designated the 2013 Interest Rate Swap as a cash flow hedge of the variability of the forecasted three-month LIBOR interest rate payments related to its Acquisition Term Loan with respect to the \$400 million notional amount over the three-year term of the 2013 Interest Rate Swap. Under the terms of the 2013 Interest Rate Swap, Products Corporation will receive from the counterparty a floating interest rate based on the higher of three-month USD LIBOR or 1.00% commencing in May 2015, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which effectively fixes the interest rate on such notional amounts at 5.0709% over the three-year term of the 2013 Interest Rate Swap). The fair value of the Company's 2013 Interest Rate Swap at March 31, 2014 was an asset of \$0.9 million.

**Exchange Rate Sensitivity**

The Company manufactures and sells its products in a number of countries throughout the world and, as a result, is exposed to movements in foreign currency exchange rates. In addition, a portion of the Company's borrowings are denominated in foreign currencies, which are also subject to market risk associated with exchange rate movement. The Company from time to time hedges major foreign currency cash exposures through foreign exchange forward and option contracts. Products Corporation enters into these contracts with major financial institutions in an attempt to minimize counterparty risk. These contracts generally have a duration of less than twelve months and are primarily against the U.S. dollar. In addition, Products Corporation enters into foreign currency swaps to hedge intercompany financing transactions. The Company does not hold or issue financial instruments for trading purposes.

Forward Contracts ("FC")	Average Contractual Rate \$/FC	Original US Dollar Notional Amount	Contract Value March 31, 2014	Asset (Liability) Fair Value March 31, 2014
Sell Canadian Dollars/Buy USD	0.9471	\$ 11.5	\$ 12.0	\$ 0.5
Sell Australian Dollars/Buy USD	0.8910	10.3	10.0	(0.3)
Sell Japanese Yen/Buy USD	0.0098	3.9	4.0	0.1
Sell South African Rand/Buy USD	0.0943	2.9	2.9	—
Buy Australian Dollars/Sell NZ Dollars	1.1265	2.7	2.5	(0.2)
Sell New Zealand Dollars/Buy USD	0.8454	0.9	0.9	—
Sell Canadian Dollars/Buy EUR	1.5280	0.9	0.9	—
Sell Hong Kong Dollars/Buy USD	0.1288	0.6	0.6	—
Sell Danish Krone/Buy EUR	7.4680	0.2	0.2	—
Sell EUR/Buy USD	1.3870	0.1	0.1	—
Total forward contracts		\$ 34.0	\$ 34.1	\$ 0.1

**Item 4. Controls and Procedures**

**(a) Disclosure Controls and Procedures.** The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the three-month period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective.

**(b) Changes in Internal Control Over Financial Reporting.** There have not been any changes in the Company's internal control over financial reporting during the first quarter of 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The entities acquired in the Colomer Acquisition have been excluded from management's assessment of internal control over financial reporting as of March 31, 2014 because they were acquired by the Company in a business combination in October 2013. These entities are 100% owned subsidiaries whose total assets and total net sales represent approximately 17% and 31%, respectively, of the related consolidated financial statement amounts of the Company as of and for the fiscal quarter ended March 31, 2014.

**Forward-Looking Statements**

This Quarterly Report on Form 10-Q for the three months ended March 31, 2014, as well as other public documents and statements of the Company, contain forward-looking statements that involve risks and uncertainties, which are based on the beliefs, expectations, estimates, projections, assumptions, forecasts, plans, anticipations, targets, outlooks, initiatives, visions, objectives, strategies, opportunities, drivers, focus and intents of the Company's management. While the Company believes that its estimates and assumptions are reasonable, the Company cautions that it is very difficult to predict the impact of known factors, and, of course, it is impossible for the Company to anticipate all factors that could affect its results. 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 (whether qualitative or quantitative) as to:

- (i) the Company's future financial performance;



- (ii) the effect on sales of decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care products in either the Consumer or Professional segment; adverse changes in currency exchange rates, currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors, changes in consumer purchasing habits, including with respect to shopping channels; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing or promotional strategies by the Company's customers; less than anticipated results from the Company's existing or new products or from its advertising, promotional and/or marketing plans; or if the Company's expenses, including, without limitation, for pension expense under its benefit plans, acquisition-related integration costs (including, without limitation, the Colomer Acquisition), costs related to litigation, advertising, promotional and marketing activities, or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the anticipated level of expenses;
- (iii) the Company's belief that the continued execution of its business strategy could include taking advantage of additional opportunities to reposition, repackage or reformulate one or more brands or product lines, launching additional new products, acquiring businesses or brands, divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining its approach to retail merchandising and/or taking further actions to optimize its manufacturing, sourcing and organizational size and structure, including optimizing the integration of the Colomer Acquisition (including the Company's plans to integrate the operations of Colomer into the Company's business and its expectations that the Integration Program will deliver cost reductions throughout the combined organization by generating cost synergies and operating efficiencies within the Company's global supply chain and consolidating offices and back office support, and other actions designed to reduce selling, general and administrative expenses, and achieve approximately \$30 million to \$35 million of annualized cost reductions by the end of 2015, with approximately \$10 million to \$15 million of these cost reductions expected to benefit 2014 results, while recognizing total restructuring charges, capital expenditures (including expected integration-related capital expenditures of approximately \$8 million, of which approximately \$7 million is expected to be paid during the remainder of 2014, with the remaining balance expected to be paid in 2015) and related non-restructuring costs of approximately \$45 million to \$50 million in the aggregate over 2013 through 2015), any of which, the intended purpose of which would be to create value through improving our financial performance, could result in the Company making investments and/or recognizing charges related to executing against such opportunities, which activities may be funded with cash on hand, funds available under the Amended Revolving Credit Facility and/or other permitted additional sources of capital, which actions could increase the Company's total debt;
- (iv) the Company's vision to establish Revlon as the quintessential and most innovative beauty company in the world by offering products that make consumers feel attractive and beautiful and to inspire its consumers to express themselves boldly and confidently; and the Company's expectations regarding its strategic goal to optimize the market and financial performance of its portfolio of brands and assets by: (a) managing financial drivers for value creation by being focused on gross profit margin expansion, which includes optimizing price, as well as allocating sales allowances to maximize our return on trade spending, continuing to focus on reducing costs across our global supply chain and focusing on eliminating non-value added general and administrative costs in order to fund reinvestment to facilitate growth; (b) growing our global brands through exceptional innovation and effective brand support by being focused on creating fewer, bigger and better innovations across our brands that are relevant, unique, impactful and distinctive; wanting to continue to build strong brands by focusing on high-quality, consumer-preferred offerings; effective consumer communication; increased levels of effective advertising and promotion; and superb execution and collaboration with our customers; (c) pursuing growth opportunities by being focused on pursuing organic growth opportunities within our existing brand portfolio and existing channels, as well as seeking acquisition opportunities that complement our portfolio and being focused on exploring opportunities to expand our geographical presence in key markets, as appropriate; and (d) improve cash flow by being focused on improving our cash flows through, among other things, continued effective management of our working capital and by focusing on appropriate return on capital spending;
- (v) the effect of restructuring activities, restructuring costs and charges, the timing of restructuring payments and the benefits from such activities; including, without limitation, the Company's expectation (i) that total restructuring and related charges related to the Integration Program will be approximately \$26 million, with approximately \$7 million to be recognized during the remainder of 2014 and any remaining charges to be recognized in 2015; (ii) that cash payments related to the Integration Program will total approximately \$26 million, of which \$1.4 million was paid in the first quarter of 2014, with approximately \$20 million expected to be paid in the remainder of 2014 and with the balance expected to be paid in 2015; (iii) that net cash payments will total approximately \$25 million related to the September 2012 Program, of which \$21.1 million was paid cumulatively through December 31, 2013, \$2.2 million was paid in the three months ended March 31, 2014, with the balance expected to be paid during the remainder of

2014; (iv) that total restructuring and related charges under the December 2013 Program will be approximately \$22 million; (v) that cash payments will total approximately \$20 million related to the December 2013 Program, of which \$0.1 million was paid in 2013, \$7.4 million was paid during the first quarter of 2014, with the balance expected to be paid during the remainder of 2014; (vi) that total cash paid for its discontinued operations in China will be approximately \$13 million, which is in addition to restructuring cash payments for the December 2013 Program; (vii) that approximately \$8 million of cost reductions related to the December 2013 Program will benefit 2014 and that annualized cost reductions thereafter will be approximately \$11 million; and (viii) that the Company will complete its exit of its business operations in China by the end of 2014;

- (vi) the Company's expectation that operating revenues, cash on hand and funds available for borrowing under Products Corporation's Amended Revolving Credit Facility and other permitted lines of credit will be sufficient to enable the Company to cover its operating expenses for 2014, including the cash requirements referred to in item (viii) below;
- (vii) the Company's expected principal sources of funds, including operating revenues, cash on hand and funds available for borrowing under Products Corporation's Amended Revolving Credit Facility and other permitted lines of credit, as well as the availability of funds from the Company taking certain measures, including, among other things, reducing discretionary spending;
- (viii) the Company's expected principal uses of funds, including amounts required for the payment of operating expenses, including expenses in connection with the continued execution of the Company's business strategy; integration costs related to the Colomer Acquisition; payments in connection with the Company's purchases of permanent wall displays; capital expenditure requirements; debt service payments and costs, tax payments, pension and post-retirement benefit plan contributions (including the Company's intent to fund at least the minimum contributions required to meet applicable federal employee benefits and local laws); payments in connection with the Company's restructuring programs, severance and discontinued operations not otherwise included in the Company's restructuring programs; debt and/or equity repurchases, if any; costs related to litigation; and payments in connection with discontinuing certain business lines and/or exiting certain territories (including, without limitation, that the Company may also, from time to time, seek to retire or purchase its outstanding debt obligations and/or equity in open market purchases, in privately negotiated transactions or otherwise and may seek to refinance some or all of its indebtedness based upon market conditions and that any retirement or purchase of debt and/or equity may be funded with operating cash flows of the business or other sources and will depend upon prevailing market conditions, liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material); and its estimates of the amount and timing of such operating and other expenses;
- (ix) matters concerning the Company's market-risk sensitive instruments, as well as the Company's expectations as to the counterparty's performance, including that any loss arising from any non-performance by the counterparty would not be material and that any risk of loss under its derivative instruments arising from any non-performance by any of the counterparties is remote;
- (x) the Company's expectation to efficiently manage its working capital, including, among other things, initiatives intended to optimize inventory levels over time; centralized procurement to secure discounts and efficiencies; prudent management of trade receivables and accounts payable; and controls on general and administrative spending; and the Company's belief that in the ordinary course of business, its source or use of cash from operating activities may vary on a quarterly basis as a result of a number of factors, including the timing of working capital flows;
- (xi) the Company's expectations regarding its future net periodic benefit cost for its U.S. and international defined benefit plans, including, without limitation, the Company's expectation to have net periodic benefit income of approximately \$(5) million for its pension and other post-retirement benefit plans for all of 2014;
- (xii) the Company's expectation that its tax provision and effective tax rate in any individual quarter will vary and may not be indicative of the Company's tax provision and effective tax rate for the full year;
- (xiii) the Company's expectation that it will decide whether to exchange Bolivars for U.S. Dollars to the extent permitted through the CENCOEX, SICAD and/or SICAD II markets based on its ability to participate in those markets and to the extent reasonable for its business in the future and the Company's belief that current or additional governmental restrictions, worsening import authorization controls, price and profit controls or labor unrest in Venezuela could have further adverse impacts on the Company's business and results of operations;
- (xiv) the Company's belief that while the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, financial condition and/or its results of operations, in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period; and

- (xv) the Company's beliefs and expectations regarding certain benefits of the Colomer Acquisition, including that it provides the Company with broad brand, geographic and channel diversification and substantially expands the Company's business, providing both distribution into new channels and cost synergy opportunities.

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 "estimates," "objectives," "visions," "projects," "forecasts," "focus," "drive towards," "plans," "targets," "strategies," "opportunities," "assumptions," "drivers," "believes," "intends," "outlooks," "initiatives," "expects," "scheduled to," "anticipates," "seeks," "may," "will" or "should" or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategies, targets, long-range plans, models or intentions. Forward-looking statements speak only as of the date they are made, and except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Investors are advised, however, to consult any additional disclosures the Company made or may make in its 2013 Form 10-K, and in its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, in each case filed with the SEC in 2014 (which, among other places, can be found on the SEC's website at <http://www.sec.gov>, as well as on the Company's corporate website at [www.revloninc.com](http://www.revloninc.com)). Except as expressly set forth in this Quarterly Report on Form 10-Q, the information available from time to time on such websites shall not be deemed incorporated by reference into this Quarterly Report on Form 10-Q. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. (See also Item 1A. "Risk Factors" in Revlon, Inc.'s 2013 Form 10-K for further discussion of risks associated with the Company's business.) In addition to factors that may be described in the Company's filings with the SEC, 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) unanticipated circumstances or results affecting the Company's financial performance, including decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care products in either the Consumer or Professional segment; adverse changes in currency exchange rates, currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors; changes in consumer preferences, such as reduced consumer demand for the Company's color cosmetics and other current products, including new product launches; changes in consumer purchasing habits, including with respect to shopping channels; lower than expected customer acceptance or consumer acceptance of, or less than anticipated results from, the Company's existing or new products; higher than expected restructuring costs, acquisition and integration costs related to the Colomer Acquisition; higher than expected pension expense and/or cash contributions under its benefit plans, costs related to litigation, advertising, promotional and/or marketing expenses or lower than expected results from the Company's advertising, promotional and/or marketing plans; higher than expected sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise or decreased sales of the Company's existing or new products; actions by the Company's customers, such as inventory management and greater than anticipated space reconfigurations or reductions in display space and/or product discontinuances or a greater than expected impact from pricing or promotional strategies by the Company's customers; and changes in the competitive environment and actions by the Company's competitors, including business combinations, technological breakthroughs, new product offerings, increased advertising, promotional and marketing spending and advertising, promotional and/or marketing successes by competitors;
- (ii) in addition to the items discussed in (i) above, the effects of and changes in economic conditions (such as continued volatility in the financial markets, inflation, monetary conditions and foreign currency fluctuations, currency controls and/or government-mandated pricing controls, as well as in trade, monetary, fiscal and tax policies in international markets) and political conditions (such as military actions and terrorist activities);
- (iii) unanticipated costs or difficulties or delays in completing projects associated with the continued execution of the Company's business strategy or lower than expected revenues or the inability to create value through improving our financial performance as a result of such strategy, including lower than expected sales, or higher than expected costs, including as may arise from any additional repositioning, repackaging or reformulating of one or more brands or product lines, launching of new product lines, including higher than expected expenses, including for sales returns, for launching its new products, acquiring businesses or brands, divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining its approach to retail merchandising, and/or difficulties, delays or increased costs in connection with taking further actions to optimize the Company's manufacturing, sourcing, supply chain or organizational size and structure, including optimizing the integration of the Colomer Acquisition (including difficulties or delays in and/or the Company's inability to integrate the Colomer business which could result in less than expected cost reductions, more than expected costs to achieve the expected cost reductions or delays in achieving the expected cost reductions and/or less than expected benefits from the Integration Program, more than expected costs in implementing such program and/or difficulties or delays, in whole or in part, in executing

the Integration Program), as well as the unavailability of cash on hand and/or funds under the Amended Revolving Credit Facility or from other permitted additional sources of capital to fund such potential activities;

- (iv) difficulties, delays or unanticipated costs in achieving the Company's strategic goals and vision, including due to factors such as (a) difficulties, delays or the Company's inability to build its strong brands, such as due to less than effective product development, less than expected acceptance of its new or existing products by consumers, salon professionals and/or customers in the Consumer or Professional segments, less than expected acceptance of its advertising, promotional and/or marketing plans and/or brand communication by consumers, salon professionals and/or customers in the Consumer or Professional segments, less than expected investment in advertising, promotional and/or marketing activities or greater than expected competitive investment, less than expected levels of advertising, promotional and/or marketing activities for its new product launches and/or less than expected levels of execution with its customers in the Consumer or Professional segments or higher than expected costs and expenses; (b) difficulties, delays in or less than expected results from the Company's efforts to optimize the market and financial performance of its portfolio of brands and assets due to the reasons set forth in clause (a) above, as well as due to: (i) difficulties, delays in or less than expected results from the Company's efforts to manage financial drivers for value creation, such as due to higher than expected costs; (ii) difficulties, delays in or less than expected results from the Company's efforts to grow our global brands through exceptional innovation and effective brand support; (iii) difficulties, delays in or less than expected results from the Company's efforts to pursue growth opportunities, as well as difficulties, delays in and/or the Company's inability to complete acquisition opportunities that complement our portfolio, such as difficulties, delays in and/or unanticipated costs in consummating, or the Company's inability to consummate, transactions to acquire new brands; and (iv) difficulties, delays in and/or the Company's inability to improve cash flow;
- (v) difficulties, delays or unanticipated costs or charges or less than expected savings and other benefits resulting from the Company's restructuring activities, such as greater than anticipated costs or charges or less than anticipated cost reductions or other benefits from the September 2012 Program, the December 2013 Program and/or the Integration Program and/or the risk that any of such programs may not satisfy the Company's objectives;
- (vi) lower than expected operating revenues, cash on hand and/or funds available under the Amended Revolving Credit Facility and/or other permitted lines of credit or higher than anticipated operating expenses, such as referred to in clause (viii) below;
- (vii) the unavailability of funds under Products Corporation's Amended Revolving Credit Facility or other permitted lines of credit; or from difficulties, delays in or the Company's inability to take other measures, such as reducing discretionary spending;
- (viii) higher than expected operating expenses, sales returns, working capital expenses, permanent wall display costs, capital expenditures, debt service payments, tax payments, cash pension plan contributions, post-retirement benefit plan contributions and/or net periodic benefit costs for the pension and other post-retirement benefit plans, integration costs related to the Colomer Acquisition, restructuring costs, severance and discontinued operations not otherwise included in the Company's restructuring programs, debt and/or equity repurchases and/or costs related to litigation;
- (ix) interest rate or foreign exchange rate changes affecting the Company and its market-risk sensitive financial instruments and/or difficulties, delays or the inability of the counterparty to perform such transactions;
- (x) difficulties, delays or the inability of the Company to efficiently manage its cash and working capital;
- (xi) lower than expected returns on pension plan assets and/or lower discount rates, which could result in higher than expected cash contributions, higher net periodic benefit costs and/or less than expected net periodic benefit income;
- (xii) unexpected significant variances in the Company's tax provision and effective tax rate;
- (xiii) difficulties, delays in or the Company's inability to exchange Bolivars for U.S. Dollars, whether due to the lack of a market developing for such exchange or otherwise and/or unanticipated adverse impacts to the Company's results of operations such as due to higher than expected exchange rates; and difficulties or delays in the Company's ability to import certain products through Venezuela's monetary systems (including, without limitation, the CADIVI, SICAD, SICAD II and/or CENCOEX markets);
- (xiv) unexpected effects on the Company's business, financial condition and/or its results of operations as a result of legal proceedings; and
- (xv) difficulties or delays in realizing, or less than anticipated, benefits from the Colomer Acquisition, such as (i) less than expected cost reductions, more than expected costs to achieve the expected cost reductions or delays in achieving the expected cost reductions, such as due to difficulties or delays in and/or the Company's inability to integrate the Colomer business, in whole or in part, and/or changes in the timing of completing its expected integration actions; and/or (ii) less than expected growth from the Colomer brands, such as due to difficulties, delays, unanticipated costs

or the Company's inability to launch innovative new products within the Professional segment and/or difficulties or delays in and/or the Company's inability to expand its distribution into new channels; and/or (iii) less than expected synergistic benefits to the Company's Consumer segment from having a presence in the professional channel.

Factors other than those listed above could also cause the Company's results to differ materially from expected results.

#### **Website Availability of Reports and Other Corporate Governance Information**

The Company maintains a comprehensive corporate governance program, including Corporate Governance Guidelines for Revlon, Inc.'s Board of Directors, Revlon, Inc.'s Board Guidelines for Assessing Director Independence and charters for Revlon, Inc.'s Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee. Revlon, Inc. maintains a corporate investor relations website, [www.revloninc.com](http://www.revloninc.com), where stockholders and other interested persons may review, without charge, among other things, Revlon, Inc.'s corporate governance materials and certain SEC filings (such as Revlon, Inc.'s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, annual reports, Section 16 reports reflecting certain changes in the stock ownership of Revlon, Inc.'s directors and Section 16 officers, and certain other documents filed with the SEC), each of which are generally available on the same business day as the filing date with the SEC on the SEC's website <http://www.sec.gov>. In addition, under the section of the website entitled, "Corporate Governance," Revlon, Inc. posts printable copies of the latest versions of its Corporate Governance Guidelines, Board Guidelines for Assessing Director Independence, charters for Revlon, Inc.'s Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee, as well as Revlon, Inc.'s Code of Business Conduct, which includes Revlon, Inc.'s Code of Ethics for Senior Financial Officers, and the Audit Committee Pre-Approval Policy. The business and financial materials and any other statement or disclosure on, or made available through, the websites referenced herein shall not be deemed incorporated by reference into this report.

**PART II - OTHER INFORMATION****Item 1. Legal Proceedings**

The Company is involved in various routine legal proceedings incidental to the ordinary course of its business. The Company believes that the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, financial condition and/or its results of operations. However, in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period.

**Item 1A. Risk Factors**

In addition to the other information in this report, investors should consider carefully the risk factors discussed in Part I, Item 1A. "Risk Factors" in Revlon, Inc.'s 2013 Form 10-K.

**Item 5. Other Information**

On April 30, 2014, Products Corporation delivered notice to the administrative agent for the Amended and Restated Senior Subordinated Term Loan Agreement, indicating that on May 1, 2014 Products Corporation will use available cash on hand to optionally prepay in full the remaining \$58.4 million principal amount outstanding under the Non-Contributed Loan that is owing from Products Corporation to various third parties. The Non-Contributed Loan would have otherwise matured on October 8, 2014.

**Item 6. Exhibits**

- 4.1 Schedules and Exhibits to the Third Amended and Restated Term Loan Agreement dated as of May 19, 2011 (the “2011 Term Loan Agreement”), among Products Corporation, as borrower, the lenders party thereto, Citigroup Global Markets Inc. (“CGMI”), J.P. Morgan Securities LLC (“JPM Securities”), Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), Credit Suisse Securities (USA) LLC (“Credit Suisse”) and Wells Fargo Securities, LLC (“WFS”), as the joint lead arrangers; CGMI, JPM Securities, Merrill Lynch, Credit Suisse, WFS and Natixis, New York Branch (“Natixis”), as joint bookrunners; JPMorgan Chase Bank, N.A. and Bank of America, N.A., as co-syndication agents; Credit Suisse, Wells Fargo Bank, N.A. and Natixis, as co-documentation agents; and Citicorp USA, Inc. (“CUSA”), as administrative agent and collateral agent (Confidential information has been omitted from this exhibit and filed separately with the Securities and Exchange Commission. Revlon, Inc. has requested confidential treatment from the Securities and Exchange Commission with respect to this omitted information)(incorporated by reference to Exhibit 4.1 to Products Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2014 filed with the SEC on April 30, 2014 (“Products Corporation's Q1 2014 Form 10-Q”).
- 4.2 Amendment No. 3 to the Term Loan Agreement, dated as of February 26, 2014 (incorporated by reference to Exhibit 4.1 to Products Corporation's Current Report on Form 8-K filed with the SEC on February 26, 2014).
- 4.3 Reaffirmation Agreement, dated as of February 26, 2014, among Products Corporation, Revlon, Inc., certain of Products Corporation's domestic subsidiaries and CUSA, as administrative agent and collateral agent in connection with Amendment No. 3 to the Term Loan Agreement (incorporated by reference to Exhibit 4.2 to RCPC's Current Report on Form 8-K filed with the SEC on February 26, 2014).
- 4.4 Schedule to Incremental Amendment, dated as of August 19, 2013, to the 2011 Term Loan Agreement, as amended on February 21, 2013 and August 19, 2013 (incorporated by reference to Exhibit 4.4 to Products Corporation's Q1 2014 Form 10-Q).
- 4.5 Schedules and Exhibits to the Third Amended and Restated Revolving Credit Agreement, dated as of June 16, 2011, among Products Corporation and certain of its foreign subsidiaries, as borrowers, and CGMI and Wells Fargo Capital Finance, LLC (“WFCF”), as the joint lead arrangers; CGMI, WFCF, Merrill Lynch, JPM Securities and Credit Suisse, as joint bookrunners; and CUSA, as administrative agent and collateral agent (Confidential information has been omitted from this exhibit and filed separately with the Securities and Exchange Commission. Revlon, Inc. has requested confidential treatment from the Securities and Exchange Commission with respect to this omitted information)(incorporated by reference to Exhibit 4.5 to Products Corporation's Q1 2014 Form 10-Q).
- \*10.1 Letter Agreement and Release, dated as of March 24, 2014, between Products Corporation and Chris Elshaw.
- \*31.1 Certification of Lorenzo Delpani, Chief Executive Officer, dated April 30, 2014, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
- \*31.2 Certification of Lawrence B. Alletto, Chief Financial Officer, dated April 30, 2014, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
- 32.1 (furnished herewith) Certification of Lorenzo Delpani, Chief Executive Officer, dated April 30, 2014, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 (furnished herewith) Certification of Lawrence B. Alletto, Chief Financial Officer, dated April 30, 2014, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- \*101.INS XBRL Instance Document
- \*101.SCH XBRL Taxonomy Extension Schema
- \*101.CAL XBRL Taxonomy Extension Calculation Linkbase
- \*101.DEF XBRL Taxonomy Extension Definition Linkbase
- \*101.LAB XBRL Taxonomy Extension Label Linkbase
- \*101.PRE XBRL Taxonomy Extension Presentation Linkbase

\*Filed herewith.

## SIGNATURES

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.

Dated: April 30, 2014

Revlon, Inc.  
(Registrant)

By: /s/ Lorenzo Delpani

\_\_\_\_\_  
Lorenzo Delpani  
President,  
Chief Executive Officer and  
Director

By: /s/ Lawrence B. Alletto

\_\_\_\_\_  
Lawrence B. Alletto  
Executive Vice President,  
Chief Financial Officer and  
Chief Administrative Officer

By: /s/ Jessica T. Graziano

\_\_\_\_\_  
Jessica T. Graziano  
Senior Vice President,  
Corporate Controller and  
Chief Accounting Officer



February 24, 2014  
***Revised March 20, 2014***

James Christopher Elshaw  
343 East 74th Street  
Apt. 17 C/D  
New York, NY 10021

Dear Chris:

This letter agreement and release (the "Agreement") confirms the agreement entered into between you and the Company regarding the termination of your employment with the Company, including resignation of your positions as officer and/or director of the Company and all its subsidiaries, effective February 24, 2014 (the "Resignation Date"), and explains the package of separation pay and benefits that has been specially developed for you in full bargained for release and settlement of any and all claims that you have presently, may have or have had in the past arising from your employment with and termination of your employment from the Company up to and including the Effective Date of this Agreement. Further, it is understood that this Agreement, with its package of separation pay and benefits, is offered at the sole discretion of the Company and requires that you fulfill your obligations in a professional manner as required by the Company. For purposes of this Agreement, the term the "Company" includes Revlon Consumer Products Corporation and any of its past, present or future parent and subsidiary corporations, affiliates, divisions, successors and assigns (whether or not incorporated). It is understood that you and the Company are entering into this Agreement knowingly and voluntarily, for the good and sufficient mutual consideration set forth herein.

1. CONSIDERATION IN SETTLEMENT. Accordingly, if you execute (and do not revoke) this Agreement and fully comply with its terms and conditions:

a) SEVERANCE PAY. As good and valuable consideration to you, which you recognize, the Company agrees to provide you with severance pay, less applicable withholdings and deductions, for a total of 24 months (the "Severance Period"), commencing on February 25, 2014 and terminating on February 24, 2016. Your severance pay will be at your base rate of pay in effect on your Resignation Date (which was \$ 766,013.00 per annum) and will be payable bi-weekly starting on the Resignation Date.

i) During the Severance Period, your severance payments will be reduced by any cash compensation in paid or payable or any non-cash compensation paid or payable in lieu of cash compensation earned by you from other employment or consultancy during the Severance Period; provided, however, the first \$10,000 in any compensation paid to you in any one month shall not reduce or act as an offset in any way to any severance pay paid to you during the first six (6) months of the Severance Period immediately following the Effective Date, defined below. You agree to report at least quarterly to the Company with reasonable documentation any such compensation.

ii) Generally, you may be restricted from undertaking employment with a competitor of the Company due to your role and responsibilities with the Company and under the terms of the Employee Agreement as to Confidentiality and Non-Competition (the "Confidentiality Agreement") you previously signed. While you must immediately advise the Company if you are considering undertaking employment with a competitor enterprise, as good and valuable consideration to you, the Company now agrees to waive this restriction (for the avoidance of doubt, you must abide by all other responsibilities under the Confidentiality Agreement, including without limitation, non-solicitation and confidentiality requirements).

iii) It is agreed that your entitlement to receive severance pay and benefits under this Agreement shall immediately cease in the event that you accept employment with the Company in any other position during the Severance Period or to the extent required under Section 409A of the Code (as defined in Section 2, below), if you engage in any other activity which would indicate that you are no longer separated from service with the Company.

b) CONTINUATION OF MEDICAL, DENTAL AND/OR VISION INSURANCE, FLEXIBLE SPENDING ACCOUNT AND OTHER BENEFITS.

i) If you, your spouse and your covered dependants participated in the Medical, Dental and Vision Care programs (the "Benefit Programs") as of the Resignation Date, you, your spouse and your covered dependants will be permitted to continue such participation in the Benefits Programs as provided by federal law ("COBRA") for the Severance Period by continuing to pay premiums to the Company at the contribution level in effect for active employees until the earliest to occur of (1) the end of the Severance Period or (2) when you become covered by medical, dental and/or vision plans of another employer (you may be asked to submit evidence of non-coverage as the Company may request from time to time).

ii) If you are currently contributing to a Health Care Flexible Spending Account ("HCFSA"), you will be permitted to continue making contributions after your Resignation Date only if you elect continuation of HCFSA under COBRA on an after-tax basis until December 31, 2014, subject to the terms and conditions of the HCFSA program.

If you are currently contributing to a Dependent Care Flexible Spending Account ("DCFSA"), you will be permitted to continue such contributions after your Resignation Date until the earlier to occur of the last day of the Severance Period or December 31, 2014, subject to the terms and conditions of the DCFSA program. You will be eligible to receive reimbursement for any eligible expenses incurred through your last day of HCFA and DCFSA participation, subject to your filing of claims within the time requirements of the programs.

iii) Long-term disability insurance will cease on your Resignation Date. You may be eligible to convert this coverage to an individual policy within 31 days of your Resignation Date.

iv) Your coverage under the Employee Assistance Program will cease upon your Resignation Date. You may continue the coverage at COBRA rates by enrolling under COBRA.

c) CONTINUATION OF LIFE / AD&D INSURANCE. Your Basic Life Insurance coverage under the Revlon Life Insurance Program (the "Insurance Program") will be continued at no cost to you during the Severance Period. In addition, you can continue any Supplemental Life, Accidental Death and Dismemberment, Dependent Life and/or Dependent Accidental Death and Dismemberment insurance coverage previously elected by you under the Insurance Program at your expense during the Severance Period. After the expiration of the Severance Period, you will be advised of any options you may have to convert the insurance coverages described above to an individual policy, subject to any underwriting requirements, at your own expense, and information regarding such conversion options will be provided to you at that time.

d) CONTINUATION OF OTHER FRINGE BENEFITS. The Company will –

- (i) reimburse you under Revlon's Executive Financial Counseling and Tax Preparation Program, as from time to time in effect or such program or programs, if any as may succeed it, during the Severance Period; and
- (ii) reimburse you for the reasonable, actual and documented moving expenses actually incurred by you to relocate yourself and your personal possessions from your current U.S. primary residence back to the U.K., including one-way business class airfare; your eligibility for such reimbursement shall expire 6 months from the Resignation Date; and
- (iii) pay you for accrued but unused vacation days – as of the Termination Date, you have 8 such vacation days (6 unused carryover days from 2013 and 2 unused days accrued in 2014); and
- (iv) provide you a car allowance at the rate of \$15,000 per annum, under the car allowance program as in effect from time to time, or such program or programs, if any, as may succeed it, at no cost to you during the Severance Period.

e) 2013 BONUS PLAN. As further good and valuable consideration to you, the Company agrees to pay you a bonus at 25% of your 75% target (subject to adjustment for actual funding of the Bonus Plan for 2013 as established by the Compensation Committee). Such bonus shall be payable on the date bonuses would otherwise be payable to executives under the Bonus Plan, generally on or before March 15, 2014 or within ten days after this agreement is executed, whichever is later, but also subject to Section 409A of the Code (as defined in Section 2, below).

f) LONG TERM INCENTIVE PLAN ("LTIP"). The following LTIP grants would be forfeited since you will not remain employed through the payment date. However, as further good and valuable consideration to you, the Company agrees to pay you the following grants on the regular payment date, subject to Section 409A of the Code (as defined in Section 2, below). The actual amount payable in respect of the 2013 Transitional LTIP listed below is subject to achievement of objectives set for the 2013 performance periods and otherwise subject to the terms of the Plan.

- i) Grants payable after August 24, 2014 subject to Section 409A of the Code:
  - (1) 2011 LTIP, 3<sup>rd</sup> Payment: \$163,333
  - (2) 2012 LTIP, 2<sup>nd</sup> Payment: \$175,000
  - (3) 2013 Transitional LTIP, 1<sup>st</sup> Payment: \$166,667 at target (subject to adjustment based on actual performance for 2013)

g) OUTPLACEMENT. You will be eligible to receive outplacement and career transition services provided by the Ayers Group as determined by the Company and at the Company's expense. There will be no pay in lieu of outplacement.

h) NON-QUALIFIED EXCESS SAVINGS PLAN AND PENSION EQUALIZATION PLAN ("PEP"). PAYMENTS. You will receive payment of your account balance in the Excess Savings Plan on or about August 24, 2014 (as of the Resignation Date that amount was approximately \$134,000 which will vary upon investment returns through the payment date). Additionally, you will receive a payment of your account balance under the PEP of approximately \$85,429 on or about August 24, 2014 (which will vary based upon interest rates pursuant to the PEP).

1. INTERNAL REVENUE CODE SECTION 409A. Section 409A imposes additional taxes and interest on compensation or benefits deferred under certain "nonqualified deferred compensation plans" (as defined under the Code). These plans may include, among others, nonqualified retirement plans, bonus plans, stock option plans, employment agreements and severance agreements. The Company reserves the right to provide compensation or benefits under any such plan, including this

Agreement, in amounts, at times and in a manner that minimizes taxes, interest or penalties as a result of Section 409A, including any required withholdings, and you agree to cooperate with the Company in such actions. Because you are a "specified employee," as such term is defined under Section 409A (generally one of the Company's top 50 highest paid officers), to the extent required under Section 409A, the Company will not make any payments to you under this Agreement or applicable plan, as the case may be, including without limitation the Pension Equalization Plan, upon a "separation of service," as such term is defined under Section 409A, until six (6) months after your date of separation from service or, if earlier, the date of your death. Upon expiration of the six-month period, or, if earlier, the date of your death, the Company shall make a payment to you (or your beneficiary or estate, if applicable) equal to the sum of all payments that would have been paid to you from the date of separation from service through the end of the six (6) month period had you not been a "specified employee", and thereafter the Company will make all the payments at the times specified in this Agreement or applicable plan, as the case may be. In addition, the Company and you agree that, for purposes of this Agreement, termination of employment (or any variation thereof) will satisfy all of the requirements of "separation from service" as defined under Section 409A. For purposes of this Agreement, the right to a series of installment payments, such as salary continuation or severance payments, shall be treated as the right to a series of separate payments and shall not be treated as a right to a single payment. For purposes of this Agreement, the term "Code" shall mean the Internal Revenue Code of 1986, as amended, including all final regulations promulgated thereunder, and any reference to a particular section of the Code shall include any provision that modifies, replaces or supersedes such section. For the avoidance of doubt, the Company shall provide you with payments attributable to Severance Pay, Benefit Programs, Insurance Program, Fringe Benefit Programs and Bonus referred to above, respectively, in Sections 1.a., 1.b., 1.c., 1.d. and 1.e., immediately from and after the Effective Date through August 24, 2014 if and to the extent the taxable amounts of any such payments that do not qualify for as a "short-term deferral" within the meaning of Tres. Reg. Section 1.409A-1(b)(4) do not exceed \$510,000. Also, the Company shall provide you with Outplacement referred to above in Section 1.g. during the Severance Period. Additionally, the Company shall provide you the three LTIP grant payments referred to above in Section 1.f.i as soon as administratively practical after August 24, 2014. The Company shall pay your Excess Savings Plan and PEP account balances in accordance with the terms of those plans.

2. **EMPLOYEE ACKNOWLEDGMENTS.** You acknowledge and agree that (i) you have not filed, caused to be filed, or presently are a party to any claim against Releasees (defined in Section 6 below); (ii) you have been paid and/or have received all compensation, wages, bonuses, and/or commissions to which you may be entitled and, if applicable, have reported all hours worked for the Company; (iii) you have been granted any leave to which you were entitled under the Family and Medical Leave Act and/or related state or local leave or disability accommodation laws; (iv) you have no known workplace injuries or occupational diseases; (v) all of the Company's decisions regarding your pay and benefits through the Resignation Date were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law; (vi) the Company has completely and satisfactorily responded to, investigated and concluded any internal complaints (e.g., any breach of contract, diversion, antitrust or fraud, discrimination or retaliation matters or claims), allegations, matters and issues, if any, you may have ever raised; (vii) you have no outstanding internal allegations, matters and issues that you have not brought to the Company's attention; and (viii) you have not been retaliated against for reporting any allegations of wrongdoing by any Releasees, including but not limited to the Company and its officers, including but not limited to any allegations of corporate fraud; further, both parties acknowledge that this Agreement and General Release does not limit either party's right, where applicable, to file or participate in an investigative proceeding of any federal, state or local governmental agency; further, to the extent permitted by law, you agree that if such an administrative claim is made, you shall not be entitled to recover any individual monetary relief or other individual remedies.

3. **EMPLOYMENT VERIFICATION.** You agree to refer all inquiries from prospective employers only to Barnett Associates, and not to any other individual employed by or affiliated with the Company, through Barnett Associates' automated Verify Job Systems ("VJS"). If a prospective employer requests employment verification from Revlon, they can visit VJS at [www.https://www.verifyjob.com](https://www.verifyjob.com) or call 800-800-4857 or 900-329-4000. To obtain the data, the inquiring prospective employer must provide Revlon's company code, which is 7150, and your social security number. If you have any questions, you may also contact the HR Service Center at 919-603-3030 or [hrservicecenter@revlon.com](mailto:hrservicecenter@revlon.com).

4. **GENERAL RELEASE.** In exchange for the consideration provided to you under this Agreement, you agree to release and hold harmless (on behalf of yourself and your family, heirs, executors, administrators, successors and assigns) now and forever, the Company, including any of its past, present or future employees, agents, assigns, officers, directors and shareholders whether acting in their individual or representative capacity (collectively with the Company, the "Releasees") from and waive any claim in any legal jurisdiction that you have presently, may have or have had in the past, known or unknown, against the Releasees upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of this release, including, without limitation, all claims arising from your employment with, or termination of employment from, the Releasees, or otherwise. Notwithstanding the prior sentence, it is understood and agreed that the only rights or claims that you are not releasing and waiving are (i) your rights to receive the compensation and benefits provided to you under this Agreement; (ii) any rights you may have to the payment of vested benefits (if any) under the terms of the Company's qualified retirement plans (the Revlon Employees' Retirement Plan and the Revlon Employees' Savings, Investment and Profit Sharing Plan), as amended from time to time; and (iii) the rights to indemnification as provided in Section 21, below.

5. **EXTENT OF RELEASE.** Without limiting the generality of the preceding "GENERAL RELEASE" Section, this Agreement is intended to and shall release the Releasees from any and all claims or rights arising under any federal, state or local statute (including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in

Employment Act of 1967, as amended, the Equal Pay Act, as amended, the Americans with Disabilities Act of 1990, as amended, the Family and Medical Leave Act, as amended, the Employee Retirement Income Security Act of 1974, as amended, the Workers Adjustment and Retraining Act, the New York State Human Rights Law, as amended, the New York City Administrative Code, the New York Minimum Wage Law, the Equal Pay Law of New York and all other statutes regulating the terms and conditions of your employment, including, but not limited to those applicable laws set forth in **Exhibit I** to this Agreement), regulation or ordinance, under the common law or in equity (including any claims for wrongful discharge, discrimination, retaliation, whistleblower claims or otherwise), or under any policy, agreement, understanding or promise, written or oral, express or implied, formal or informal, between the Company and you, including, without limitation, any claim you might have for severance, termination or severance pay in any legal jurisdiction, or pursuant to the Revlon Executive Severance Pay Guidelines or practices as from time to time in effect, or otherwise.

7. **RIGHT TO COUNSEL.** The Company hereby advises you that you should consult with an attorney prior to execution of this Agreement. You acknowledge that you understand it is in your best interest to have this document reviewed by an attorney of your own choosing and at your own expense, and you hereby acknowledge that you have been afforded a period of at least twenty-one (21) days during which to consider this Agreement and to have it reviewed by your attorney.

8. **FREE WILL.** You are entering into this Agreement of your own free will and without coercion, intimidation or threat of retaliation. You acknowledge and agree that the Company has not exerted any undue pressure or influence on you in this regard. You acknowledge that you have had reasonable time to determine whether entering into this Agreement is in your best interest and you have read and fully understand the terms set forth in this Agreement.

9. **CONSIDERATION.** The consideration described in Section 1 provided to you under this Agreement is not required under the Company's policies or otherwise and you acknowledge that you know of no circumstances other than you agreeing to the terms of this Agreement which would require the Company to provide such consideration. You acknowledge that no representations of any kind or character have been made by the Company to induce your execution of this Agreement and that the only representations made to you in order to obtain your consent to this Agreement are as stated herein.

10. **RESTRICTIONS.** You agree, to the fullest extent permitted by law, that you will not initiate or cause to be initiated on your behalf, any lawsuit or other legal action against the Company relating to your employment or the termination thereof. You further represent and warrant that neither you, nor any person, organization or entity acting on your behalf, has filed or initiated any complaint, charge, claim or proceeding against the Company before any local, state or federal agency, court or other body relating to your employment or the termination thereof (each individually a "Proceeding"). To the fullest extent permitted by law, you waive any right you may have to benefit in any manner from any relief (whether monetary, equitable or otherwise) arising out of any past, present or future Proceeding, including any Proceeding conducted by the Equal Employment Opportunity Commission ("EEOC"). You understand that by entering into this Agreement, you will be limiting the availability of certain remedies that you may have against the Company and limiting also your ability to pursue certain claims against the Company. You further agree, to the extent permitted by law, not to instigate, encourage, or voluntarily assist or participate in an action or proceeding commenced by anyone else against the Company.

11. **TRANSITION AND COOPERATION.** As a material part of the consideration for this Agreement, you agree to fulfill your transition obligations as determined by the Company and to do so in a professional manner, including without limitation (i) cooperating with and transitioning your duties to Lorenzo Delpani, or his designee, as reasonably requested up to the Resignation Date and thereafter as needed, and (ii) resigning, as applicable, from all of your positions as an officer or director of the Company and all of its subsidiaries. Additionally, upon request, you agree to give your assistance and cooperation willingly in any matter relating to your expertise or experience as the Company may reasonably request, including your attendance and truthful testimony where deemed appropriate by the Company, with respect to any investigation or the Company's defense or prosecution of any existing or future claims or litigations relating to matters in which you were involved or potentially have knowledge by virtue of your employment with the Company. Such assistance and cooperation shall be provided by you without fee or charge, other than reasonable travel expenses and disbursements. Assistance shall be given during regular business hours at locations and times mutually agreed upon by you and the Company, with due regard to your availability given your then applicable employment, except with respect to mandated court appearances for which you will make yourself available upon reasonable notice.

12. **REVOCATION AND EFFECTIVE DATE.** This Agreement may be revoked by you within the seven (7) days after the date on which you sign this Agreement and you understand that this Agreement and your eligibility to receive any compensation and/or benefits under the Agreement shall not become binding or enforceable until this seven (7) day period has expired without you having so revoked. This Agreement shall become effective on the eighth (8th) day following your signing of this Agreement provided that you have not revoked the Agreement. Any such revocation must be made in a signed letter executed by you stating specifically that you are revoking your acceptance of this Agreement and personally delivered or postmarked within seven (7) days after you have executed this Agreement to the Company c/o Ed Spruck, Vice President Human Resources, Revlon Consumer Products Corporation, 237 Park Avenue, New York, New York 10017. You understand that if you revoke this Agreement, this Agreement and your eligibility to receive the consideration described in Section 1 will not be effective or enforceable and you will not be entitled to any payments and benefits thereunder. You understand and agree that you would not receive the payments and benefits set forth in this Agreement, except for your execution of this Agreement and the fulfillment of your promises set forth herein. The terms of this Agreement are not final and authorized until this Agreement is executed by a

Company officer or any other authorized executive of the Company with appropriate authority (the "Effective Date"). Until such execution by a Company officer, the Agreement shall be considered to be a draft for discussion purposes.

13. NOTICE. Any notice to be given under this Agreement shall be given in writing and delivered either personally or sent by certified mail to the Company c/o Ed Spruck, Vice President Human Resources at 237 Park Avenue, New York, New York 10017 and to you at your address in the Company's records.

14. CONFIDENTIALITY

a) You agree to comply with and perform each and every covenant and undertaking set forth in the Confidentiality Agreement, a copy of which is attached hereto as **Exhibit II** for your records), as if the same were fully set forth herein, and which is incorporated herein by this reference, regardless of whether or not you previously signed the Confidentiality Agreement, with the exception consistent with that consideration described in Section 1. a) ii), above. You further (i) affirm you have not divulged any proprietary or confidential information of the Company and will continue to maintain the confidentiality of such information consistent with the Company's policies, the Confidentiality Agreement and/or common law, and (ii) agree that payment of the consideration described in Section 1 is conditioned upon your complying otherwise with the Confidentiality Agreement.

b) In addition to any agreement related to trade secrets, confidential information and/or work products agreements previously executed by you, , you agree that you will not at any time divulge to any other entity or person any confidential information acquired by you 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 their respective family members, any information concerning this Agreement or the terms thereof, or any information concerning the circumstances of your employment with and the termination of your employment from the Company, or any information regarding discussions related to any of the foregoing or make, write, publish, produce or in any way participate in placing into the public domain any statement, opinion or information with respect to any of the foregoing or which reflects adversely upon or would reasonably impair the reputation or best interests of the Company or any of its directors, officers, employees or agents or their respective family members, except in each case (i) information which is required to be disclosed by court order, subpoena or other judicial process, (ii) information regarding your job responsibilities during your employment with the Company to prospective employers in connection with an application for employment, (iii) information regarding the financial terms of this Agreement to your spouse or your tax advisor for purposes of obtaining tax advice provided that such persons are made aware of and agrees to comply with the confidentiality obligation, or (iv) information which is necessary to be disclosed to your attorney to determine whether you should enter into this Agreement. 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, internet publication or discussion group, theatrical production or movie, or television or radio programming or commercial. In the event that you are required to make disclosure under any court order, subpoena or other judicial process which in any way relates to your employment with the Company, you will promptly notify the Company, take all steps requested by the Company to defend against the compulsory disclosure and permit the Company to participate with counsel of its choice in any proceeding relating to the compulsory disclosure.

c) You acknowledge 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 and that a breach of this Section will constitute a material breach of this Agreement, which will cause the Company to suffer immediate, substantial and irreparable injury. Accordingly, in the event any breach or threatened breach of this Agreement, the Company shall be entitled to the following forms of relief: (i) temporary, preliminary and permanent injunctions; (ii) its reasonable attorneys fees and costs incurred in enforcing the provisions in this agreement and the annexed Confidentiality Agreement (provided a court of competent jurisdiction determines that the threat of breach is credible); and (iii) in addition to any and all other remedies available to the Company at law or in equity for any violation of this Section, you agree to immediately remit and disgorge to the Company any and all payments paid or payable to you in connection with or as a result of engaging in any of the above acts. You confirm that, as of the date of your execution of this Agreement, you have not violated the terms of this "CONFIDENTIALITY" Section.

d) The Company and you agree that neither party shall disparage the other, and neither party shall not make any statements regarding your employment and the termination thereof, other than to be consistent with that set forth in the statement attached hereto as **Exhibit III**.

15. RETURN OF COMPANY PROPERTY. You understand and agree that you are obligated to return all Company property in your possession or control, including without limitation, company cars where applicable, computer disks or data (including, data retained on any computer), any home-office equipment or computers, cell phones, Blackberries or similar smartphone devices, purchased or provided by the Company, any keys, identification and access cards, records, documents, files or other materials. By executing this Agreement, you represent and agree that you (i) have returned all Company property in your possession or control to the Company, including any home-office equipment, and (ii) have not retained any such computer data (or copies thereof) in any form.

16. NON-ADMISSION. Nothing contained in this Agreement shall be deemed or construed as an admission of wrongdoing or liability on the part of the Company.

17. SEVERABILITY CLAUSE. Should any provision of this Agreement and General Release be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, excluding the general release language, such provision shall immediately become null and void, leaving the remainder of this Agreement and General Release in full force and effect;

18. ASSIGNMENT. This Agreement may be assigned by the Company to (i) any affiliate of the Company or (ii) any non-affiliate of the Company that shall acquire all or the greater part of the business and assets of the Company. In the event of any such assignment, the Company shall cause such affiliate or non-affiliate, as the case may be, to assume the obligations of the Company hereunder with the same effect as if such assignee were the "Company" hereunder, and, in the case of such assignment to a non-affiliate, the Company and its affiliates shall be released from all liability hereunder. This Agreement is personal to you and you may not assign any rights or delegate any responsibilities hereunder without the prior approval of the Company.

19. NON-ALIENATION. You shall not have any right to pledge, anticipate or in any way create a lien upon any payment or benefit provided under this Agreement, and no such payment or benefit shall be assignable in anticipation of payment, either by voluntary or involuntary acts or by operation of law.

20. OFFSET. You hereby authorize the Company to offset any sums owed by you to the Company against the severance pay payable to you pursuant to this Agreement, to the fullest extent permitted under applicable law. As of the date hereof, the Company has no knowledge of any amounts owed by you to the Company.

21. INDEMNIFICATION. Subject to the terms, conditions and limitations of its by-laws and applicable Delaware law, the Company will to the fullest extent permissible under such by-laws defend and indemnify you against all costs, charges and expenses incurred or sustained by you in connection with any action, suit or proceeding to which you 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 you as an officer, director or employee of the Company or of any subsidiary or affiliate of the Company. You shall be covered by the Directors and Officers insurance coverage as is maintained by the Company for its directors and officers including, to the extent provided under such Directors and Officers Insurance, coverage for actions, suits or proceedings brought after your Termination Date but relating to periods during your employment with the Company.

22. GOVERNING LAW AND CHOICE OF FORUM. This Agreement shall be governed by, and construed pursuant to, the laws of the State of New York applicable to transactions executed and to be wholly performed in New York between residents thereof, without regard to the state's conflict of laws provisions, except as otherwise preempted by the laws of the United States. The parties consent and agree to the exclusive jurisdiction and venue of the Federal and State courts sitting in the County of New York for all purposes. In the event of a breach of any provision of this Agreement and General Release, either party may institute an action specifically to enforce any term or terms of this Agreement and General Release and/or to seek any damages for breach. Also, the parties to this Agreement, to the extent allowed by law, knowingly, voluntarily and intentionally waive the right to a trial by jury with respect to any litigation based on this Agreement or arising out of, under, or in connection with this Agreement, the employment relationship, or actions or inactions of any party hereto. This provision is a material inducement for the parties to enter into this Agreement.

23. ENTIRE AGREEMENT. This Agreement and any attachments or exhibits hereto expressly supersede any and all previous understandings and agreements between the Company and you, including without limitation any employment agreements (including the agreement between you and the Company dated May 1, 2009), and constitute the sole and exclusive understanding between the Company and you concerning the subjects set forth herein, This Agreement and any attachments or exhibits hereto may not be altered, modified, changed or discharged except in a writing signed by you and agreed to by the Company. You understand and agree that other than as set forth in this Agreement and the attachments or exhibits hereto, you will not receive any compensation, payments or benefits of any kind from the Company. and you expressly agree that you are not entitled and have no right to any additional compensation, payments or benefits, other than the payment of vested benefits (if any) under the terms of the Company's qualified retirement plans, as amended from time to time.

If the foregoing text of this document correctly reflects our mutual agreements, please execute and return to the undersigned the two originals of this Agreement.

Sincerely,

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Edward P. Spruck

Edward P. Spruck  
Vice President, Human Resources  
AGREEMENT AND  
ACKNOWLEDGMENT

I, James Christopher Elshaw, acknowledge receipt of the Letter Agreement and Release and I agree to all the terms and conditions set forth in the Letter Agreement and Release. I have read and fully understand the meaning and effect of the terms set forth in the Letter Agreement and Release and enter into such agreement of my own free will and without coercion, intimidation or threat of retaliation. I also acknowledge and understand that I have been afforded twenty-one (21) days to consider the Letter Agreement and Release and to have the agreement reviewed by my attorney if I so choose. I acknowledge that if I execute this Letter Agreement and Release prior to the expiration of the twenty-one (21) day period or if I choose to forego the advice of an attorney, I am doing so freely, knowingly and voluntarily and waive any and all future claims that such action or actions would affect the validity of this Letter Agreement and Release.

Date: 3/24/14

Signature: /s/ Chris Elshaw  
James Christopher Elshaw

STATE OF        )  
                                  : ss.:  
COUNTY OF     )

BE IT REMEMBERED that on this 24 day of March, 2014, before me, the subscriber, personally appeared James Christopher Elshaw who, I am satisfied, is the person named in and who executed the within instrument, and thereupon he/she acknowledged that he/she signed, sealed, and delivered the same as his/her own voluntary act and deed for the uses and purposes therein expressed.

/s/ Curlean Bradley  
Notary Public  
My Commission Expires Sept. 16, 2017

**EXHIBIT I**

Alabama Age Discrimination Law, Alabama Code Sec. 25-1-20 <u>et seq.</u> Payment of Wages, Alabama Code Sec. 36-6-1
Alaska Human Rights Law, Alaska Statutes Sec. 18.80.010 <u>et seq.</u> Payment of Wages, Alaska Statutes Sec. 23.05.140(b) and (d)
Arizona Civil Rights Law, Arizona Revised Statutes Sec. 41-1401 <u>et seq.</u> Arizona Equal Pay Law, Arizona Revised Statutes Sec. 23-240 <u>et seq.</u> Payment of Wages, Arizona Statutes Annotated Sec. 23-353 <u>et seq.</u>
Arkansas Civil Rights Act, Arkansas Code Annotated Title 16, Ch. 123, Sec. 101-108 Arkansas Equal Pay Law, Arkansas Code Annotated Title 11, Ch. 4, Sub. Ch. 4, Sec. 11-4-601 through 11-4-612
The California Fair Employment and Housing Act The California Sexual Orientation Bias Laws The California Confidentiality of Medical Information Law The California Apprenticeship Program Bias Law The California Military Personnel Bias Law The California Moore-Brown Roberti Family Rights Act The California Comparable Worth Law The California Wage and Hour Laws The California Labor Code The California Civil Code, Section 1542 The California Family Rights Act- Cal. Gov't Code §12945.2 <u>et seq.</u> The California Unruh Civil Rights Act – Civ. Code § 51 <u>et seq.</u> The Statutory provisions Regarding the Confidentiality of AIDS Information– Cal. Health & Safety Code §120775 <u>et seq.</u> The California Smokers' Rights Law – Cal. Lab. Code § 96 The Statutory Provision Regarding Retaliation/Discrimination for Filing a Workers Compensation Claim – Cal. Lab. Code § 132a (1) to (4) The California Parental Leave Law – Cal. Lab. Code § 230.7 <u>et seq.</u>

<p>The California Wage Payment Act, as amended;  The California Equal Pay Law – Cal. Lab. Code § 1197.5 <u>et seq.</u>  The California Whistleblower Protection Law – Cal. Lab. Code § 1102-5(a) to (c);  The Statutory Provision Regarding California Family and Medical Leave – Cal. Lab. Code § 233  The Statutory Provisions Regarding California Electronic Monitoring of Employees – Cal. Lab. Code § 435 <u>et seq.</u>  The California Occupational Safety and Health Act, as amended, California Labor Code § 6300 <u>et seq.</u>, and any applicable regulations thereunder  The California Consumer Reports Discrimination Law – Cal. Civ. Code § 1786.10 <u>et seq.</u>  The California Political Activities of Employees Act – Cal. Lab. Code § 1101 <u>et seq.</u>  The California Domestic Violence Victim Employment Leave Act – Cal. Lab. Code § 230.1  The California Voting Leave Law – Cal. Elec. Code § 14350 <u>et seq.</u>  The California Court Leave Law – Cal. Lab. Code § 230  The other provisions of the California Labor Code that lawfully may be released  The Los Angeles AIDS-Based Discrimination Ordinance, Los Angeles Municipal Ordinance §45.80 <u>et seq.</u>, as amended</p>
<p>Colorado Anti-Discrimination Act of 1957, Co. St. Section 24-34-302 <u>et seq.</u>  Colorado Equal Pay Law, Co. St. Section 8-5-101 <u>et seq.</u>  Colorado Civil Rights Commission Regulations on Employment  Colorado Civil Rights Commission Age Discrimination Rules  Colorado Civil Rights Commission Creed and Religious Discrimination Rules  Colorado Civil Rights Commission Handicap Discrimination Rules  Colorado Civil Rights Commission National Origin Discrimination Rules  Colorado Civil Rights Commission Sex Discrimination Rules  Colorado Civil Rights Commission Employment Testing Rules</p>
<p>Connecticut Human Rights and Opportunities Law, 814 Gen. Stat. Conn. 46-a-51 to 46-a-104  Equal Pay Law, Gen. Stat. Conn. Sec. 31-58(e), 31-75 and 31-76  Age Discrimination and Employment Insurance Benefits Law, Gen. Stat. Conn. Sec. 38a-543  Payment of Wages, Gen. Stat. Conn. Sec. 31-72</p>
<p>Delaware Fair Employment Practices Act, 19 Delaware Code Annotated 710-718  Delaware Equal Pay Act, 19 Delaware Code Annotated 1107A  Delaware Handicap Discrimination Law, 19 Delaware Code Annotated 720-728  Payment of Wages (no official title), 19 Delaware Code Annotated Sec. 1103, Sec. 1109</p>
<p>The District of Columbia Human Rights Act, D.C.Code §§1-2501 to 1-2557  The District of Columbia Employment Rights of Blind and Physically Disabled Persons (“White Cane Act”), D.C.Code Ann. §6-1701 to 6-1709</p>
<p>The Florida Civil Rights Act of 1992  The Florida Equal Pay Act, §725.07 Florida Statutes  The Florida Whistleblower Act §§448.102, <u>et seq.</u>, Florida Statutes  Florida’s Attorney’s Fees Provision for Successful Litigants in Suits for Unpaid Wages, §448.08, Florida Statutes</p>
<p>Georgia Fair Employment Practices Act, Georgia Code Annotated Sec. 45-19-20 to 45-19-45  Equal Employment for Persons with Disabilities Code, Georgia Code Annotated Sec, 34-6A-1 to 34-6A-6  Georgia Age Discrimination Act, Georgia Code Annotated Sec. 34-1-2-<u>et seq.</u>  Equal Pay Law, Georgia Code Annotated Sec. 34-5-1 <u>et seq.</u>  Payment of Wages, Georgia Code Annotated Sec. 34-7-2</p>
<p>Hawaii Fair Employment Practices Law, 21 Hawaii Revised Statutes Ch. 378-1 to 378-9  Equal Pay Law, Hawaii Revised Statutes Sec. 387-4  Payment of Wages, Hawaii Revised Statutes Sec. 388-3, <u>et seq.</u></p>
<p>Idaho Fair Employment Practices Act, I.C. Section 67-5901, <u>et seq.</u>  Idaho Equal Pay Law, I.C. Section 44-1701, <u>et seq.</u>  Idaho Civil Rights Law, I.C. Section 18-7301, <u>et seq.</u>  Idaho Wage Claim Statute, I.C. Section 45-601, <u>et seq.</u></p>
<p>The Illinois State Wage and Hour Laws  The Illinois Equal Pay Laws  The Illinois Wage Payment and Collection Act  The Illinois Health and Safety Act  The Illinois Human Rights Act  The Illinois Joint Agency Rules on Sex Discrimination  The Illinois Joint Agency Rules on National Origin and Discrimination</p>
<p>Indiana Civil Rights Law, as amended  Indiana Equal Pay Act, as amended  Indiana Minimum Wage Law of 1965, as amended  Indiana Handicap Discrimination Law, as amended  Indiana Age Discrimination Act, as amended  Indiana Occupational Safety and Health Act of 1974, as amended</p>
<p>Iowa Civil Rights Act of 1965, I.C. Section 216.1 <u>et seq.</u>  Iowa Wage Payment Collection Law, I.C. Section 91A.1 <u>et seq.</u></p>
<p>Kansas Act Against Discrimination, K.S. Ch. 44, Art. 10  Kansas Equal Pay Law, K.S. Section 44-1205, <u>et seq.</u>  Kansas Age Discrimination in Employment Act, K.S. Section 44-1111, <u>et seq.</u></p>



<p>Kansas Age Discrimination Guidelines  Kansas Laws for Payments of Compensation K.S. Section 44-301, <u>et seq.</u></p>
<p>Kentucky Civil Rights Act, as amended  Kentucky Equal Opportunities Act, as amended  Kentucky Equal Pay Law, as amended  Kentucky Constitution</p>
<p>The Louisiana Employment Discrimination Law, (La. R.S. Ann. Title 23, Ch. 3-A, §301 <u>et seq.</u>)  The Louisiana Age Discrimination Law (La. R.S. Ann. Title 23, Ch. 9, §§311 through 314)  The Louisiana Commission on Human Rights Act (La. R.S. 51:2231 <u>et seq.</u>)  The Louisiana Discrimination in Employment Act (La. R.S. 23:301 <u>et seq.</u>)  The Louisiana Age Discrimination in Employment Act (La. R.S. 23:311 <u>et seq.</u>)  The Louisiana Wage Payment Law (La. R.S. 23:631 <u>et seq.</u>)  The Louisiana Code of Civil Procedure, Art. 2592</p>
<p>The Maine Human Rights Act, Me. Rev. Stat. Ann. tit. 5, §4551 <u>et seq.</u>  The Maine Equal Pay Law, Me. Rev. Stat. Ann. tit. 26, Ch. 7, §628  The Maine Sexual Harassment Policies Law, Me. Rev. Stat. Ann. tit. 26, §806</p>
<p>The Maryland Fair Employment Practices Act, Md. Code Ann. art. 49B, §1 <u>et seq.</u>  The Maryland Handicapped Anti-Discrimination Regulations, Md. Regs, Code tit. 14.03.02.01 <u>et seq.</u>  The Maryland Equal Pay Law, Md. Code Ann., Lab. &amp; Empl., Subtitle 3, §§301 to 308</p>
<p>The Massachusetts Fair Employment Practice Act, Mass. Gen. Laws ch. 151B, §§1 to 10  The Equal Pay and Maternity Benefits Law, Mass. Gen. Laws ch. 149, §105A to 105D  The Massachusetts Equal Rights Act, Mass. Gen. Laws ch. 93, §102  The Massachusetts Age Discrimination Law, Mass. Gen. Laws ch. 149, §24A to 24I  Payment of Wages, Mass. Gen. Laws Ann. ch. 149 §148</p>
<p>The Michigan Elliot-Larsen Civil Rights Act, Mich. Comp. Laws, §§37.2101 through 37.2804  The Michigan Bias Against Handicapped Law, Mich. Comp. Laws Ann., §37.1101 <u>et seq.</u>  The Michigan Equal Pay Law, Mich. Comp. Laws Ann., §§408.381, 408.382 and 408.392, 408.393, 408.394, 408.395, 408.397  Violation of Equal Pay Law, Mich. Comp. Laws Ann. §750.556</p>
<p>Minnesota Human Rights Act, Minnesota Statutes, Sections 363.01-363.15  Minnesota Equal Pay Law, Minnesota Statutes, Sections 181.66-181.71  Minnesota Age Discrimination Act, Minnesota Statutes, Section 181.81, <u>et seq.</u>  Minnesota Whistleblower Protection Act  Retaliation for Filing a Worker’s Compensation Claim Law  Minnesota Parental Leave Act  Minnesota Equal Pay For Equal Work Law  Minnesota Fair Labor Standards Act  Minnesota Discrimination for Lawful Activities Law  Minnesota Wage Payment and Work Hour Laws  Minnesota Occupational Safety and Health Act  Minnesota’s Personnel Record Review Statute</p>
<p>Missouri Human Rights Law and Related Regulations  Missouri Equal Pay Laws</p>
<p>Montana Human Rights Act, Title 49, Chs. 1 through 4 of the Montana Code Annotated  Montana Persons with Disabilities Employment Preference Act, Title 39, Ch. 30, Sections 39-30-101 to 39-30-207 of the Montana Code Annotated</p>
<p>The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §48.1101 <u>et seq.</u>  The Act Prohibiting Unjust Discrimination in Employment Because of Age, Neb. Rev. Stat. §§48-1001 to 48-1010</p>
<p>The Nevada Fair Employment Practice Act, Nev. Rev. Stat. §§613.310 to 613.435  The Nevada State Wage and Hour Laws, Nev. Rev. Stat. §608.015  The Nevada Equal Pay Law, Nev. Rev. Stat §608.817</p>
<p>The New Hampshire Equal Pay Law, N.H. Rev. Stat. Ann. Ch. 275, §275.36 to 275.4  The New Hampshire Law Against Discrimination, N.H. Rev. Stat. Ann. §§354-A:1 to 354-A:26</p>
<p>The New Jersey Equal Pay Act, N.J. Stat. Ann. Title 34, Ch. 11, §§34:11-56.1 to 34:11-56.11  The New Jersey Law Against Discrimination, N.J. Stat. Ann. §10:5-12  The New Jersey Civil Rights Division Rules of Practice, Title 13, Ch. 4, §§13.4-1.1 <u>et seq.</u> of the New Jersey Administrative Code  Equal Employment Opportunity, Title 4A, Ch. 7, §§1-1 <u>et seq.</u> of the New Jersey Administrative Code  The New Jersey Conscientious Employee Protection Act</p>
<p>The New York Human Rights Law  The New York Minimum Wage Law  The Equal Pay Law of New York</p>
<p>The New Mexico Human Rights Act  The New Mexico AIDS Testing Law  The New Mexico Genetic Information Privacy Act  The New Mexico Employee Privacy Act  The New Mexico Wage and Hour Laws  The New Mexico Occupational Health and Safety Act</p>
<p>The North Carolina Equal Employment Practices Act, N.C. Gen. Stat. §143-422.2</p>

The North Carolina Handicapped Persons Protection Act, N.C. Gen. Stat. §168A-5(a)
The North Dakota Equal Pay Act, N.D. Cent. Code §§34-06.1-01 1034-06.1-09
The North Dakota Human Rights Act, N.D. Cent. Code §14-03.4-03
The North Dakota Age Discrimination Act, N.D. Cent. Code §34-01-17
The North Dakota Anti-Discrimination Law, N.D. Cent. Code §14-02.4-08
The Ohio Fair Employment Practices Law, Ohio Rev. Code Ann. Title 41 §4112.02 <u>et seq.</u>
The Ohio Equal Pay Law, Ohio Rev. Ann. Code, §4111.17(A)
The Ohio Civil Rights Act, Ohio Rev. Code Ann. §§4112.01-4112.99
The Oklahoma Anti-Discrimination Statutes (25 O.S. 1301 <u>et seq.</u> )
The Oklahoma Workers' Compensation Act (85 O.S. 5 <u>et seq.</u> )
The Oregon Equal Pay Law, Or. Rev. Stat. Title 51, Ch. 652, §652.10 <u>et seq.</u>
The Oregon Safe Employment Act, Or. Rev. Stat. §§659.062
The Oregon Fair Employment Practices Act, Or. Rev. Stat. §659.030
Oregon Handicap Bias Law, Or. Rev. Stat. §659.400(1), 659(435)(1)
Pennsylvania Human Relations Act, as amended
Pennsylvania Wage Payment and Collection Law, as amended
Pennsylvania Minimum Wage Act, as amended
Pennsylvania Equal Pay Law, as amended
The Rhode Island Equal Pay Law, R.I. Gen. Laws Title 28, Ch. 6, §§28-6-17 through 28-6-21
The Rhode Island Fair Employment Practices Act, R.I. Gen. Laws §28-5
The Rhode Island Equal Pay and Comparable Worth Commission, R.I. Gen. Laws Title 42, Ch. 124, §1 <u>et seq.</u>
The Rhode Island Civil Rights Act, R.I. Gen. Laws Title 42, Ch. 112, §§42-112-1 and 42-112-2
South Carolina Human Affairs Law, S.C. Code Sec. 1-13-20 <u>et seq.</u> (Supp 1998)
South Carolina Wage Payment Act, S.C. Code Sec. 41-10-10 <u>et seq.</u> , (Supp 1998)
South Carolina Workers' Compensation Law
The South Dakota Human Relations Act, S.D. Codified Laws §20-13-1 to 20-13-56
The South Dakota Equal Pay Law, S.D. Codified Laws §60-12-15 <u>et seq.</u>
The South Dakota Local Fair Employment Practices Legislation, S.D. Codified Laws §20-12- 4 to 20-12-9
The Tennessee Anti-Discrimination Act, Tenn. Code Ann. tit. 4, Chap. 21, §101 <u>et seq.</u>
The Tennessee Fair Employment Practices Law, Tenn. Code Ann. §4-21-407(b)
The Tennessee Equal Pay Act, Tenn Code. Ann. tit. 50, Chap. 2, §§201-206
The Tennessee Handicap Bias Law, Tenn. Code Ann. tit. 8, §8-50-102
The Texas Employment, Discrimination Law, Tex. Lab. Code, tit. 2, Chap. 21 §21.001 <u>et seq.</u>
The Texas Commission on Human Rights Act, Tex. Lab. Code Ann. §21.101
The Texas Communicable Disease Act, Texas Code Ann. ch. 81, Subchapter F.
Disability Discrimination, Tex. Hum. Res. Code 121.001 <u>et seq.</u>
The Texas Commission on Human Rights Law, Texas Government Code, Tit. 2, Ch. 461, Subchapter A-C, §461.001 <u>et seq.</u>
The Texas Equal Pay Act, Texas Gov't Code Ann., tit. 5, §659.001
The Texas Public Employment Discrimination Act, Texas Civ. Prac. and Rem., tit. 5, §106.001 <u>et seq.</u>
The Texas Human Rights Commission Rules, 40 Tex. Admin. Code, §321.1 <u>et seq.</u>
The Utah Antidiscrimination Act, Utah Code Ann. tit. 34A §101 <u>et seq.</u>
The Vermont Fair Employment Practices Act, Vt. Stat. Ann. tit. 21, §495 <u>et seq.</u>
The Vermont Human Rights Commission, Vt. Stat. Ann. tit. 9
The Virginia Human Rights Act, Va. Code tit. 2.1, Ch. 42, §2.1-714 <u>et seq.</u>
The Virginia Equal Pay Act, Va. Code §40.1-28.6
The Virginians with Disabilities Act, Va. Code tit. 51.5, §51.5 <u>et seq.</u>
The Washington Law Against Discrimination in Employment, Wash. Rec. Code §49.60.010 <u>et seq.</u> , as amended
The Washington Equal Pay Law, Wash. Rev. Code §49.12.175
The Washington Sex Discrimination Law, Wash. Rev. Code Ch. 49.12, §200
The Washington Age Discrimination Law, Wash. Rev. Code tit. 49, §49.44.090
The Washington Fair Credit Reporting Act
The Washington Consumer Protection Act, Chapter 19.86 RCW
The Washington Minimum Wage Act, as amended, to the extent permitted by law
The Washington's Domestic Violence Leave Law, Chapter 49.76 RCW
Washington's Military Family Leave Law, Chapter 49.77 RCW
Any provision of Title 49 of the Revised Code of Washington
Any provision of Title 296 of the Washington Administrative Code
Any claim for failure to pay wages, bonuses, or commissions or for willful withholding of wages, including any claim for liquidated or double damages, to the extent permitted by law
The Washington Industrial Insurance Act, as amended, to the extent permitted by law;
Any claim alleging the exception to the Washington Industrial Insurance Act, established by RCW 51.24.020, for injury inflicted with deliberate intention
Any claim for breach of any term or condition of an employee handbook or policy manual, including any claim for breach of any promise of specific treatment in specific situations
Any public policy, contract, tort, or common law, including but not limited to claim(s) for wrongful termination in violation of public policy
Any provision of Chapter 14.04 of the Seattle Municipal Code

Wis. Stat. 110.31, et seq.

The West Virginia Human Rights Act – W. Va. Code §5-11-1 et seq.

The West Virginia Statutory Provisions Against Retaliation/Discrimination for Filing a Workers' Compensation Claim – W. Va. Code §23-5A-1 et seq.

The West Virginia Equal Pay Law – W. Va. Code §21-5B-1 et seq.

The West Virginia AIDS-Related Testing and Records Confidentiality Act – W. Va. Code §16-3C-1 et seq.

The West Virginia Smokers' Rights Law – W. Va. Code §21-3-19

The West Virginia Electronic Monitoring – W. Va. Code §21-3-20

The West Virginia State Wage Payment and Work Hour Laws

The Wyoming Fair Employment Practices Act, Wyo. Stat. tit. 27, Ch. 9, §101-108

The Wyoming Equal Pay Law, Wyo. Stat. tit. 27, Ch. 4, §301-304

## **EXHIBIT II**

### **EMPLOYEE AGREEMENT AS TO CONFIDENTIALITY**

#### **AND NON-COMPETITION**

I acknowledge that in the course of performing services for the Company I will have access to, and be acquiring, confidential information and trade secrets concerning the Company's business affairs including, without limitation, information with respect to its financial results and prospects, future plans in research, advertising, product development and/or marketing, and/or proprietary business processes. Accordingly, in consideration for my continued employment, compensation and benefits and continued access to confidential information and trade secrets to be provided to me, I agree to comply fully with each and every provision of this Agreement, as follows:

#### **1. DEFINITIONS**

(a) "Company" means Revlon Consumer Products Corporation, its subsidiaries, divisions and affiliates, and successors to any of them.

(b) "Confidential Information" means any information, including but not limited to a Trade Secret and any information regarding personal matters of any directors, officers or employees, or their respective family members, disclosed to me or known by me through or in the course of my employment with the Company, directly or indirectly relating to the past, present or anticipated business affairs of the Company, unless I can clearly and convincingly show that such information is generally known outside the Company.

(c) "Invention" means any new or useful discovery or improvement relating to any technology, article, product, composition of matter, process, information system, computer hardware or software, computer application, or computer code in source or object form, design, device, biological material, or machinery, whether or not patentable, and all related know how, and any trademark or service mark, made or conceived by me alone or with others (1) during the period of my employment with the Company which directly or indirectly relates to the past, present or anticipated business affairs of the Company at the time of the conception or results from or is suggested by any work which I have done or may do for the Company or (2) within one year after termination of my employment with Company which is derived from Confidential Information, Trade Secrets or Copyright Work.

(d) "Copyright Work" means any work of authorship, including computer software, and which I prepared alone or with others within the scope of my employment relating to the subject matter of my employment.

(e) "Trade Secret" means information, including without limitation, any formula, pattern, drawing, compilation, program, device, method, technique, computer security information, process, cost data, supplier lists or product or related information or an Invention, directly or indirectly related to the past, present or anticipated business affairs of the Company, that derives value, actual or potential, from not being generally known to the public or to other persons who can obtain value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain such secrecy.

#### **2. CONSIDERATION**

The consideration for this Agreement is my employment or continued employment by the Company, access to and continued access to the Confidential Information and Trade Secrets and continued compensation and benefits to be provided for my services during such employment, which I agree and acknowledge are adequate and acceptable consideration for this Agreement.

#### **3. NOTICE**

I will communicate to the appropriate employee of the Company promptly and fully all information relating to any Invention, Copyright Work or Trade Secret.

#### **4. OWNERSHIP OF RIGHTS**

The Company shall own any Confidential Information, Invention or Trade Secret. The Company shall be (i) the owner and author of any Copyright Work and (ii) the owner and the author of any other work that constitutes "work made for hire" under the copyright law or relates to the subject matter of my employment. The Company's ownership rights under this Agreement shall be in addition to the Company's common law rights.

#### **5. ASSIGNMENTS/APPLICATIONS**

Upon the request of the Company at any time during or after my employment, I will, at the Company's expense (but with no further remuneration to me): (a) promptly assign to the Company or its designee any right, title or interest I may have in and to any Confidential Information, Trade Secret, Invention (and all patents arising therefrom) or Copyright Work; (b) promptly and fully assist the Company in the preparation and filing of any patent, copyright, trademark or other application for the protection of any Invention or Copyright Work; and (c) promptly sign all lawful papers, take all lawful oaths and do all lawful acts requested by the Company in connection with the protection of any Confidential Information, Trade Secret, Invention or Copyright Work.

#### **6. RETURN OF TANGIBLE PROPERTY**

All tangible property in my possession or control including, but not limited to, biological materials, hard copy or computer disks, computer memory or other electronic writings, records, drawings, models, supplier lists, raw materials lists or other lists or compilations, blueprints, notebooks, or documents, containing any Confidential Information, Trade Secret, or Invention or which embodies a Copyright Work is the exclusive property of the Company. I agree to safeguard such property properly in accordance with all applicable Company policies and I will not copy or remove such property from the premises of the Company except for Company business upon proper authorization, and I shall deliver such property to the Company without keeping any copies or any portions thereof on the termination of my employment.

#### **7. NONDISCLOSURE OF CONFIDENTIAL INFORMATION AND TRADE SECRETS AND NON-INTERFERENCE**

(a) Unless the Company consents or directs me otherwise in writing, I will not at any time during or after my employment with the Company use any Confidential Information or Trade Secrets for my own benefit or disclose any Confidential Information or Trade Secrets to anyone outside the Company or to any employee of the Company not also having authorized access to and a legitimate need to know such Confidential Information or Trade Secrets nor shall I direct anyone else to do so. In the event I am requested or required to make disclosure of any Confidential Information under any court order, subpoena or other judicial process, I will promptly notify the Company, take all reasonable steps requested by the Company to defend against the compulsory disclosure and permit the Company to take control with counsel of its choice in any proceeding relating to the compulsory disclosure.

(b) I agree that I will not at any time during or for a period of twelve months following the termination of, my employment with the Company, directly or indirectly solicit, induce, influence, or attempt to solicit, induce or influence any person then employed by the Company with whom I have had contact to terminate his or her employment relationship with the Company or otherwise interfere with any such employment by or association with the Company for the purpose of associating, as an employee or otherwise, with any Restricted Entity (as defined in Section 9) or otherwise encourage any such employee to leave his or her employment with the Company.

(c) I agree that I will not at any time during, or for a period of twelve months following the termination of, my employment with the Company, directly or indirectly solicit, induce, influence, or attempt to solicit, induce or influence any customer, supplier or vendor of the Company with whom I have had contact to divert his, her or its business to any Restricted Entity (as defined in Section 9) or otherwise encourage such customer, supplier or vendor to terminate its business relationship with the Company or otherwise interfere with any business or contractual relationship of the Company that may exist from time to time, including but not limited to with any supplier, customer or vendor.

#### **8. NON-COMPETITION AND CONFLICTS OF INTEREST DURING EMPLOYMENT**

During my employment with the Company, unless approved in accordance with the Revlon Code of Business Conduct, I shall not have any direct or indirect interest (whether as a director, officer, stockholder, partner, proprietor, associate, employee, consultant, owner, agent or independent contractor) in any Restricted Entity (as defined in Section 9) or any company which sells to, supplies services to or buys products or services from the Company, or engage in any other activity or relationship which would be contrary to the Company's conflict of interest policy as set forth in its Code of Business Conduct as from time to time in effect. This prohibition does not apply to solely owning, directly or indirectly, not more than one percent of the issued and outstanding common stock of a corporation, the shares of which are regularly traded on a national securities exchange or in the over-the-counter market.

## **9. NON-COMPETITION AFTER EMPLOYMENT**

(a) I recognize that the Confidential Information, Inventions and Trade Secrets are special and unique and of great value to the Company, that the Company has made a substantial investment in their development, that their disclosure to anyone not authorized to become aware of them, especially to any Restricted Entity (as defined below), could cause irreparable injury to the Company's business, and that my employment with or interest in a Restricted Entity could make effective enforcement of this Agreement impracticable.

(b) Because of this, should I terminate my employment with the Company for any reason or should the Company terminate my employment for any reason, I agree to comply with the restrictions set forth in paragraph (e) of this Section during any period that the Company agrees to provide me with continued payment of my salary or wages or to provide me separation or severance pay, pursuant to any agreement, severance policy or program of the Company or otherwise ("Severance Period"). In the event that I receive any lump sum payment in lieu of any such continuing payment during the Severance Period, I agree to comply with the restrictions set forth in paragraph (e) of this Section for the remainder of the Severance Period during which continuing payments would have been made.

(c) In addition, having in mind that the preceding paragraph (b) may not adequately protect the Company's interests against voluntary or coerced disclosure or misuse, I agree that the Company shall have the option to further restrict my employment and other interests as follows. If during my employment with the Company or at any time during the 12 months following my termination of my employment with the Company for any reason or the Company's termination of my employment for any reason I am offered employment with or any other interest referred to in paragraph (e) of this Section with a Restricted Entity and I wish to accept the same, I will give prompt written notice to the Company's Executive Vice President - Human Resources, at 237 Park Avenue, New York, New York 10017, stating that I have been offered such employment or other interest, representing that such offer is a bona fide and firm offer and that I intend to accept the same unless precluded hereby, specifying the specific employment title and duties or other interest so offered and the terms (including base salary) of such offer and consenting to the Company contacting appropriate officials at such other company solely for the purpose of verifying the nature and terms of the employment or other interest offered. The Company will maintain as confidential the information I provide with respect to such offer except as otherwise provided herein.

(d) If the Company in its sole discretion determines that the Confidential Information, Inventions and/or Trade Secrets to which I had access require such protection and elects, therefore, to restrict my employment or other interest as provided in paragraph (e) of this Section, it shall be entitled to do so by giving me written notice no later than fourteen days after the Company receives written notice from me as above provided, specifying a period expiring not more than twelve months following my last day of employment with the Company during which it elects to restrict my employment or other interest (the "Restricted Period"), and irrevocably agreeing to pay me monthly for each month (or portion thereof) commencing on the later of (A) the date of the Company's notice or (B) the date that the Company's continued payment of my salary or wages or payment of separation or severance pay referred to in paragraph (b) of this Section terminates, and continuing through the end of the Restricted Period, the greater of (i) my regular monthly base salary in effect on the last day of my employment with the Company or (ii) the regular monthly base salary or other monthly compensation offered by the new employer or other entity (pro rated for any partial month).

(e) If the option provided for in paragraph (d) of this Section is so exercised or any payments are made as set forth in paragraph (b) of this Section, I agree that during the period for which payments as above provided are made, I will not directly or indirectly, as a director, officer, stockholder, partner, associate, employee, consultant, owner, agent or independent contractor become or be interested in, or associated with, any other corporation, firm or business engaged in a consumer or professional cosmetics, fragrances, toiletries business or any other business that is competitive, in any geographical area, with any business of (i) the Company to which I was assigned or for which I rendered substantial employment services or with respect to which I was exposed to Confidential Information or Trade Secrets at any time during the two years prior to the termination of my employment or (ii) The Colomer Group Participations, S.L. (a "Restricted Entity"); provided that my ownership, directly or indirectly, of not more than one percent of the issued and outstanding stock of a corporation the shares of which are regularly traded on a national security exchange or on the over-the-counter market shall not, solely on its own, be deemed to be a violation of this sentence. Notwithstanding the foregoing or anything in this Non-Competition Agreement to the contrary, for purposes of this Section 9(e), (i) the term "Company" shall be deemed to be Revlon, Inc. and The Colomer Group Participations, S.L. and their respective subsidiaries, and (ii) the business of the Company shall be limited to such businesses as the Company was engaged in (or had committed plans to engage in) as of October 1, 2013.

(f) Notwithstanding any other provision of this Agreement, if during the period that payments referred to in paragraph (d) of this Section are made to me and I receive compensation for employment or consulting services rendered to any corporation, firm or business which (i) is not a Restricted Entity or (ii) is a Restricted Entity as to which the Company, after due notice from me as required by paragraph (c) of this Section, does not duly exercise its option under paragraph (d) of this Section, the amounts of such payments referred to in paragraph (d) of this Section shall be reduced by the amount of such other compensation payable as a result of such other employment or consulting services.

## **10. ENFORCEMENT OF OBLIGATIONS**

I agree that my failure to perform any obligation under this Agreement will cause immediate and irreparable damage to the Company, that there is no adequate remedy at law for such failure, and that in the event of such failure the Company shall be entitled to injunctive relief, and such other relief as may be just and proper.

Without limiting the generality of the foregoing, in the event that I receive a grant of an Award under the Revlon Stock Plan, I irrevocably agree and consent that if I violate or fail fully to comply with and perform each and every covenant and undertaking set forth in this Agreement, then, in addition to each and every other remedy of the Company, to the extent that on the date of such violation or non-performance there shall remain outstanding and unexercised (whether or not then vested) any portion of any stock option or stock appreciation right or there shall remain outstanding and unvested any portion of any other Award granted to me under the Revlon Stock Plan, such Award or portion thereof shall immediately and automatically terminate and become unexercisable, without any action or notice by the Company, notwithstanding any contrary provision of the Revlon Stock Plan or any Plan agreement thereunder regarding post-employment exercise or vesting of Awards or otherwise.

I specifically agree and consent that this Agreement shall be governed by, construed pursuant to and enforced in accordance with the local laws of the State of New York and submit, consent and agree to the exclusive jurisdiction of the Federal and State courts sitting in the County of New York for all such purposes. In the event that the Company applies to seal any papers produced or filed in any judicial proceedings to preserve confidentiality, I hereby specifically agree not to oppose such application and to use my best efforts to join in such application. In the event that any court should determine that any provision of this Agreement is unenforceable for any reason, I hereby specifically agree and request that the court making such determination shall modify and reform the provision or provisions so found to be unenforceable and, in its modified form, specifically enforce the same.

**11. DISCLOSURE OF INVENTIONS**

(a) I represent that there are no unpatented inventions made or conceived by me before entering into employment with the Company which are related to the Company's past, present or anticipated future business affairs except those listed below, which inventions (if demonstrated to have been so made or conceived) are excluded from this Agreement.

(b) I agree to disclose all of my inventions made solely by me or jointly with others during or within the one year after my employment which I believe are not Inventions as defined in this Agreement.

(c) The Company agrees to receive and review the disclosures made by me pursuant to this Section 11 in confidence.

**12. SEVERABILITY**

If any part of this Agreement is declared void or unenforceable in any geographic area, such part shall be severable from this Agreement, modified so as to render it enforceable, and remain in full force and effect for the geographic area in which the part is not so held invalid, and the remainder of this Agreement shall remain in full force and effect in all geographic areas.

**13. CONFLICT WITH PRIOR AGREEMENTS**

This Agreement shall be binding upon my heirs, executors, administrators or other legal representatives or assigns. In the event of any conflict between this Agreement and any prior agreement which cannot reasonably be reconciled, this Agreement shall prevail.

This Agreement may not be altered, modified, changed or discharged except in a writing signed by me and agreed to by the Company.

**14. ACKNOWLEDGEMENT**

I acknowledge that I have carefully read and fully understand this Agreement and that I have had sufficient time to consider the decision whether to sign this Agreement and to seek the advice of counsel.

\_\_\_\_\_  
Date                      Print Name

\_\_\_\_\_  
Social Security Number    Signature

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(attach additional sheet if necessary)

**EXHIBIT III**

To: All Revlon  
From: Lorenzo Delpani, President and Chief Executive Officer  
Date: February 24, 2014  
Subject: Revlon Regional and Sales Leadership Change

We issued a press release announcing that Chris Elshaw, currently EVP and Chief Operating Officer, has decided to leave the Company to pursue other career interests. We appreciate Chris' dedication and contributions during his 12 years at Revlon and wish him the best in his future endeavors.

In addition, we have announced the following appointments: Gianni Pieraccioni as our EVP, Global President, Revlon Consumer Division, and Sennen Pamich as EVP, Global President, Revlon Professional Division.

Both Gianni and Sennen have significant experience and demonstrated success in leading global businesses. These appointments are designed to strengthen our leadership team and to better support and focus our efforts to develop each of our Consumer and Professional channels.

Gianni most recently served as Chief Commercial Officer for Alitalia; Prior to Alitalia, he held several senior management, commercial and marketing positions of increasing scope and responsibility within the consumer and luxury goods industry, including Procter & Gamble, Pepsico, Johnson & Johnson, Sector Group, Binda Group and Averna Group.

Sennen most recently served as SVP, Revlon Pro Brands – U.S. and Canada where he lead his Business Units to great achievements. Sennen joined The Colomer Group in January 2010 and before that he held several senior management, commercial and marketing positions of increasing scope and responsibility in Procter & Gamble, Johnson & Johnson, Bulgari Perfumes and Cosmetics.

The consumer division people that reported to Chris, will now report to Gianni.  
The professional people previously reporting to Chris will report to Sennen.  
Both Gianni and Sennen will report to me.

Please join me in welcoming Gianni to Revlon and supporting both Gianni and Sennen in their new roles.

CERTIFICATIONS

I, Lorenzo Delpani, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
  - (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: April 30, 2014

/s/ Lorenzo Delpani

Lorenzo Delpani

President and Chief Executive Officer



CERTIFICATIONS

I, Lawrence B. Alletto, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
  - (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: April 30, 2014

/s/ Lawrence B. Alletto

Lawrence B. Alletto

Executive Vice President, Chief Financial Officer  
and Chief Administrative Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lorenzo Delpani, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lorenzo Delpani  
Lorenzo Delpani  
Chief Executive Officer

April 30, 2014

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended March 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence B. Alletto, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lawrence B. Alletto

Lawrence B. Alletto  
Executive Vice President, Chief Financial Officer  
and Chief Administrative Officer

April 30, 2014