

**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 September 30, 2016

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.)

One New York Plaza, New York, New York

(Address of principal executive offices)

10004

(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 September 30, 2016, 52,498,246 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 Incorporated and certain of its affiliates.

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)

	September 30, 2016 (Unaudited)	December 31, 2015 (as adjusted) ^(a)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 99.2	\$ 326.9
Trade receivables, less allowance for doubtful accounts of \$11.0 and \$10.5 as of September 30, 2016 and December 31, 2015, respectively	484.2	244.9
Inventories	519.1	183.8
Prepaid expenses and other	102.8	53.3
Total current assets	1,205.3	808.9
Property, plant and equipment, net of accumulated depreciation of \$294.8 and \$271.7 as of September 30, 2016 and December 31, 2015, respectively	312.0	215.3
Deferred income taxes	142.1	71.3
Goodwill	684.9	469.7
Intangible assets, net of accumulated amortization of \$79.0 and \$61.1 as of September 30, 2016 and December 31, 2015, respectively	657.4	318.0
Other assets	112.0	84.1
Total assets	\$ 3,113.7	\$ 1,967.3
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings	\$ 11.7	\$ 11.3
Current portion of long-term debt	83.5	30.0
Accounts payable	307.9	201.3
Accrued expenses and other	344.8	272.4
Total current liabilities	747.9	515.0
Long-term debt	2,666.1	1,783.7
Long-term pension and other post-retirement plan liabilities	174.8	185.3
Other long-term liabilities	84.5	70.8
Stockholders' deficiency:		
Class A Common Stock, par value \$0.01 per share; 900,000,000 shares authorized; 53,862,615 and 54,088,174 shares issued as of September 30, 2016 and December 31, 2015, respectively	0.5	0.5
Additional paid-in capital	1,031.2	1,026.3
Treasury stock, at cost: 1,006,808 and 859,921 shares of Class A Common Stock as of September 30, 2016 and December 31, 2015, respectively	(18.6)	(13.3)
Accumulated deficit	(1,341.1)	(1,355.7)
Accumulated other comprehensive loss	(231.6)	(245.3)
Total stockholders' deficiency	(559.6)	(587.5)
Total liabilities and stockholders' deficiency	\$ 3,113.7	\$ 1,967.3

^(a) Adjusted as a result of the adoption of certain accounting pronouncements beginning on January 1, 2016. See Note 1, "Description of Business and Summary of Significant Accounting Policies - Recently Adopted Accounting Pronouncements" for details of these adjustments.

See Accompanying Notes to Unaudited Consolidated Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net sales	\$ 604.8	\$ 471.5	\$ 1,533.3	\$ 1,392.4
Cost of sales	243.4	167.8	568.8	471.4
Gross profit	361.4	303.7	964.5	921.0
Selling, general and administrative expenses	285.7	244.1	792.8	752.7
Acquisition and integration costs	33.5	0.6	39.5	6.5
Restructuring charges and other, net	0.5	4.0	2.3	0.9
Operating income	41.7	55.0	129.9	160.9
Other expenses, net:				
Interest expense	27.4	21.5	69.3	62.0
Amortization of debt issuance costs	1.7	1.4	4.6	4.2
Loss on early extinguishment of debt	16.9	—	16.9	—
Foreign currency losses (gains), net	1.2	(0.7)	6.3	7.3
Miscellaneous, net	(0.6)	0.3	(0.1)	0.5
Other expenses, net	46.6	22.5	97.0	74.0
(Loss) income from continuing operations before income taxes	(4.9)	32.5	32.9	86.9
(Benefit from) provision for income taxes	(0.4)	24.6	16.0	53.8
(Loss) income from continuing operations, net of taxes	(4.5)	7.9	16.9	33.1
Loss from discontinued operations, net of taxes	(0.2)	(1.7)	(2.3)	(1.8)
Net (loss) income	\$ (4.7)	\$ 6.2	\$ 14.6	\$ 31.3
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax ^(a)	2.7	(2.5)	8.0	(15.1)
Amortization of pension related costs, net of tax ^{(b)(d)}	1.8	1.9	5.6	5.4
Revaluation of derivative financial instruments, net of reclassifications into earnings ^(c)	0.8	(0.7)	0.1	(2.7)
Other comprehensive income (loss)	5.3	(1.3)	13.7	(12.4)
Total comprehensive income	\$ 0.6	\$ 4.9	\$ 28.3	\$ 18.9
Basic (loss) earnings per common share:				
Continuing operations	\$ (0.09)	\$ 0.15	\$ 0.32	\$ 0.63
Discontinued operations	—	(0.03)	(0.04)	(0.03)
Net (loss) income	\$ (0.09)	\$ 0.12	\$ 0.28	\$ 0.60
Diluted (loss) earnings per common share:				
Continuing operations	\$ (0.09)	\$ 0.15	\$ 0.32	\$ 0.63
Discontinued operations	—	(0.03)	(0.04)	(0.03)
Net (loss) income	\$ (0.09)	\$ 0.12	\$ 0.28	\$ 0.60
Weighted average number of common shares outstanding:				
Basic	52,498,246	52,440,580	52,498,840	52,422,660
Diluted	52,498,246	52,603,711	52,617,740	52,593,207

- ^(a) Net of expense (benefit) of \$0.7 million and (\$3.5 million) for the three months ended September 30, 2016 and 2015, respectively, and \$1.3 million and (\$6.3 million) for the nine months ended September 30, 2016 and 2015, respectively.
- ^(b) Net of tax expense of \$0.4 million and \$0.3 million for each of the three months ended September 30, 2016 and 2015, respectively, and \$1.1 million and \$1.0 million for each of the nine months ended September 30, 2016 and 2015.
- ^(c) Net of tax expense (benefit) of \$0.5 million and (\$0.5 million) for the three months ended September 30, 2016 and 2015, respectively, and \$0.1 million and (\$1.7 million) for the nine months ended September 30, 2016 and 2015, respectively.
- ^(d) This other comprehensive income component is included in the computation of net periodic benefit (income) costs. See Note 11, "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)

	Common Stock	Additional Paid-In-Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficiency
Balance, January 1, 2016	\$ 0.5	\$ 1,026.3	\$ (13.3)	\$ (1,355.7)	\$ (245.3)	\$ (587.5)
Treasury stock acquired, at cost ^(a)			(2.6)			(2.6)
Repurchase of common stock ^(b)			(2.7)			(2.7)
Stock-based compensation amortization		4.8				4.8
Excess tax benefits from stock-based compensation		0.1				0.1
Net income				14.6		14.6
Other comprehensive income, net ^(c)					13.7	13.7
Balance, September 30, 2016	<u>\$ 0.5</u>	<u>\$ 1,031.2</u>	<u>\$ (18.6)</u>	<u>\$ (1,341.1)</u>	<u>\$ (231.6)</u>	<u>\$ (559.6)</u>

^(a) Pursuant to the share withholding provisions of the Fourth Amended and Restated Revlon, Inc. Stock Plan (the "Stock Plan"), certain senior executives, in lieu of paying certain withholding taxes on the vesting of restricted stock, authorized the withholding of an aggregate 73,992 shares of Revlon, Inc. Class A Common Stock during the nine months ended September 30, 2016, to satisfy certain minimum statutory tax withholding requirements related to the vesting of such shares. These withheld shares were recorded as treasury stock using the cost method, at a price per share of \$35.00 during the nine months ended September 30, 2016, based on the closing price of Revlon, Inc. Class A Common Stock as reported on the NYSE consolidated tape on the vesting date, for a total of \$2.6 million. See Note 15, "Stock Compensation Plan" to the Consolidated Financial Statements in Revlon, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC on February 26, 2016 (the "2015 Form 10-K") for details regarding restricted stock awards under the Stock Plan.

^(b) On April 21, 2016, in connection with his separation from the Company, the Company repurchased 72,895 shares of Revlon, Inc. Class A Common Stock (representing vested shares of restricted stock) from Lorenzo Delpani, the Company's former President and Chief Executive Officer, at a price of \$36.83 per share based upon the NYSE closing price of Revlon, Inc. Class A Common Stock on April 20, 2016, for a total purchase price of \$2.7 million.

^(c) See Note 13, "Accumulated Other Comprehensive Loss," regarding the changes in the accumulated balances for each component of other comprehensive income during the nine months ended September 30, 2016.

See Accompanying Notes to Unaudited Consolidated Financial Statements

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

	Nine Months Ended September 30,	
	2016	2015 (as adjusted) ^(a)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 14.6	\$ 31.3
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	81.0	76.8
Foreign currency losses from re-measurement	5.5	10.5
Amortization of debt discount	1.1	1.1
Stock-based compensation amortization	4.8	3.8
Provision for deferred income taxes	6.9	34.6
Loss on early extinguishment of debt, net	16.9	—
Amortization of debt issuance costs	4.6	4.2
Loss (gain) on sale of certain assets	0.2	(6.5)
Pension and other post-retirement income	(0.5)	(1.6)
Change in assets and liabilities:		
Increase in trade receivables	(112.0)	(27.9)
Decrease (increase) in inventories	5.0	(62.4)
Increase in prepaid expenses and other current assets	(20.0)	(20.5)
(Decrease) increase in accounts payable	(3.5)	30.0
Decrease in accrued expenses and other current liabilities	(39.5)	(16.5)
Pension and other post-retirement plan contributions	(6.0)	(15.5)
Purchases of permanent displays	(25.9)	(32.5)
Other, net	(4.0)	(11.5)
Net cash used in operating activities	(70.8)	(2.6)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(33.1)	(27.0)
Business acquisitions, net of cash acquired	(1,028.7)	(34.2)
Proceeds from the sale of certain assets	0.5	5.8
Net cash used in investing activities	(1,061.3)	(55.4)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (decrease) increase in short-term borrowings and overdraft	(2.6)	4.3
Repayments under the Acquisition Term Loan	(15.1)	(17.6)
Prepayments under the 2011 Term Loan	(11.5)	(12.1)
Repayment of Acquisition Term Loan	(658.6)	—
Repayment of 2011 Term Loan	(651.4)	—
Borrowings under the 2016 Term Loan Facility	1,791.0	—
Borrowings under the 2016 Revolving Credit Facility	65.4	—
Proceeds from the issuance of 6.25% Senior Notes	450.0	—
Payment of financing costs	(61.5)	—
Treasury stock purchased	(2.7)	—
Other financing activities	(2.2)	(3.0)
Net cash provided by (used in) financing activities	900.8	(28.4)
Effect of exchange rate changes on cash and cash equivalents	3.6	(7.7)
Net decrease in cash and cash equivalents	(227.7)	(94.1)
Cash and cash equivalents at beginning of period	326.9	275.3
Cash and cash equivalents at end of period	\$ 99.2	\$ 181.2
<i>Supplemental schedule of cash flow information:</i>		
Cash paid during the period for:		
Interest	\$ 68.4	\$ 66.1
Income taxes, net of refunds	19.4	21.3
<i>Supplemental schedule of non-cash investing and financing activities:</i>		
Treasury stock received to satisfy certain minimum tax withholding liabilities	\$ 2.6	\$ 2.0

^(a) Adjusted as a result of the adoption of certain accounting pronouncements beginning on January 1, 2016. See Note 1, "Description of Business and Summary of Significant Accounting Policies - Recently Adopted Accounting Pronouncements" for details of these adjustments.

Item 1. Financial Statements

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revlon, Inc. ("Revlon" 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, including Elizabeth Arden, Inc. ("Elizabeth Arden"). Revlon is an indirect majority-owned subsidiary of MacAndrews & Forbes Incorporated (together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation wholly-owned by Ronald O. Perelman. We are a leading global beauty company with an iconic portfolio of brands. We manufacture, market and sell an extensive array of color cosmetics, hair color, hair care and hair treatments, fragrances, skincare, beauty tools, men's grooming products, anti-perspirant deodorants and other beauty care products across a variety of distribution channels. The Company is building a combined organization that is entrepreneurial, agile and boldly creative, with a passion for beauty. The Company has strategic brand builders developing a diverse portfolio of iconic brands that delight consumers around the world wherever and however they shop for beauty. The Company strives to be an ethical company that values inclusive leadership and is committed to sustainable and responsible growth. The Company operates in four reporting segments: the consumer division ("Consumer"); the professional division ("Professional"); Elizabeth Arden; and Other (each as described below). The Company manufactures, markets and sells worldwide an extensive array of beauty and personal care products, including color 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 volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries in the U.S. and internationally. The Company's principal customers for its products in the Professional segment include hair and nail salons and distributors to professional salons in the U.S. and internationally.

On September 7, 2016 (the "Acquisition Date"), the Company completed the acquisition of Elizabeth Arden (the "Elizabeth Arden Acquisition"). Elizabeth Arden is a global prestige beauty products company with an iconic portfolio of brands that are highly complementary to the Company's existing brand portfolio and are sold worldwide. In North America, Elizabeth Arden's principal customers include prestige retailers, the mass retail channel and distributors, as well as direct sales to consumers via its branded retail outlet stores and e-commerce business. Elizabeth Arden products are also sold through the Elizabeth Arden Red Door Spa beauty salons and spas. Internationally, Elizabeth Arden's portfolio of owned and licensed brands is sold to perfumeries, boutiques, department stores, travel retailers and distributors. The operating results and purchase accounting for the Company's Elizabeth Arden Acquisition are presented in the Elizabeth Arden segment. Refer to Note 2, "Business Combinations," for further details related to the Elizabeth Arden Acquisition.

The Other segment primarily includes the operating results of the CBBBeauty Group and certain of its related entities, which the Company acquired in April 2015, (collectively "CBB" and such transaction, the "CBB Acquisition"). CBB develops, manufactures, markets and distributes fragrances and other beauty products under a variety of celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories.

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

The preparation of the Company's Consolidated 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 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 goodwill, 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 Consolidated Financial Statements should be read in conjunction with the consolidated financial statements and related notes contained in Revlon, Inc.'s 2015 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.

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)

Certain prior year amounts in the Consolidated Financial Statements have been reclassified to conform to the current period's presentation.

Recently Adopted Accounting Pronouncements

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which requires deferred income tax assets and liabilities to be classified as noncurrent within a company's balance sheet. Under previous guidance, the Company was required to separate deferred income tax assets and liabilities into current and noncurrent amounts. Netting deferred tax assets and deferred tax liabilities by tax jurisdiction is still required under ASU 2015-17. The Company adopted ASU No. 2015-17 beginning on January 1, 2016 and the Company's previously recorded deferred tax assets were adjusted to reflect the adoption of ASU No. 2015-17. The adoption of ASU No. 2015-17 resulted in no adjustment to the Company's results of operations and stockholders' deficiency and had the following impact on the previously reported Consolidated Balance Sheets for the fiscal year ended December 31, 2015 and the Consolidated Statements of Cash Flows for the nine months ended September 30, 2015:

Consolidated Balance Sheets	Total as reported at 12/31/2015	Adjustment	Total as adjusted at 12/31/2015
Deferred income taxes - current	\$ 58.0	\$ (58.0)	\$ —
Deferred income taxes - noncurrent	40.3	31.0	71.3
Other long-term liabilities	97.8	(27.0)	70.8

Consolidated Statements of Cash Flows	Total as reported at 9/30/2015	Adjustment	Total as adjusted at 9/30/2015
Increase in prepaid expense and other current assets	\$ (20.3)	\$ (0.2)	\$ (20.5)
Decrease in accrued expenses and other current liabilities	(16.4)	(0.1)	(16.5)
Increase in other, net	(11.8)	0.3	(11.5)

In September 2015, the FASB issued ASU No. 2015-16, "Business Combinations (Topic 805): Simplifying the Accounting for Measurement Period Adjustments," which eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption permitted. The Company adopted ASU No. 2015-16 beginning on January 1, 2016 and the adoption of the new guidance did not have a material impact on the Company's results of operations, financial condition and financial statement disclosures.

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which requires debt issuance costs to be presented in the financial statements as a deduction from the corresponding debt liability, consistent with the presentation of debt discounts. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption permitted, and is to be applied retrospectively. The Company adopted ASU No. 2015-03 beginning on January 1, 2016 and the Company's previously recorded other assets and long-term debt were adjusted to reflect the adoption of ASU No. 2015-03. The adoption of ASU No. 2015-03 resulted in no adjustment to the Company's results of operations, cash flows and stockholders' deficiency and had the following impact on the previously reported Consolidated Balance Sheets for the fiscal year ended December 31, 2015:

Consolidated Balance Sheets	Total as reported at 12/31/2015	Adjustment	Total as adjusted at 12/31/2015
Long-Term Debt	\$ 1,803.7	\$ (20.0)	\$ 1,783.7
Other Assets	104.1	(20.0)	84.1

In August 2014, the FASB issued ASU No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," that will explicitly require management to assess an entity's ability to continue as a going concern and to provide related footnote disclosures if conditions give rise to substantial doubt. According to ASU No. 2014-15, substantial doubt exists if it is probable that the entity will be unable to meet its obligations within one year after the issuance date. The likelihood threshold of "probable," similar to its current use in U.S. GAAP for loss contingencies, will be used to define substantial doubt. Disclosures will be required under ASU No. 2014-15 if conditions give rise to substantial doubt, including whether and how management's plans will alleviate the substantial doubt. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption prohibited. The Company adopted ASU No. 2014-15 beginning January 1, 2016 and the adoption of the new guidance did not have a material impact on the Company's results of operations, financial condition and financial statement disclosures.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued ASU No. 2016-15, "Classification of Certain Receipts and Cash Payments" which aims to standardize how certain transactions are classified within the Statement of Cash Flows, including, among other issues, debt prepayment and extinguishment costs and contingent consideration payments made after a business combination. The guidance is effective for annual periods beginning after December 15, 2017, with early adoption permitted. The Company expects to adopt ASU No. 2016-15 beginning on January 1, 2018 and is in the process of assessing the impact that the new guidance will have on the Company's results of operations, financial condition and financial statement disclosures.

In March 2016, the FASB issued ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting," which simplifies certain aspects of accounting for share-based payment transactions, including transactions in which an employee uses shares to satisfy the employer's minimum statutory income tax withholding obligation, forfeitures and income taxes when awards vest or are settled. The guidance is effective for annual periods beginning after December 15, 2016, with early adoption permitted. The Company expects to adopt ASU No. 2016-09 beginning on January 1, 2017 and is in the process of assessing the impact that the new guidance will have on the Company's results of operations, financial condition and financial statement disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" which requires lessees to recognize a right-of-use asset and a liability on the balance sheet for all leases, with the exception of short-term leases. The lease liability will be equal to the present value of lease payments and the right-of-use asset will be based on the lease liability, subject to adjustment such as for initial direct costs. Leases will continue to be classified as either operating or finance leases in the income statement. The guidance is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The Company expects to adopt ASU No. 2016-02 beginning on January 1, 2019 and is in the process of assessing the impact that the new guidance will have on the Company's results of operations, financial condition and financial statement disclosures.

2. BUSINESS COMBINATIONS

The Elizabeth Arden Acquisition

On the September 7, 2016 Acquisition Date, the Company completed the Elizabeth Arden Acquisition for a total cash purchase price of \$1,034.3 million, pursuant to an agreement and plan of merger (the "Merger Agreement") by and among Revlon, Products Corporation, RR Transaction Corp. (then a wholly-owned subsidiary of Products Corporation), and Elizabeth Arden, Inc. On the Acquisition Date, Elizabeth Arden merged (the "Merger") with and into RR Transaction Corp. ("Acquisition Sub"), with Elizabeth Arden surviving the Merger as a wholly-owned subsidiary of Products Corporation. Elizabeth Arden is a global prestige beauty products company with an iconic portfolio of brands that are highly complementary to the Company's existing brand portfolio and are sold worldwide. In North America, Elizabeth Arden's principal customers include prestige retailers, the mass retail channel and distributors, as well as direct sales to consumers via its branded retail outlet stores and e-commerce business. Elizabeth Arden products are also sold through the Elizabeth Arden Red Door Spa beauty salons and spas. Internationally, Elizabeth Arden's portfolio of owned and licensed brands is sold to perfumeries, boutiques, department stores, travel retailers and distributors. The Company anticipates achieving additional growth through opportunities presented by the combined company's expanded sales channels and geographies, a broadened product portfolio and cost synergy opportunities.

Products Corporation financed the Elizabeth Arden Acquisition with the proceeds from (i) a 7-year \$1,800.0 million senior secured term loan facility (the "2016 Term Loan Facility" and such agreement being the "2016 Term Loan Agreement"); (ii) \$35.0 million of borrowings under a 5-year \$400.0 million senior secured asset-based revolving credit facility (the "2016 Revolving Credit Facility" and such agreement being the "2016 Revolving Credit Agreement" and such facility, together with the 2016 Term Loan Facility, the "Senior Facilities"); (iii) \$450.0 million aggregate principal amount of Products Corporation's 6.25% Senior

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)

Notes due 2024 (the "6.25% Senior Notes"); and (iv) approximately \$126.7 million of cash on hand. Refer to Note 8, "Long-Term Debt" for further details related to financing the Elizabeth Arden Acquisition and related debt restructuring transactions.

The results of operations of Elizabeth Arden are included in the Company's Consolidated Financial Statements commencing on the Acquisition Date. For the net sales and segment profit related to Elizabeth Arden operations for the period from the Acquisition Date through September 30, 2016, refer to the Elizabeth Arden segment disclosure in Note 14, "Segment Data and Related Information."

Purchase Price of the Elizabeth Arden Acquisition

The components of the purchase price for the Elizabeth Arden Acquisition are as follows:

		As of September 7, 2016
Purchase price of Elizabeth Arden common stock ⁽¹⁾	\$	431.5
Repayment of Existing Elizabeth Arden senior notes ⁽²⁾		350.0
Repayment of Elizabeth Arden revolving credit facility, including accrued interest ⁽³⁾		142.5
Repayment of Elizabeth Arden Second lien credit facility, including accrued interest ⁽³⁾		25.0
Repurchase of Elizabeth Arden preferred stock ⁽⁴⁾		55.0
Payment of accrued interest and call premium on Elizabeth Arden Existing Senior Notes ⁽⁵⁾		27.4
Payment of Elizabeth Arden dividends payable at Acquisition Date ⁽⁶⁾		2.9
Total Purchase Price	\$	1,034.3

(1) All of Elizabeth Arden's issued and outstanding common stock was canceled and extinguished on the Acquisition Date and converted into the right to receive \$14.00 in cash, without interest, less any required withholding taxes, and was paid by Products Corporation upon the completion of the Acquisition. The \$431.5 million purchase price for Elizabeth Arden common stock includes the settlement of all outstanding Elizabeth Arden stock options and all outstanding Elizabeth Arden restricted share units at the Acquisition Date for a total cash payment of \$11.1 million.

(2) The purchase price includes the repurchase of the entire \$350.0 million aggregate principal amount outstanding of Elizabeth Arden's 7.375% senior notes due 2021 (the "Elizabeth Arden Existing Senior Notes").

(3) The purchase price includes the repayment of the entire \$142.0 million aggregate principal amount of borrowings outstanding as of the Acquisition Date under Elizabeth Arden's \$300.0 million revolving credit facility and the entire \$25.0 million aggregate principal amount of borrowings outstanding as of the Acquisition Date under Elizabeth Arden's second lien credit facility;

(4) The purchase price includes \$55.0 million that was paid to retire the \$55.0 million liquidation preference of all of the issued and outstanding 50,000 shares of Elizabeth Arden preferred stock, par value \$0.01 per share (the "Elizabeth Arden Preferred Stock"), which amount includes a \$5.0 million change of control premium.

(5) Interest on the Elizabeth Arden Existing Senior Notes accrued at a rate of 7.375% per annum and was payable semi-annually on March 15 and September 15 of every year. The approximately \$12.3 million of accrued and unpaid interest was calculated based on 176 days of accrued interest as of the Acquisition Date. Pursuant to the terms of the indenture governing the Elizabeth Arden Existing Senior Notes, upon a change in control, such notes were subject to repurchase at a price equal to 103.69% of their principal amount, plus accrued and unpaid interest and additional interest, if any, to the date of such repurchase. The repurchase of the Elizabeth Arden Existing Senior Notes was consummated on October 7, 2016.

(6) The purchase price includes the payment of approximately \$2.9 million in accrued dividends payable at the Acquisition Date to the holders of Elizabeth Arden Preferred Stock.

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Purchase Price Allocation

The Company accounted for the Elizabeth Arden Acquisition as a business combination during the third quarter of 2016 and, accordingly, the total consideration of \$1,034.3 million has been recorded based on the respective estimated fair values of the net assets acquired on the Acquisition Date with resulting goodwill, as follows:

	Amounts Recognized at September 7, 2016
Cash	\$ 41.1
Accounts Receivable	132.6
Inventories ^(a)	342.5
Prepaid expenses and other current assets	30.7
Property and equipment	91.2
Deferred taxes, net ^(b)	68.7
Intangible assets	332.8
Goodwill	202.0
Other assets	21.1
Total assets acquired	1,262.7
Accounts payable	(116.0)
Accrued expenses	(109.3)
Other long-term liabilities	(3.1)
Total liabilities acquired	(228.4)
Total consideration transferred	\$ 1,034.3

^(a) The Company recorded a \$40.7 million step-up for the estimated fair value of Elizabeth Arden's inventory, which has been determined based upon the estimated selling price of the inventories less the remaining manufacturing and selling costs and normal profit margin on those manufacturing and selling efforts. Following the Elizabeth Arden Acquisition, the step-up in fair value will increase cost of sales over approximately seven months, as the acquired inventory is sold. For the three and nine months ended September 30, 2016, the Company recognized a \$4.2 million charge within cost of sales related to this step-up.

^(b) Deferred tax assets acquired in the Elizabeth Arden Acquisition primarily relate to approximately \$107.3 million of tax loss carryforwards which the Company preliminarily estimates it will be able to realize in future periods, of which \$0.5 million are foreign and \$106.8 million are domestic (federal).

The fair values of the net assets acquired in the Elizabeth Arden Acquisition were based on management's preliminary estimate of the respective fair values of Elizabeth Arden's net assets. The estimated fair values of net assets and resulting goodwill are subject to the Company finalizing its analysis of the fair value of Elizabeth Arden'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 Elizabeth Arden Acquisition could result in adjustments to the respective fair values and resulting goodwill within the year following the Elizabeth Arden Acquisition Date.

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

The estimated fair value of the accounts receivable acquired in the Elizabeth Arden Acquisition was determined to be \$132.6 million. The gross amount due is \$165.0 million and the Company estimates that approximately \$32.4 million is uncollectible.

The estimated fair value of inventory acquired in the Elizabeth Arden Acquisition was determined using the income approach, specifically, the net realizable value ("NRV") approach, which calculates the estimated selling price of such inventory in the ordinary course of business, less the reasonable costs of completion, disposal and holding. The estimated fair value of acquired property and equipment was determined using the cost approach.

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The intangible assets acquired in the Elizabeth Arden Acquisition based on the estimate of the fair values of the identifiable intangible assets are as follows:

	Amounts Recognized at September, 7 2016	Remaining Useful Life (in years)
Trademarks, indefinite-lived	\$ 142.0	Indefinite
Trademarks, finite lived	15.0	15.0
Technology	2.5	10.0
Customer relationships	117.0	16.0
License agreements	24.0	19.0
Distribution rights	31.0	18.0
Favorable lease commitments	1.3	3.0
Total acquired intangible assets	\$ 332.8	

The estimate of the fair values of acquired indefinite-lived and finite-lived trade names and technology IP was determined using a risk-adjusted discounted cash flow approach, specifically the relief-from-royalty method. The relief-from-royalty method requires identifying the hypothetical cash flows generated by an assumed royalty rate that a third party would pay to license the trade names and IP, and discounting them back to the Acquisition Date. The royalty rate used in such valuation was based on a consideration of market rates for similar categories of assets. The indefinite-lived trade names includes the Elizabeth Arden brand trade name. The finite-lived trade names includes, among others, owned heritage fragrance trade names such as Curve, Halston and Giorgio Beverly Hills and the Prevage skin care brand.

The estimate of the fair value of the customer and distributor relationships and distribution rights acquired in the Elizabeth Arden Acquisition were determined using a risk-adjusted discounted cash flow model, specifically, the excess earnings method which considers the use of other assets in the generation of the projected cash flows of a specific asset to isolate the economic benefit generated by the customer and distribution relationships and distribution rights. The contribution of other assets, such as fixed assets, working capital, workforce and other intangible assets, to overall cash flows was estimated through contributory asset capital charges. Therefore, the value of the acquired customer relationship is the present value of the attributed post-tax cash flows, net of the return on fair value attributed to tangible and other intangible assets.

There are significant judgments inherent in a discounted cash flow approach, including, the selection of appropriate discount rates, hypothetical royalty rates, contributory asset capital charges, estimating the amount and timing of estimated future cash flows and identification of appropriate terminal growth rate assumptions. The discount rates used in the discounted cash flow analyses are intended to reflect the risk inherent in the projected future cash flows generated by the respective intangible assets.

The Company recorded a \$59.2 million deferred tax liability related to the \$332.8 million of acquired intangible assets outlined in the above table. This deferred tax liability represents the tax effect of the difference between the \$332.8 million estimated assigned fair value of the intangible assets and the \$148.6 million tax basis of such assets. The goodwill and intangibles acquired in the Elizabeth Arden Acquisition are not expected to be deductible for income tax purposes.

Goodwill of \$202.0 million represents the excess of the purchase price paid by Products Corporation for the Elizabeth Arden Acquisition over the fair value of the identifiable net assets acquired by Products Corporation in the Elizabeth Arden Acquisition. Factors contributing to the purchase price resulting in the recognition of goodwill include estimated annualized synergies and cost reductions, expanded category mix, channel diversification and a broader geographic footprint.

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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 and nine months ended September 30, 2016 and 2015, respectively. The unaudited pro forma results include the historical consolidated statements of operations of the Company and Elizabeth Arden, giving effect to the Elizabeth Arden Acquisition and related financing transactions as if they had occurred at the beginning of the earliest period presented. As stated below, the Company also acquired certain international Cutex businesses ("Cutex International"); however the Company has not included the Cutex International results prior to its acquisition date in these pro forma results as the impact would not have been material to the Company's financial results.

	Unaudited Pro Forma Results			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net sales	\$ 745.1	\$ 737.5	\$ 2,058.2	\$ 2,025.5
Income (loss) from continuing operations, before income taxes	(4.3)	9.2	(22.4)	(86.3)

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

(i) as a result of a \$40.7 million increase in the fair value of acquired inventory at the Acquisition Date, the Company recognized a \$4.2 million increase in the cost of sales during the three and nine months ended September 30, 2016 in the consolidated financial statements. The pro forma adjustments include an adjustment to reverse the \$4.2 million recognized in the third quarter of 2016 within cost of sales because it will not have a recurring impact;

(ii) a pro forma increase in depreciation and amortization expense as a result of the preliminary fair value adjustments to property and equipment of \$2.6 million and acquired finite-lived intangible assets of \$1.0 million recorded in connection with the Elizabeth Arden Acquisition for the three and nine months ended September 30, 2016, respectively;

(iii) a pro forma decrease in depreciation and amortization expense as a result of the preliminary fair value adjustments to property and equipment of \$1.4 million and acquired finite-lived intangible assets of \$5.0 million recorded in connection with the Elizabeth Arden Acquisition for the three and nine months ended September 30, 2015, respectively;

(iv) the elimination of \$58.4 million of acquisition costs and \$65.1 million of integration costs recognized by the Company and Elizabeth Arden during the three and nine months ended September 30, 2016, respectively; and

(v) a pro forma increase in interest expense and amortization of debt issuance costs, related to financing the Elizabeth Arden Acquisition and related debt restructuring transactions as summarized in the following table. Refer to Note 8, "Long-Term Debt" for further details on financing the Elizabeth Arden Acquisition and related debt refinancing transactions.

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(\$ in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Interest Expense				
Pro forma interest on New Senior Facilities and 6.25% Senior Notes	\$ 26.7	\$ 26.9	\$ 79.4	\$ 79.9
Reversal of Elizabeth Arden's historical interest expense	(5.2)	(6.5)	(18.2)	(19.2)
Company historical interest expense, as reflected in the historical consolidated financial statements	(12.5)	(12.8)	(37.6)	(38.2)
Total Adjustment for Pro Forma Interest Expense	\$ 9.0	\$ 7.6	\$ 23.6	\$ 22.5
Debt issuance costs				
Pro forma amortization of debt issuance costs	\$ 1.8	\$ 1.8	\$ 5.3	\$ 5.3
Company historical amortization of debt issuance costs, as reflected in the historical consolidated financial statements	(1.1)	(1.3)	(3.3)	(3.3)
Reversal of Elizabeth Arden's historical amortization of debt issuance costs	(0.4)	(0.4)	(1.3)	(1.1)
Total Adjustment for Pro Forma Amortization of Debt Issuance Costs	\$ 0.3	\$ 0.1	\$ 0.7	\$ 0.9

The unaudited pro forma results do not include: (1) any incremental revenue generation or cost reductions that may be achieved as a result of the Elizabeth Arden Acquisition; or (2) the impact of non-operating or non-recurring items directly related to the Elizabeth Arden Acquisition. In addition, the unaudited pro forma results do not purport to project the future consolidated operating results of the combined company.

The Cutex International Acquisition

On May 31, 2016 (the "Cutex International Acquisition Date"), the Company completed the acquisition of certain international Cutex businesses ("Cutex International") from Coty Inc. (the "Cutex International Acquisition"), which primarily operate in Australia and the U.K., and related assets for total cash consideration of \$29.1 million. Following the Company's October 2015 acquisition of the Cutex business and related assets in the U.S. from Cutex Brands, LLC, the Cutex International Acquisition completed the Company's global consolidation of the Cutex brand and enhances and complements the Company's existing brand portfolio of nail care products. Cutex International's results of operations are included in the Company's Consolidated Financial Statements commencing on the Cutex International Acquisition Date. Pro forma results of operations have not been presented, as the impact of the Cutex International Acquisition on the Company's consolidated financial results is not material.

The Company accounted for the Cutex International Acquisition as a business combination in the second quarter of 2016. The table below summarizes the allocation of the total consideration of \$29.1 million paid on the Cutex International Acquisition Date, as well as adjustments that have been made to the preliminary estimate of fair values during the third quarter of 2016:

	Amounts Recognized at May 31, 2016 (Provisional) ^(a)	Adjustments	Amounts Recognized at May 31, 2016 (Adjusted)
Inventory	\$ 0.8	\$ —	\$ 0.8
Purchased Intangible Assets ^(b)	19.7	(0.2)	19.5
Goodwill	8.6	0.2	8.8
Total consideration transferred	\$ 29.1	\$ —	\$ 29.1

^(a) As previously reported in Revlon's second quarter 2016 Form 10-Q.

^(b) Purchased intangible assets include customer networks fair valued at \$13.5 million, intellectual property fair valued at \$0.9 million, which are amortized over useful lives of 15 and 10 years, respectively, and indefinite lived trade names fair valued at \$5.1 million.

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The Company reacquired the Cutex trade name from Coty, which had previously provided Coty with an exclusive right to manufacture, market and sell Cutex branded products for an initial term and perpetual automatic 20-year renewals. Based on the terms and conditions of the existing license agreements and other factors, the Cutex trade name was assigned an indefinite-life and, therefore, will not be amortized.

In determining the estimated fair values of net assets acquired and resulting goodwill related to the Cutex International Acquisition, the Company considered, among other factors, the analysis of Cutex International's historical financial performance and an estimate of the future performance of the acquired business, as well as the intended use of the acquired assets. Factors contributing to the purchase price resulting in the recognition of goodwill include the anticipated benefits that the Company expects to achieve through the expansion of its nail product portfolio. Both the intangible assets acquired in the Cutex International Acquisition and goodwill are not deductible for income tax purposes.

3. RESTRUCTURING CHARGES

2015 Efficiency Program

In September 2015, the Company initiated certain restructuring actions to drive certain organizational efficiencies across the Company's Consumer and Professional segments (the "2015 Efficiency Program"). These actions, which commenced during 2015 and are planned to occur through 2017, are expected to reduce general and administrative expenses within the Consumer and Professional segments. Of the \$1.5 million of restructuring and related charges recognized in the first nine months of 2016 for the 2015 Efficiency Program, \$0.6 million related to the Consumer segment and \$0.5 million related to the Professional segment, with the remaining charges included within unallocated corporate expenses. The Company expects to recognize total restructuring and related charges for the 2015 Efficiency Program of \$12.0 million by the end of 2017, of which \$7.0 million is expected to relate to the Consumer segment, \$4.2 million is expected to relate to the Professional segment and the remaining charge relates to unallocated corporate expenses.

A summary of the restructuring and related charges incurred through September 30, 2016 in connection with the 2015 Efficiency Program is presented in the following table:

	Restructuring Charges and Other, Net		
	Employee Severance and Other Personnel Benefits	Other	Total Restructuring Charges
Charges incurred through December 31, 2015	\$ 9.4	\$ 0.1	\$ 9.5
Charges incurred in the nine months ended September 30, 2016	0.9	0.6	1.5
Cumulative charges incurred through September 30, 2016	<u>\$ 10.3</u>	<u>\$ 0.7</u>	<u>\$ 11.0</u>
Total expected charges	<u>\$ 10.3</u>	<u>\$ 1.7</u>	<u>\$ 12.0</u>

Of the cumulative \$11.0 million of restructuring and related charges recognized through the third quarter of 2016 related to the 2015 Efficiency Program, \$6.6 million related to the Consumer segment, \$3.7 million related to the Professional segment and the remaining charges related to unallocated corporate expenses.

The Company expects that cash payments will total approximately \$12 million in connection with the 2015 Efficiency Program, including \$0.2 million for capital expenditures (which capital expenditures are excluded from total restructuring and related charges expected to be recognized for the 2015 Efficiency Program), of which \$2.7 million was paid in the nine months ended September 30, 2016 and \$2.8 million was paid in 2015. A total of \$4.2 million is expected to be paid during the remainder of 2016, with the remaining balance expected to be paid in 2017.

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Restructuring Reserve

The related liability balance and activity for each of the Company's restructuring programs are presented in the following table:

	Balance Beginning of Year	(Income) Expense, Net	Foreign Currency Translation	Utilized, Net		Balance End of Period
				Cash	Non-cash	
2015 Efficiency Program:						
Employee severance and other personnel benefits	\$ 6.6	\$ 0.9	\$ —	\$ (2.3)	\$ —	\$ 5.2
Other	0.1	0.6	—	(0.4)	(0.1)	0.2
Integration Program:^(a)						
Employee severance and other personnel benefits	0.8	—	—	(0.8)	—	—
Other	0.1	—	—	(0.1)	—	—
December 2013 Program:^(b)						
Employee severance and other personnel benefits	1.2	—	—	—	—	1.2
Other	—	—	—	—	—	—
Other immaterial actions:^(c)						
Employee severance and other personnel benefits	2.3	2.0	—	(2.8)	—	1.5
Other	0.7	0.6	—	(0.6)	—	0.7
Total restructuring reserve	\$ 11.8	\$ 4.1	\$ —	\$ (7.0)	\$ (0.1)	\$ 8.8

^(a) Following Products Corporation's October 2013 acquisition of The Colomer Group Participations, S.L. ("Colomer" and the "Colomer Acquisition"), the Company implemented actions to integrate Colomer's operations into the Company's business which reduced costs across the Company's businesses and generated synergies and operating efficiencies within the Company's global supply chain and consolidated offices and back office support (all such actions, together, the "Integration Program"). The Integration Program was substantially completed as of December 31, 2015.

^(b) In December 2013, the Company announced restructuring actions that primarily included exiting its direct manufacturing, warehousing and sales business operations in mainland China (the "December 2013 Program"). The December 2013 Program resulted in the elimination of approximately 1,100 positions in 2014, primarily in China.

^(c) Includes \$1.8 million in charges related to the program that Elizabeth Arden commenced prior to the Elizabeth Arden Acquisition to further align their organizational structure and distribution arrangements for the purpose of improving its go-to-trade capabilities and execution and to streamline their organization (the "Elizabeth Arden 2016 Business Transformation Program").

At September 30, 2016, \$8.8 million of the restructuring reserve balance was included within accrued expenses and other in the Company's Consolidated Balance Sheet. At December 31, 2015, \$11.8 million of the restructuring reserve balance was included within accrued expenses in the Company's Consolidated Balance Sheet.

4. DISCONTINUED OPERATIONS

On December 30, 2013, the Company announced that it was implementing the December 2013 Program, which primarily included exiting its direct manufacturing, warehousing and sales business operations in mainland China.

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The results of the China discontinued operations are included within Loss from discontinued operations, net of taxes, and relate entirely to the Consumer segment. The summary comparative financial results of discontinued operations are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net sales	\$ —	\$ —	\$ —	\$ —
Loss from discontinued operations, before taxes	(0.2)	(1.7)	(2.3)	(1.8)
Provision for income taxes	—	—	—	—
Loss from discontinued operations, net of taxes	(0.2)	(1.7)	(2.3)	(1.8)

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

	September 30, 2016	December 31, 2015
Cash and cash equivalents	\$ 1.7	\$ 2.0
Trade receivables, net	0.2	0.2
Total current assets	1.9	2.2
Total assets	<u>\$ 1.9</u>	<u>\$ 2.2</u>
Accounts payable	\$ 0.6	\$ 0.7
Accrued expenses and other	3.4	3.6
Total current liabilities	4.0	4.3
Total liabilities	<u>\$ 4.0</u>	<u>\$ 4.3</u>

5. INVENTORIES

	September 30, 2016	December 31, 2015
Raw materials and supplies	\$ 90.6	\$ 58.2
Work-in-process	33.2	8.3
Finished goods	395.3	117.3
	<u>\$ 519.1</u>	<u>\$ 183.8</u>

6. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The following table presents the changes in goodwill by segment during the nine months ended September 30, 2016:

	Consumer	Professional	Elizabeth Arden	Other	Total
Balance at January 1, 2016	\$ 210.1	\$ 240.7	\$ —	\$ 18.9	\$ 469.7
Goodwill acquired ^(a)	15.1	—	202.0	—	217.1
Foreign currency translation adjustment	—	0.3	—	(2.2)	(1.9)
Balance at September 30, 2016	<u>\$ 225.2</u>	<u>\$ 241.0</u>	<u>\$ 202.0</u>	<u>\$ 16.7</u>	<u>\$ 684.9</u>

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(a) On May 31, 2016 and September 7, 2016, the Company completed the Cutex International Acquisition and the Elizabeth Arden Acquisition, respectively. See Note 2, "Business Combinations," to the Unaudited Consolidated Financial Statements in this Form 10-Q for details related to the Elizabeth Arden Acquisition and the Cutex International Acquisition.

Intangible Assets, Net

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

	September 30, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:			
Trademarks and Licenses	\$ 187.6	\$ (46.1)	\$ 141.5
Customer relationships	249.1	(26.2)	222.9
Patents and Internally-Developed IP	20.4	(5.7)	14.7
Distribution rights	34.0	(1.0)	33.0
Other	1.3	—	1.3
Total finite-lived intangible assets	\$ 492.4	\$ (79.0)	\$ 413.4
Indefinite-lived intangible assets:			
Trade Names	\$ 244.0	\$ —	\$ 244.0
Total indefinite-lived intangible assets	\$ 244.0	\$ —	\$ 244.0
Total intangible assets	\$ 736.4	\$ (79.0)	\$ 657.4
	December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:			
Trademarks and Licenses	\$ 145.0	\$ (36.0)	\$ 109.0
Customer relationships	118.8	(20.5)	98.3
Patents and Internally-Developed IP	16.8	(4.0)	12.8
Distribution rights	3.5	(0.6)	2.9
Total finite-lived intangible assets	\$ 284.1	\$ (61.1)	\$ 223.0
Indefinite-lived intangible assets:			
Trade Names	\$ 95.0	\$ —	\$ 95.0
Total indefinite-lived intangible assets	\$ 95.0	\$ —	\$ 95.0
Total intangible assets	\$ 379.1	\$ (61.1)	\$ 318.0

Amortization expense for finite-lived intangible assets was \$6.2 million and \$6.0 million for the three months ended September 30, 2016 and 2015, respectively. Amortization expense for finite-lived intangible assets was \$18.2 million and \$16.4 million for the nine months ended September 30, 2016 and 2015, respectively.

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The following table reflects the estimated future amortization expense, a portion of which is subject to exchange rate fluctuations, for the Company's finite-lived intangible assets as of September 30, 2016:

	Estimated Amortization Expense
2016	\$ 8.6
2017	36.1
2018	35.3
2019	32.2
2020	31.2
Thereafter	270.0
Total	\$ 413.4

7. ACCRUED EXPENSES AND OTHER

	September 30, 2016	December 31, 2015
Sales returns and allowances	\$ 47.2	\$ 61.1
Compensation and related benefits	68.0	75.6
Advertising and promotional costs	65.1	38.4
Taxes	35.3	20.8
Interest	12.2	12.4
Restructuring reserve	8.8	11.8
Other	108.2	52.3
	\$ 344.8	\$ 272.4

8. LONG-TERM DEBT

	September 30, 2016	December 31, 2015
2016 Term Loan Facility: 2016 Term Loan due 2023, net of discounts and debt issuance costs (see (i) below)	\$ 1,750.9	\$ —
Amended Term Loan Facility: Acquisition Term Loan due 2019, net of discounts and debt issuance costs ^(a)	—	662.1
Amended Term Loan Facility: 2011 Term Loan due 2017, net of discounts and debt issuance costs ^(a)	—	658.5
2016 Revolving Credit Facility, due 2021 (see (ii) below)	65.4	—
6.25% Senior Notes due 2024, net of debt issuance costs (see (iii) below)	439.2	—
5.75% Senior Notes due 2021, net of debt issuance costs ^(b)	493.5	492.5
Spanish Government Loan due 2025 ^(c)	0.6	0.6
	2,749.6	1,813.7
Less current portion (*)	(83.5)	(30.0)
	\$ 2,666.1	\$ 1,783.7

(*) At September 30, 2016, the Company classified \$83.5 million as the current portion of long-term debt, comprised of \$65.4 million outstanding on the 2016 Revolving Credit Facility at September 30, 2016 and \$18.0 million of amortization payments on the 2016 Term Loan scheduled to be paid over the next four calendar quarters. At December 31, 2015, the Company classified \$30.0 million as the current portion of long-term debt, which was comprised of a \$23.2 million required "excess cash flow" prepayment (as defined under the Amended Term Loan Agreement, as hereinafter defined) that was paid on February 29, 2016, and the Company's regularly scheduled \$1.7 million quarterly principal amortization payments (after giving effect to such prepayment) due in 2016.

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- (a) See Note 11, "Long-Term Debt," to the Consolidated Financial Statements in Revlon, Inc.'s 2015 Form 10-K for certain details regarding Products Corporation's Amended Term Loan Agreement as of December 31, 2015, which facility was comprised of: (i) the term loan due November 19, 2017 in the original aggregate amount of \$675.0 million (the "2011 Term Loan"); and (ii) the term loan due October 8, 2019 in the original aggregate amount of \$700.0 million (the "Acquisition Term Loan") which, respectively, had \$651.4 million and \$658.6 million in aggregate principal balance outstanding upon their complete refinancing on the September 7, 2016 Elizabeth Arden Acquisition Date (together, the "Amended Term Loan Facility" and the "Amended Term Loan Agreement," respectively). In connection with the Elizabeth Arden Acquisition and related financing transactions, the 2011 Term Loan and Acquisition Term Loan were completely refinanced on the Elizabeth Arden Acquisition Date. See below for 2016 debt related transactions.
- (b) See Note 11, "Long-Term Debt," to the Consolidated Financial Statements in Revlon, Inc.'s 2015 Form 10-K for certain details regarding Products Corporation's 5.75% Senior Notes that mature on February 15, 2021. The aggregate principal amount outstanding at September 30, 2016 was \$500 million. Such notes remain outstanding following the Elizabeth Arden Acquisition and related financing transactions.
- (d) See Note 11, "Long-Term Debt," to the Consolidated Financial Statements in Revlon, Inc.'s 2015 Form 10-K for certain details regarding the euro-denominated loan payable to the Spanish government that matures on June 30, 2025.

The Company completed several debt transactions during the nine months ended September 30, 2016.

In connection with and substantially concurrently with the closing of the Elizabeth Arden Acquisition, Products Corporation entered into the 2016 Term Loan Facility and the 2016 Revolving Credit Facility (or the Senior Facilities). Additionally, Products Corporation's 6.25% Senior Notes, which closed on August 4, 2016 (the "6.25% Senior Notes Offering"), were released from escrow (the "Escrow Release"). In connection with entering into the Senior Facilities, Products Corporation maintained on the 2016 Term Loan Facility its existing floating-to-fixed interest rate swap based on a notional amount of \$400 million that previously applied to Products Corporation's Acquisition Term Loan. The proceeds of Products Corporation's 6.25% Senior Notes Offering and the 2016 Term Loan Facility, together with approximately \$35.0 million of borrowings under the 2016 Revolving Credit Facility, and approximately \$126.7 million of cash on hand, were used to fund the Elizabeth Arden Acquisition (including: (i) repurchasing the entire \$350.0 million aggregate principal amount outstanding of the Elizabeth Arden Existing Senior Notes; (ii) repaying the entire \$142.0 million aggregate principal amount of borrowings outstanding as of the Acquisition Date under Elizabeth Arden's \$300.0 million revolving credit facility; (iii) repaying the entire \$25.0 million aggregate principal amount of borrowings outstanding as of the Acquisition Date under Elizabeth Arden's second lien credit facility; and (iv) retiring \$55.0 million liquidation preference of all of the issued and outstanding 50,000 shares of Elizabeth Arden Preferred Stock, which amount includes a \$5.0 million change of control premium) and to completely refinance and repay all of the \$651.4 million in aggregate principal balance outstanding under Products Corporation's 2011 Term Loan and \$658.6 million in aggregate principal balance outstanding under Products Corporation's Acquisition Term Loan. The Company did not incur any material early termination penalties in connection with repaying such facilities.

(i) 2016 Term Loan Facility

Principal and Maturity: On the Acquisition Date, Products Corporation entered into the 2016 Term Loan Agreement, for which Citibank, N.A. acts as administrative and collateral agent and which has an initial aggregate principal amount of \$1,800.0 million and will mature on the earlier of (x) the seventh anniversary of the Closing Date and (y) the 91st day prior to the maturity of Products Corporation's 5.75% Senior Notes due 2021 (the "5.75% Senior Notes") if, on that date (and solely for so long as), (i) any of Products Corporation's 5.75% Senior Notes remain outstanding and (ii) Products Corporation's available liquidity does not exceed the aggregate principal amount of the then outstanding 5.75% Senior Notes by at least \$200.0 million. The loans under the 2016 Term Loan Facility were borrowed at an original issue discount of 0.5% to their principal amount. The 2016 Term Loan Facility may be increased by an amount equal to the sum of (x) the greater of \$450.0 million and 90% of Products Corporation's pro forma consolidated EBITDA, plus (y) an unlimited amount to the extent that (1) the first lien leverage ratio (defined as the ratio of Products Corporation's net senior secured funded debt that is not junior or subordinated to the liens of the Senior Facilities to EBITDA) is less than or equal to 3.5 to 1.0 (for debt secured pari passu with the 2016 Term Loan Facility) or (2) the secured leverage ratio (defined as the ratio of Products Corporation's net senior secured funded debt to EBITDA) is less than or equal to 4.25 to 1.0 (for junior lien or unsecured debt), plus (z) up to an additional \$400.0 million if the 2016 Revolving Credit Facility has been repaid and terminated.

Guarantees and Security: Products Corporation and the restricted subsidiaries under the 2016 Term Loan Facility, which include Products Corporation's domestic subsidiaries, including Elizabeth Arden and its domestic subsidiaries (collectively, the "Restricted

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Group”), are subject to the covenants under the 2016 Term Loan Agreement. The 2016 Term Loan Facility is guaranteed by each existing and future direct or indirect wholly-owned domestic restricted subsidiary of Products Corporation (subject to various exceptions), as well as by Revlon, on a limited recourse basis. The obligations of Revlon, Products Corporation and the subsidiary guarantors under the 2016 Term Loan Facility are secured by pledges of the equity of Products Corporation held by Revlon and the equity of the Restricted Group held by Products Corporation and each subsidiary guarantor (subject to certain exceptions, including equity of first-tier foreign subsidiaries in excess of 65% of the voting equity interests of such entity) and by substantially all tangible and intangible personal and real property of Products Corporation and the subsidiary guarantors (subject to certain exclusions). The obligors and guarantors under the 2016 Term Loan Facility and the 2016 Revolving Credit Facility are identical. The liens securing the 2016 Term Loan Facility on the accounts, inventory, equipment, chattel paper, documents, instruments, deposit accounts, real estate and investment property and general intangibles (other than intellectual property) related thereto (the “Revolving Facility Collateral”) rank second in priority to the liens thereon securing the 2016 Revolving Credit Facility. The liens securing the 2016 Term Loan Facility on all other property, including capital stock, intellectual property and certain other intangible property (the “Term Loan Collateral”), rank first in priority to the liens thereon securing the 2016 Revolving Credit Facility, while the liens thereon securing the 2016 Revolving Credit Facility rank second in priority to the liens thereon securing the 2016 Term Loan Facility.

Interest and Fees: Interest accrues on term loans under the 2016 Term Loan Facility at a rate per annum of Adjusted LIBOR (which has a floor of 0.75%) plus a margin of 3.50% or an alternate base rate plus a margin of 2.50%, at Products Corporation’s option, and is payable quarterly, at a minimum. Products Corporation is obligated to pay certain fees and expenses in connection with the 2016 Term Loan Facility.

Affirmative and Negative Covenants: The 2016 Term Loan Agreement contains certain affirmative and negative covenants that, among other things, limit the Restricted Group’s ability to: (i) incur additional debt; (ii) incur liens; (iii) sell, transfer or dispose of assets; (iv) make investments; (v) make dividends and distributions on, or repurchases of, equity; (vi) make prepayments of contractually subordinated or junior lien debt; (vii) enter into certain transactions with their affiliates; (viii) enter into sale-leaseback transactions; (ix) change their lines of business; (x) restrict dividends from their subsidiaries or restrict liens; (xi) change their fiscal year; and (xii) modify the terms of certain debt. The negative covenants are subject to various exceptions, including an “available amount basket” based on 50% of Products Corporation’s cumulative consolidated net income, plus a “starter” basket of \$200.0 million, subject to Products Corporation’s compliance with a 5.0 to 1.0 ratio of Products Corporation’s net debt to Consolidated EBITDA (as defined in the 2016 Term Loan Agreement), except such compliance is not required when such baskets are used to make investments. While the 2016 Term Loan Agreement contains certain customary representations, warranties and events of default, it does not contain any financial maintenance covenants.

Prepayments: The 2016 Term Loan Facility is subject to mandatory prepayments from: (i) the net proceeds from the issuance by Products Corporation or any of its restricted subsidiaries of certain additional debt; (ii) commencing with the excess cash flow calculation with respect to fiscal year ending December 31, 2017, 50% of excess cash flow, with step-downs to 25% and 0% upon achievement of certain first lien leverage ratios and reduced by voluntary prepayments of loans under the 2016 Term Loan Facility and revolving loans under the 2016 Revolving Credit Facility to the extent commitments thereunder are permanently reduced; and (iii) asset sale proceeds of certain non-ordinary course asset sales or other dispositions of property that have not been reinvested to the extent in excess of certain minimum amounts. Products Corporation may voluntarily prepay the 2016 Term Loan Facility without premium or penalty unless Products Corporation prepays a term loan within six months after the Closing Date in connection with a repricing transaction (in which case a 1.00% premium is payable).

During the third quarter of 2016, the Company incurred approximately \$45.0 million of fees and expenses in connection with the 2016 Term Loan Facility, of which \$39.1 million were capitalized and are being amortized over the remaining term of the 2016 Term Loan Credit Agreement using the effective interest method. The Company expensed the remaining \$5.9 million of fees and expenses and wrote-off \$10.9 million of unamortized debt discount and deferred financing costs related to the 2011 Term Loan and the Acquisition Term Loan. These amounts, totaling \$16.8 million, were recognized within loss on early extinguishment of debt in the Company’s Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended September 30, 2016.

(ii) 2016 Revolving Credit Facility

Principal and Maturity: On the Closing Date, Products Corporation entered into the 2016 Revolving Credit Agreement, for which Citibank, N.A. acts as administrative agent and collateral agent. The 2016 Revolving Credit Facility has an initial maximum availability of \$400.0 million (with a \$100.0 million sublimit for letters of credit and up to \$70.0 million available for swing line loans), which availability is subject to the amount of the borrowing base. The 2016 Revolving Credit Facility may be increased by the greater of (x) \$50.0 million and (y) the excess of the borrowing base over the amounts of then-effective commitments. The 2016 Revolving Credit Facility permits certain non-U.S. subsidiaries to borrow in local currencies. The borrowing base calculation

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under the 2016 Revolving Credit Facility is based on the sum of: (i) 85% of eligible accounts receivable; (ii) the lesser of 85% of the net orderly liquidation value and a percentage of the value specified in respect of different types of eligible inventory; (iii) qualified restricted cash (capped at \$75.0 million); and (iv) a temporary increase amount between August 15 and October 31 of each year, which are collectively subject to certain availability reserves set by the administrative agent. The 2016 Revolving Credit Facility will mature on the earlier of (x) the fifth anniversary of the Closing Date and (y) the 91st day prior to the maturity of Products Corporation's 5.75% Senior Notes if, on that date (and solely for so long as), (i) any of Products Corporation's 5.75% Senior Notes remain outstanding and (ii) Products Corporation's available liquidity does not exceed the aggregate principal amount of the then outstanding 5.75% Senior Notes by at least \$200.0 million.

Guarantees and Security: The Restricted Group under the 2016 Revolving Credit Agreement (which is the same as the Restricted Group under the 2016 Term Loan Agreement) is subject to the covenants under the 2016 Revolving Credit Agreement. The 2016 Revolving Credit Facility is guaranteed by each existing and future direct or indirect wholly-owned domestic restricted subsidiary of Products Corporation (subject to various exceptions), as well as by Revlon on a limited recourse basis. The obligations of Revlon, Products Corporation and the subsidiary guarantors under the 2016 Revolving Credit Facility are secured by pledges of the equity of Products Corporation held by Revlon and the equity of Products Corporation's restricted subsidiaries held by Products Corporation and each subsidiary guarantor (subject to certain exceptions, including equity of first-tier foreign subsidiaries in excess of 65% of the voting equity interests of such entity) and by substantially all tangible and intangible personal and real property of Products Corporation and the subsidiary guarantors (subject to certain exclusions). The obligors and guarantors under the 2016 Revolving Credit Facility and the 2016 Term Loan Facility are identical. The liens on the 2016 Revolving Facility Collateral securing the 2016 Revolving Credit Facility rank first in priority to the liens thereon securing the 2016 Term Loan Facility, which rank second in priority on such collateral. The liens on the Term Loan Collateral securing the 2016 Revolving Credit Facility rank second in priority to the liens thereon securing the 2016 Term Loan Facility, which rank first in priority on such collateral.

Interest and Fees: Interest is payable quarterly and accrues on borrowings under the 2016 Revolving Credit Facility at a rate per annum equal to either: (i) the alternate base rate plus an applicable margin equal to 0.25%, 0.50% or 0.75% depending on the average excess availability (based on the borrowing base as most recently reported by Products Corporation to the administrative agent from time to time); or (ii) the Eurocurrency rate plus an applicable margin equal to 1.25%, 1.50% or 1.75% depending on the average excess availability (based on the borrowing base as most recently reported by Products Corporation to the administrative agent from time to time), at Products Corporation's option. The applicable margin decreases as average excess availability under the 2016 Revolving Credit Facility increases. Products Corporation is obligated to pay certain fees and expenses in connection with the 2016 Revolving Credit Facility, including a commitment fee for any unused amounts of 0.25%. Loans under the 2016 Revolving Credit Facility may be prepaid without premium or penalty.

Affirmative and Negative Covenants: The 2016 Revolving Credit Agreement contains affirmative and negative covenants that are similar to those in the 2016 Term Loan Agreement, other than the "available amount basket" (as described above in the description of the 2016 Term Loan Facility); provided, however, under the 2016 Revolving Credit Agreement the Restricted Group will be able to incur unlimited additional junior secured debt and unsecured debt, make unlimited asset sales and dispositions, make unlimited investments and acquisitions, prepay junior debt and make unlimited restricted payments to the extent that certain "payment conditions" for asset-based credit facilities are satisfied. The 2016 Revolving Credit Agreement contains certain customary representations, warranties and events of default. If Products Corporation's "Liquidity Amount" (defined in the 2016 Revolving Credit Agreement as the Borrowing Base less the sum of (x) the aggregate outstanding extensions of credit under the 2016 Revolving Credit Facility, and (y) any availability reserve in effect on such date) falls below the greater of \$35.0 million and 10% of the maximum availability under the 2016 Revolving Credit Facility (a "Liquidity Event Period"), then the Restricted Group will be required to maintain a consolidated fixed charge coverage ratio (the ratio of Products Corporation's EBITDA minus capital expenditures to cash interest expense for such period) of a minimum of 1.0 to 1.0 until the first date after 20 consecutive business days for which the Liquidity Amount is equal to or greater than such threshold. If Products Corporation is in default under the consolidated fixed charge coverage ratio under the 2016 Revolving Credit Agreement, Products Corporation may cure such default by issuing certain equity securities to, or receiving capital contributions from Revlon and applying such cash, which is deemed to increase EBITDA for the purpose of calculating the applicable ratio. Products Corporation may exercise this cure right no more than two times in any four-quarter period, and no more than five times in total during the term of the 2016 Revolving Credit Facility.

Prepayments: Products Corporation must prepay borrowings under the 2016 Revolving Credit Facility to the extent that outstanding loans and letters of credit exceed availability. During a Liquidity Event Period, the administrative agent may apply amounts collected in controlled accounts for the repayment of loans under the 2016 Revolving Credit Facility. Copies of the 2016 Revolving Credit Agreement and other ancillary agreements governing the 2016 Revolving Credit Facility and the related security and collateral agreements are filed as Exhibits 10.4, 10.7, 10.8 and 10.9 hereto and are incorporated herein by reference in their entirety. The above descriptions of the terms of the 2016 Revolving Credit Facility and the related security and collateral agreements are qualified in their entirety by reference to such agreements.

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During the third quarter of 2016, the Company incurred approximately \$5.7 million of fees and expenses in connection with the 2016 Revolving Credit Facility, of which \$5.6 million were capitalized and are being amortized over the remaining term of the 2016 Revolving Credit Facility using the effective interest method. The Company expensed the remaining \$0.1 million of fees and expenses, which were recognized within loss on early extinguishment of debt in the Company's Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended September 30, 2016.

(iii) 6.25% Senior Notes

On August 4, 2016, Revlon Escrow Corporation (the "Escrow Issuer"), which on such date was a wholly owned subsidiary of Products Corporation, completed its offering (the "Offering"), pursuant to an exemption from registration under the Securities Act of 1933 (as amended, the "Securities Act"), of \$450.0 million aggregate principal amount of 6.25% Senior Notes due 2024. The 6.25% Senior Notes are unsecured and were initially issued by the Escrow Issuer to the initial purchasers under an Indenture, dated as of August 4, 2016 (the "6.25% Senior Notes Indenture"), between the Escrow Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The 6.25% Senior Notes mature on August 1, 2024. Interest on the 6.25% Senior Notes accrues at 6.25% per annum, paid every six months through maturity on each February 1 and August 1, beginning on February 1, 2017. As described above, the 6.25% Senior Notes were released from Escrow on the September 7, 2016 Acquisition Date. On the Acquisition Date, the Escrow Issuer was merged with and into Products Corporation and in connection with the Escrow Release, Products Corporation and certain of its direct and indirect wholly-owned domestic subsidiaries, including Elizabeth Arden and certain of its subsidiaries (collectively, the "Guarantors"), and the Trustee entered into a supplemental indenture (the "Supplemental Indenture") to the 6.25% Senior Notes Indenture, pursuant to which Products Corporation assumed the obligations of the Escrow Issuer under the 6.25% Senior Notes and the 6.25% Senior Notes Indenture and the Guarantors jointly and severally, fully and unconditionally guaranteed the 6.25% Senior Notes on a senior unsecured basis. The Guarantors are the same entities that are subsidiary guarantors under the 2016 Term Loan Facility and the 2016 Revolving Credit Facility.

Ranking: The 6.25% Senior Notes are Products Corporation's senior, unsubordinated and unsecured obligations, ranking: (i) pari passu in right of payment with all of Products Corporation's existing and future senior unsecured indebtedness; (ii) senior in right of payment to all of Products Corporation's and the Guarantors' future subordinated indebtedness; and (iii) effectively junior to all of Products Corporation's and the Guarantors' existing and future senior secured indebtedness, including, indebtedness under Products Corporation's new Senior Facilities, to the extent of the value of the assets securing such indebtedness. The 6.25% Senior Notes and the Guarantees are: (i) structurally subordinated to all of the liabilities and preferred stock of any of the Company's subsidiaries that do not guarantee the 6.25% Senior Notes; and (ii) pari passu in right of payment with liabilities of the Guarantors other than expressly subordinated indebtedness.

Optional Redemption: Prior to August 1, 2019, Products Corporation may redeem the 6.25% Senior Notes at its option, at any time as a whole or from time to time in part, upon Products Corporation's payment of an applicable make-whole premium based on the comparable treasury rate plus 50 basis points. Prior to August 1, 2019, up to 40% of the aggregate principal amount of 6.25% Senior Notes that have been issued may also be redeemed at Products Corporation's option at any time as a whole or from time to time in part, at a redemption price equal to 106.250% of the principal amount thereof, plus accrued and unpaid interest to (but not including) the date of redemption with the proceeds of certain equity offerings and capital contributions (so long as at least 60% of the 6.25% Senior Notes that have been issued thereafter remain outstanding). On and after August 1, 2019, Products Corporation may redeem the 6.25% Senior Notes at its option, at any time as a whole, or from time to time in part, at the following redemption prices (expressed as percentages of principal amount), plus accrued interest to (but not including) the date of redemption, if redeemed during the 12-month period beginning on August 1 of the years indicated below:

Period	Optimal Redemption Premium Percentage
2019	104.688%
2020	103.125%
2021	101.563%
2022 and thereafter	100.000%

All redemptions (and notices thereof) may be subject to various conditions precedent, and redemption dates specified in such notices may be extended so that such conditions precedent may be fulfilled (to the extent redemption on such dates is otherwise permitted by the 6.25% Senior Notes Indenture).

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Change of Control: Upon the occurrence of specified change of control events, Products Corporation is required to make an offer to purchase all of the 6.25% Senior Notes at a purchase price of 101% of the outstanding principal amount of the 6.25% Senior Notes as of the date of any such repurchase, plus accrued and unpaid interest to (but not including) the date of repurchase.

Certain Covenants: The 6.25% Senior Notes Indenture imposes certain limitations on Products Corporation's and the Guarantors' ability, and the ability of certain other subsidiaries, to: (i) incur or guarantee additional indebtedness or issue preferred stock; (ii) pay dividends, make certain investments and make repayments on indebtedness that is subordinated in right of payment to the 6.25% Senior Notes and make other "restricted payments"; (iii) create liens on their assets to secure debt; (iv) enter into transactions with affiliates; (v) merge, consolidate or amalgamate with another company; (vi) transfer and sell assets; and (vii) permit restrictions on the payment of dividends by Products Corporation's subsidiaries.

These covenants are subject to important qualifications and exceptions. The 6.25% Senior Notes Indenture also contains customary affirmative covenants and events of default. In addition, if during any period of time the 6.25% Senior Notes receive investment grade ratings from both Standard & Poor's and Moody's Investors Services, Inc. and no default or event of default has occurred and is continuing under the 6.25% Senior Notes Indenture, Products Corporation and its subsidiaries will not be subject to the covenants regarding limitations on debt, limitations on restricted payments, limitation on guarantees by restricted subsidiaries, limitation on transactions with affiliates, certain provisions of the successor company covenant, limitation on asset sales and limitation on dividends from restricted subsidiaries.

During the third quarter of 2016, the Company incurred approximately \$10.9 million of fees and expenses in connection with the 6.25% Senior Notes, of which \$10.9 million were capitalized and are being amortized over the remaining term of the 6.25% Senior Notes using the effective interest method.

Amended Term Loan Facility - Excess Cash Flow Payment

On February 29, 2016, Products Corporation prepaid \$23.2 million of indebtedness, representing 50% of its 2015 "excess cash flow" as defined under the then existing Amended Term Loan Agreement, in accordance with the terms of its Amended Term Loan Facility. The prepayment was applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment that was applied to the 2011 Term Loan reduced the principal amount outstanding by \$11.5 million to \$651.4 million (as all amortization payments under the 2011 Term Loan had been paid). The \$11.7 million that was applied to the Acquisition Term Loan reduced Products Corporation's future annual amortization payments under the Acquisition Term Loan on a ratable basis from \$6.9 million prior to the prepayment to \$6.8 million after giving effect to the prepayment and through its maturity on October 8, 2019.

Covenants

Products Corporation was in compliance with all applicable covenants under the 2016 Term Loan and the 2016 Revolving Credit Facility as of September 30, 2016. At September 30, 2016, the aggregate principal amounts outstanding under the 2016 Term Loan and the 2016 Revolving Credit Facility were \$1,800.0 million and \$65.4 million, respectively, and availability under the \$400.0 million 2016 Revolving Credit Facility, based upon the calculated borrowing base of \$300.0 million less \$10.5 million of outstanding undrawn letters of credit, \$16.2 million of outstanding checks and \$65.4 million then drawn on the 2016 Revolving Credit Facility, was \$207.9 million.

Products Corporation was in compliance with all applicable covenants under its 6.25% Senior Notes Indenture as of September 30, 2016. Products Corporation was in compliance with all applicable covenants under its 5.75% Senior Notes Indenture as of September 30, 2016 and December 31, 2015.

9. 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:

- 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

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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 September 30, 2016, 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:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Derivatives:				
FX Contracts ^(a)	\$ 1.4	\$ —	\$ 1.4	\$ —
Total assets at fair value	<u>\$ 1.4</u>	<u>\$ —</u>	<u>\$ 1.4</u>	<u>\$ —</u>
Liabilities:				
Derivatives:				
FX Contracts ^(a)	\$ 3.1	\$ —	\$ 3.1	\$ —
2013 Interest Rate Swap ^(b)	6.3	—	6.3	—
Total liabilities at fair value	<u>\$ 9.4</u>	<u>\$ —</u>	<u>\$ 9.4</u>	<u>\$ —</u>

As of December 31, 2015, 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:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Derivatives:				
FX Contracts ^(a)	\$ 2.0	\$ —	\$ 2.0	\$ —
Total assets at fair value	<u>\$ 2.0</u>	<u>\$ —</u>	<u>\$ 2.0</u>	<u>\$ —</u>
Liabilities:				
Derivatives:				
FX Contracts ^(a)	\$ 0.6	\$ —	\$ 0.6	\$ —
2013 Interest Rate Swap ^(b)	6.5	—	6.5	—
Total liabilities at fair value	<u>\$ 7.1</u>	<u>\$ —</u>	<u>\$ 7.1</u>	<u>\$ —</u>

^(a) The fair value of the Company's foreign currency forward exchange contracts ("FX Contracts") was measured based on observable market transactions for similar transactions in actively quoted markets of spot and forward rates on the respective dates. See Note 10, "Financial Instruments," to the Unaudited Consolidated Financial Statements in this Form 10-Q.

^(b) The fair value of Products Corporation's 2013 Interest Rate Swap (as hereinafter defined) was measured based on the implied forward rates from the U.S. Dollar three-month LIBOR yield curve on the respective dates. See Note 10, "Financial Instruments."

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As of September 30, 2016, 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	
Liabilities:					
Long-term debt, including current portion	\$ —	\$ 2,842.9	\$ —	\$ 2,842.9	\$ 2,749.6

As of December 31, 2015, 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	
Liabilities:					
Long-term debt, including current portion	\$ —	\$ 1,818.0	\$ —	\$ 1,818.0	\$ 1,813.7

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

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

10. FINANCIAL INSTRUMENTS

Products Corporation maintains standby and trade letters of credit for various corporate purposes under which Products Corporation is obligated, of which \$10.5 million and \$8.8 million (including amounts available under credit agreements in effect at that time) were maintained at September 30, 2016 and December 31, 2015, respectively. Included in these amounts are approximately \$7.2 million and \$7.5 million at September 30, 2016 and December 31, 2015, respectively, in standby letters of credit that 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 referred to below, 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 September 30, 2016 and December 31, 2015 was \$122.8 million and \$76.3 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"). In connection with entering into the 2016 Term Loan Facility, the 2013 Interest Swap was carried over to apply to a notional amount of \$400 million in respect of indebtedness under such loan for the remaining balance of the term of such 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 the \$400 million notional amount under the Acquisition Term Loan over the three-year term of the 2013 Interest Rate Swap (and subsequently to the \$400 million notional amount under

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the 2016 Term Loan Facility for the remaining balance of the term of such swap). Products Corporation receives from the counterparty a floating interest rate based on the higher of three-month USD LIBOR or 1.00%, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which, with respect to the 2016 Term Loan Facility, effectively fixes the interest rate on such notional amount at 5.5709% over the remaining balance of the three-year term of the 2013 Interest Rate Swap). At September 30, 2016 the fair value of the 2013 Interest Rate Swap was \$(6.3) million and the accumulated loss recorded in accumulated other comprehensive loss was \$3.7 million after-tax.

As a result of completely refinancing the Acquisition Term Loan with the 2016 Term Loan Facility in connection with the Elizabeth Arden Acquisition, the critical terms of the 2013 Interest Rate Swap no longer match the terms of the underlying debt under the 2016 Term Loan Facility. At the refinancing date, or September 7, 2016 (the "Dedesignation Date"), the 2013 Interest Rate Swap was determined to no longer be highly effective and the Company discontinued hedge accounting for the 2013 Interest Rate Swap. Following the dedesignation of the 2013 Interest Rate Swap, changes in fair value will be accounted for as a component of other non-operating expenses. Accumulated deferred losses of \$6.3 million, or \$3.9 million after-tax, at the Dedesignation Date that were previously recorded as a component of accumulated other comprehensive loss will be amortized to net income over the remaining term of the 2013 Interest Rate Swap through its maturity. See "Quantitative Information – Derivative Financial Instruments" below).

The Company expects that \$2.4 million of the after-tax deferred net losses related to the 2013 Interest Rate Swap will be amortized into earnings over the next 12 months.

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 \$1.4 million and \$2.0 million as of September 30, 2016 and December 31, 2015, 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 counterparties to its derivative instruments, the Company believes that 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 the Consolidated Balance Sheets:

		Fair Values of Derivative Instruments					
		Assets			Liabilities		
Balance Sheet Classification	September 30, 2016 Fair Value	December 31, 2015 Fair Value	Balance Sheet Classification	September 30, 2016 Fair Value	December 31, 2015 Fair Value		
<i>Derivatives designated as hedging instruments:</i>							
2013 Interest Rate Swap ⁽ⁱ⁾	Prepaid expenses and other	\$ —	\$ —	Accrued expenses and other	\$ —	\$ 4.0	
	Other assets	—	—	Other long-term liabilities	—	2.5	
<i>Derivatives not designated as hedging instruments:</i>							
FX Contracts ⁽ⁱⁱ⁾	Prepaid expenses and other	\$ 1.4	\$ 2.0	Accrued Expenses	\$ 3.1	\$ 0.6	
2013 Interest Rate Swap ⁽ⁱ⁾	Prepaid expenses and other	\$ —	\$ —	Accrued expenses and other	\$ 4.0	\$ —	
	Other assets	\$ —	\$ —	Other long-term liabilities	\$ 2.3	\$ —	

⁽ⁱ⁾ The fair values of the 2013 Interest Rate Swap at September 30, 2016 and December 31, 2015 were measured based on the implied forward rates from the U.S. Dollar three-month LIBOR yield curve at September 30, 2016 and December 31, 2015, respectively.

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⁽ⁱⁱ⁾ The fair values of the FX Contracts at September 30, 2016 and December 31, 2015 were measured based on observable market transactions of spot and forward rates at September 30, 2016 and December 31, 2015, respectively.

(b) Effects of Derivative Financial Instruments on the Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended September 30, 2016 and 2015:

	Amount of Gain (Loss) Recognized in Other Comprehensive Income			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<i>Derivatives designated as hedging instruments:</i>				
2013 Interest Rate Swap, net of tax ^(a)	\$ 0.8	\$ (0.7)	\$ 0.1	\$ (2.7)

^(a) Net of tax expense (benefit) of \$0.5 million and (\$0.5 million) for the three months ended September 30, 2016 and 2015, respectively, and \$0.1 million and (\$1.7 million) for the nine months ended September 30, 2016 and 2015, respectively.

Income Statement Classification	Amount of Gain (Loss) Recognized in Net Income			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
<i>Derivatives designated as hedging instruments:</i>				
2013 Interest Rate Swap Interest Expense	\$ (1.0)	\$ (1.0)	\$ (3.2)	\$ (1.5)
<i>Derivatives not designated as hedging instruments:</i>				
FX Contracts Foreign currency gain (loss), net	\$ (0.3)	\$ 2.3	\$ (0.8)	\$ 3.2
2013 Interest Rate Swap Miscellaneous, net	—	—	—	—

11. 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 third quarter of 2016 and 2015 are as follows:

	Pension Plans		Other Post-Retirement Benefit Plans	
	Three Months Ended September 30,			
	2016	2015	2016	2015
Net periodic benefit (income) costs:				
Service cost	\$ 0.1	\$ 0.2	\$ —	\$ —
Interest cost	5.2	7.2	0.1	0.1
Expected return on plan assets	(7.7)	(10.0)	—	—
Amortization of actuarial loss	2.2	2.2	—	—
	(0.2)	(0.4)	0.1	0.1
Portion allocated to Revlon Holdings	—	—	—	—
	<u>\$ (0.2)</u>	<u>\$ (0.4)</u>	<u>\$ 0.1</u>	<u>\$ 0.1</u>

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The components of net periodic benefit (income) costs for the Company's pension and the other post-retirement benefit plans for the first nine months of 2016 and 2015 are as follows:

	Pension Plans		Other Post-Retirement Benefit Plans	
	Nine Months Ended September 30,			
	2016	2015	2016	2015
Net periodic benefit (income) costs:				
Service cost	\$ 0.4	\$ 0.6	\$ —	\$ —
Interest cost	15.5	21.5	0.3	0.3
Expected return on plan assets	(23.3)	(30.3)	—	—
Amortization of actuarial loss	6.6	6.3	0.1	0.1
	(0.8)	(1.9)	0.4	0.4
Portion allocated to Revlon Holdings	(0.1)	(0.1)	—	—
	<u>\$ (0.9)</u>	<u>\$ (2.0)</u>	<u>\$ 0.4</u>	<u>\$ 0.4</u>

In the three and nine months ended September 30, 2016, the Company recognized net periodic benefit income of \$0.1 million and \$0.5 million, respectively, compared to net periodic benefit income of \$0.3 million and \$1.6 million in the three and nine months ended September 30, 2015, primarily due to the lower expected return on plan assets, partially offset by lower interest cost as a result of the Company's adoption of the alternative approach to calculating the service and interest components of net periodic benefit cost for pension and other post-retirement benefits (the "full yield curve" approach) which was adopted by the Company at December 31, 2015.

Net periodic benefit costs (income) are reflected in the Company's Consolidated Financial Statements as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net periodic benefit (income) costs:				
Cost of sales	\$ (0.6)	\$ (1.0)	\$ (1.9)	\$ (3.0)
Selling, general and administrative expense	0.5	0.7	1.4	1.4
	<u>\$ (0.1)</u>	<u>\$ (0.3)</u>	<u>\$ (0.5)</u>	<u>\$ (1.6)</u>

The Company expects that it will have net periodic benefit income of approximately \$1 million for its pension and other post-retirement benefit plans for all of 2016, compared with net periodic benefit cost of \$2.0 million in 2015.

During the third quarter of 2016, \$2.2 million and \$0.2 million were contributed to the Company's pension plans and other post-retirement benefit plans, respectively. During the first nine months of 2016, \$5.3 million and \$0.7 million were contributed to the Company's pension plans and other post-retirement benefit plans, respectively. During 2016, the Company expects to contribute approximately \$10 million in the aggregate to its pension and other post-retirement benefit plans.

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 14, "Savings Plan, Pension and Post-Retirement Benefits," to the Consolidated Financial Statements in Revlon, Inc.'s 2015 Form 10-K.

12. 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 remeasurement of a tax position taken in a prior period are recognized in the quarter in which any such change occurs.

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For the third quarter of 2016 and 2015, the Company recorded a (benefit from) provision for income taxes of \$(0.4) million and \$24.6 million, respectively. The \$25.0 million decrease in the provision for income taxes was primarily due to lower pre-tax income and the phasing of the recognition of income taxes, as well as the favorable impact of certain discrete items realized in the third quarter of 2015 that did not reoccur in the third quarter of 2016.

For the first nine months of 2016 and 2015, the Company recorded a provision for income taxes of \$16.0 million and \$53.8 million, respectively. The \$37.8 million decrease in the provision for income taxes was primarily due to lower pre-tax income and the phasing of the recognition of income taxes, as well as the favorable impact of certain discrete items realized in the first nine months of 2015 that did not reoccur in the first nine months of 2016.

The Company's effective tax rate for the three months ended September 30, 2016 differed than the federal statutory rate of 35% as a result of non-deductible acquisition costs, certain dividends and earnings taxable in the U.S., and state and local taxes, partially offset by the foreign and U.S. effects attributable to operations outside the U.S.

The Company's effective tax rate for the nine months ended September 30, 2016 was higher than the federal statutory rate of 35% as a result of certain foreign dividends and earnings taxable in the U.S. and state and local taxes.

The Company remains subject to examination of its income tax returns including, without limitation: Australia for tax years ended December 31, 2011 through December 31, 2014; South Africa and the U.K. for tax years ended December 31, 2012 through December 31, 2014; and Canada, Spain and the U.S. (federal) for tax years ended December 31, 2012 through December 31, 2015.

Elizabeth Arden remains subject to examination of its income tax returns in various jurisdictions including, without limitation, U.S. (federal) for the fiscal years ended June 30, 2010 through June 30, 2015. The Internal Revenue Service (the 'IRS') has been auditing Elizabeth Arden's U.S. (federal) tax returns for the fiscal years ended June 30, 2010 through June 30, 2012. In the audit, the IRS has proposed increases in Elizabeth Arden's taxable income, relating to transfer pricing, in an amount totaling approximately \$85 million. The Company disagrees with the proposed adjustments and intends to continue to contest them vigorously and to pursue its available remedies. Although any IRS examination contains an element of uncertainty, based on current facts and circumstances, the Company believes that the ultimate outcome of any protest, appeals or judicial process will not have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss as of September 30, 2016 are as follows:

	Foreign Currency Translation	Actuarial (Loss) Gain on Post- retirement Benefits	Deferred Gain (Loss) - Hedging	Other	Accumulated Other Comprehensive Loss
Balance at January 1, 2016	\$ (23.5)	\$ (217.7)	\$ (3.8)	\$ (0.3)	\$ (245.3)
Currency translation adjustment, net of tax of \$1.3 million	8.0				8.0
Amortization of pension related costs, net of tax of \$1.1 million ^(a)		5.6			5.6
Revaluation of derivative financial instrument, net of amounts reclassified into earnings and tax of \$0.1 million ^(b)			\$ 0.1		0.1
Other comprehensive income	8.0	5.6	0.1	—	13.7
Balance at September 30, 2016	<u>\$ (15.5)</u>	<u>\$ (212.1)</u>	<u>\$ (3.7)</u>	<u>\$ (0.3)</u>	<u>\$ (231.6)</u>

^(a) Amounts represent the change in accumulated other comprehensive loss as a result of the amortization of actuarial losses (gains) arising during each year related to the Company's pension and other post-retirement plans. See Note 11, "Pension and Post-retirement Benefits," for further discussion of the Company's pension and other post-retirement plans.

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- (b) Represents the after-tax effective portion of the changes in fair value of the Company's 2013 Interest Rate Swap, net of amounts reclassified into earnings for the nine months ended September 30, 2016. See Note 10, "Financial Instruments," for further discussion of the 2013 Interest Rate Swap.

As shown above, other comprehensive income includes changes in the fair value of the 2013 Interest Rate Swap. A rollforward of the amounts reclassified out of accumulated other comprehensive loss into earnings for the three and nine months ended September 30, 2016 are as follows:

	2013
	Interest Rate Swap
Beginning accumulated losses at June 30, 2016	\$ (4.5)
Reclassifications into earnings (net of \$0.4 million tax expense) ^(a)	0.7
Change in fair value (net of \$0.1 million tax expense)	0.1
Ending accumulated losses at September 30, 2016	\$ (3.7)

	2013
	Interest Rate Swap
Beginning accumulated losses at December 31, 2015	\$ (3.8)
Reclassifications into earnings (net of \$1.2 million tax expense) ^(a)	2.0
Change in fair value (net of \$1.1 million tax benefit)	(1.9)
Ending accumulated losses at September 30, 2016	\$ (3.7)

- (a) Reclassified to interest expense.

A rollforward of the amounts reclassified out of accumulated other comprehensive loss into earnings for the three and nine months ended September 30, 2015 are as follows:

	2013
	Interest Rate Swap
Beginning accumulated losses at June 30, 2015	\$ (4.2)
Reclassifications into earnings (net of \$0.4 million tax expense) ^(a)	0.7
Change in fair value (net of \$0.9 million tax benefit)	(1.4)
Ending accumulated losses at September 30, 2015	\$ (4.9)

	2013
	Interest Rate Swap
Beginning accumulated losses at December 31, 2014	\$ (2.2)
Reclassifications into earnings (net of \$0.6 million tax expense) ^(a)	0.9
Change in fair value (net of \$2.3 million tax benefit)	(3.6)
Ending accumulated losses at September 30, 2015	\$ (4.9)

- (a) Reclassified to interest expense.

14. SEGMENT DATA AND RELATED INFORMATION

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 Company's "Chief Executive Officer") in deciding how to allocate resources and in assessing the Company's performance. As a result of the similarities in the procurement, manufacturing and distribution processes for the Company's products, much of the information provided in the Consolidated Financial Statements, and provided in the segment table below, is similar to, or the same as, that reviewed on a regular basis by the Company's Chief

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Executive Officer. As of September 30, 2016, and since the Elizabeth Arden Acquisition Date, the Elizabeth Arden organization has continued to operate and be evaluated on a stand-alone basis.

At September 30, 2016, the Company's operations are organized into the following reportable segments:

- **Consumer** - The Consumer segment is comprised of the Company's consumer brands other than those operated under the Elizabeth Arden segment, 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 large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries in the U.S. and internationally. The Consumer segment also includes a skincare line under the **Natural Honey** brand and a hair color line under the **Llongueras** brand sold to large volume retailers and other retailers, primarily in Spain, which were acquired as part of the Colomer Acquisition. In October 2015 and in May 2016, the Company acquired the U.S. Cutex business and Cutex International business and related assets, respectively. The results of operations relating to the sales of **Cutex** nail care products are included within the Consumer segment.
- **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 to professional salons. The Company's principal customers for its professional products include hair and nail salons and distributors to professional salons in the U.S. and internationally. The Professional segment also includes a multi-cultural line consisting of **Creme of Nature** hair care products sold to large volume retailers, other retailers and professional salons, primarily in the U.S.
- **Elizabeth Arden** - The Elizabeth Arden segment includes the operating results of the Elizabeth Arden business and related purchase accounting for the Company's September 2016 Elizabeth Arden Acquisition. Elizabeth Arden is a global prestige beauty products company with an iconic portfolio of prestige fragrance, skincare and cosmetic brands, including the **Elizabeth Arden** skin care brands, color cosmetics and fragrances; designer fragrances such as **Juicy Couture** and **John Varvatos**; heritage fragrances such as **Curve**, **Elizabeth Taylor**, **Britney Spears** and **Christina Aguilera**; and various celebrity fragrances.
- **Other** - The Other segment primarily includes the operating results of the CBB business and related purchase accounting for the CBB Acquisition. CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories.

The Company's management evaluates segment profit, which is defined as income from continuing operations before interest, taxes, depreciation, amortization, stock-based compensation expense, gains/losses on foreign currency fluctuations, gains/losses on the early extinguishment of debt and miscellaneous expenses, for each of the Company's reportable segments. Segment profit also excludes unallocated corporate expenses and the impact of certain items that are not directly attributable to the reportable segments' underlying operating performance, which includes the impacts of: (i) restructuring and related charges; (ii) acquisition and integration costs; (iii) deferred compensation related to the accounting for the CBB Acquisition; (iv) costs of sales resulting from a fair value adjustment in the second quarter of 2016 and 2015 to inventory acquired in the Cutex International Acquisition and CBB Acquisition, respectively; (v) charges related to the Elizabeth Arden 2016 Business Transformation Program; and (vi) costs of sales resulting from a fair value adjustment to inventory acquired in the Elizabeth Arden Acquisition. Such items are shown below in the table reconciling segment profit to consolidated income from continuing operations before income taxes. Unallocated corporate expenses primarily include 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 2015 Form 10-K. The Company's assets and liabilities 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 reportable segments is produced for the Company's Chief Executive Officer or included in these Consolidated Financial Statements.

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The following table is a comparative summary of the Company's net sales and segment profit by reportable segment for the three and nine months ended September 30, 2016 and 2015.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Segment Net Sales:				
Consumer	\$ 342.8	\$ 348.1	\$ 1,022.3	\$ 1,027.1
Professional	118.8	114.5	357.2	352.1
Elizabeth Arden	135.2	—	135.2	—
Other	8.0	8.9	18.6	13.2
Total	<u>\$ 604.8</u>	<u>\$ 471.5</u>	<u>\$ 1,533.3</u>	<u>\$ 1,392.4</u>
Segment Profit:				
Consumer	\$ 81.0	\$ 86.0	\$ 220.4	\$ 232.0
Professional	23.7	23.4	73.4	76.9
Elizabeth Arden	32.5	—	32.5	—
Other	(0.1)	(1.4)	(0.9)	(1.2)
Total	<u>\$ 137.1</u>	<u>\$ 108.0</u>	<u>\$ 325.4</u>	<u>\$ 307.7</u>
Reconciliation:				
Segment Profit	\$ 137.1	\$ 108.0	\$ 325.4	\$ 307.7
Less:				
Unallocated corporate expenses	24.2	20.4	59.1	55.7
Depreciation and amortization	28.8	26.0	81.0	76.8
Non-cash stock compensation expense	1.5	1.0	4.8	3.8
Non-Operating items:				
Restructuring and related charges	0.5	4.2	2.3	1.9
Acquisition and integration costs	33.5	0.6	39.5	6.5
Deferred compensation related to CBB acquisition	0.8	0.9	2.6	— 1.6
Cutex International inventory purchase accounting adjustment, cost of sales	0.2	(0.1)	0.3	0.5
Elizabeth Arden 2016 Business Transformation Program	1.7	—	1.7	—
Elizabeth Arden inventory purchase accounting adjustment, cost of sales	4.2	—	4.2	—
Operating Income	41.7	55.0	129.9	160.9
Less:				
Interest Expense	27.4	21.5	69.3	62.0
Amortization of debt issuance costs	1.7	1.4	4.6	4.2
Loss on early extinguishment of debt	16.9	—	16.9	—
Foreign currency losses (gains), net	1.2	(0.7)	6.3	7.3
Miscellaneous, net	(0.6)	0.3	(0.1)	0.5
Income from continuing operations before income taxes	<u>\$ (4.9)</u>	<u>\$ 32.5</u>	<u>\$ 32.9</u>	<u>\$ 86.9</u>

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As of September 30, 2016, after giving effect to the Elizabeth Arden Acquisition, the Company had operations established in 26 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:

	Three Months Ended September 30,				Nine Months Ended September 30,							
	2016		2015		2016		2015					
Geographic area:												
Net sales:												
United States	\$	326.1	54%	\$	255.0	54%	\$	836.8	55%	\$	766.4	55%
International		278.7	46%		216.5	46%		696.5	45%		626.0	45%
	\$	604.8		\$	471.5		\$	1,533.3		\$	1,392.4	

	September 30, 2016				December 31, 2015			
	Long-lived assets, net:							
United States	\$	1,464.5	83%	\$	854.7	79%		
International		289.6	17%		232.4	21%		
	\$	1,754.1		\$	1,087.1			

	Three Months Ended September 30,				Nine Months Ended September 30,							
	2016		2015		2016		2015					
Classes of similar products:												
Net sales:												
Color cosmetics	\$	245.5	41%	\$	242.5	51%	\$	731.7	48%	\$	746.4	54%
Hair care		135.3	22%		131.3	28%		402.1	26%		388.1	28%
Beauty care		96.2	16%		74.8	16%		244.6	16%		209.9	15%
Fragrance		127.8	21%		22.9	5%		154.9	10%		48.0	3%
	\$	604.8		\$	471.5		\$	1,533.3		\$	1,392.4	

15. BASIC AND DILUTED EARNINGS PER COMMON SHARE

Shares used in basic earnings per share are computed using the weighted average number of common shares outstanding during each period. Shares used in diluted earnings per share include the dilutive effect of unvested restricted stock under the Company's Stock Plan using the treasury stock method. At September 30, 2016 and 2015, there were no outstanding stock options under the Company's Stock Plan.

For the three and nine months ended September 30, 2016, there are nil and 234,712 shares, respectively, of unvested restricted stock that could potentially dilute basic earnings per common share in the future that were excluded from the computation of diluted earnings per common share, as their effect would be anti-dilutive. No unvested restricted stock awards were excluded from the computation of diluted earnings per common share for the three and nine months ended September 30, 2015.

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The components of basic and diluted earnings per common share for the three and nine months ended September 30, 2016 and 2015 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Numerator:				
(Loss) Income from continuing operations, net of taxes	\$ (4.5)	\$ 7.9	\$ 16.9	\$ 33.1
Loss from discontinued operations, net of taxes	(0.2)	(1.7)	(2.3)	(1.8)
Net (loss) income	\$ (4.7)	\$ 6.2	\$ 14.6	\$ 31.3
Denominator:				
Weighted average common shares outstanding – Basic	52,498,246	52,440,580	52,498,840	52,422,660
Effect of dilutive restricted stock	—	163,131	118,900	170,547
Weighted average common shares outstanding – Diluted	52,498,246	52,603,711	52,617,740	52,593,207
Basic (loss) earnings per common share:				
Continuing operations	\$ (0.09)	\$ 0.15	\$ 0.32	\$ 0.63
Discontinued operations	—	(0.03)	(0.04)	(0.03)
Net (loss) income	\$ (0.09)	\$ 0.12	\$ 0.28	\$ 0.60
Diluted (loss) earnings per common share:				
Continuing operations	\$ (0.09)	\$ 0.15	\$ 0.32	\$ 0.63
Discontinued operations	—	(0.03)	(0.04)	(0.03)
Net (loss) income	\$ (0.09)	\$ 0.12	\$ 0.28	\$ 0.60

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, prospects, results of operations, financial condition and/or cash flows. 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.

As previously disclosed, following the announcement of the execution of the Elizabeth Arden Merger Agreement, several putative shareholder class action lawsuits and a derivative lawsuit were filed challenging the Merger. In addition to the complaints filed on behalf of plaintiffs Parker, Christiansen, Ross and Stein, on July 25, 2016, a lawsuit (Hutson v. Elizabeth Arden, Inc., et al., Case No. CACE-16-013566) (referred to as the "Hutson complaint") was filed in the Seventeenth Judicial Circuit in and for Broward County, Florida (the "Court") against Elizabeth Arden, the members of the board of directors of Elizabeth Arden, Revlon, Products Corporation and Acquisition Sub. In general, the Hutson complaint alleges that: (i) the members of Elizabeth Arden's board of directors breached their fiduciary duties to Elizabeth Arden's shareholders with respect to the Merger, by, among other things, approving the Merger pursuant to an unfair process and at an inadequate and unfair price; and (ii) Revlon, Products Corporation and Acquisition Sub aided and abetted the breaches of fiduciary duty by the members of Elizabeth Arden's board. The plaintiff seeks relief similar to that sought in the Parker case.

By Order dated August 4, 2016, all five cases were consolidated by the Court into a Consolidated Amended Class Action. Thereafter, on August 11, 2016 a Consolidated Amended Class Action Complaint was filed, seeking to enjoin defendants from consummating the Merger and/or from soliciting shareholder votes. To the extent that the Merger was consummated, the Consolidated Amended Class Action Complaint seeks to rescind the Merger or recover rescissory or other compensatory damages, along with costs and fees. The grounds for relief set forth in the Consolidated Amended Class Action Complaint in large part track those grounds as asserted in the five individual complaints, as previously disclosed. Class counsel advised that post consummation

of the Merger they were going to file a Second Consolidated Amended Class Action Complaint, but to date no such complaint has been filed.

The Company believes the allegations contained in the Consolidated Amended Class Action Complaint are without merit and intends to vigorously defend against them. Additional lawsuits arising out of or relating to the Elizabeth Arden Merger Agreement or the Merger may be filed in the future.

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, prospects, results of operations, financial condition and/or cash flows. 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 the Revlon, Inc.'s 2015 Form 10-K, Revlon, Products Corporation and MacAndrews & Forbes have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which: (i) MacAndrews & Forbes is obligated to provide (directly or through its affiliates) certain professional and administrative services, including, without limitation, employees, to the Company, and to purchase services from third party providers, such as insurance, legal, accounting and air transportation services, on behalf of the Company, 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 that MacAndrews & Forbes purchases for or provides to the Company and for the reasonable out-of-pocket expenses that MacAndrews & Forbes incurs in connection with the provision of such services. MacAndrews & Forbes reimburses Products Corporation for the allocable costs of the services that Products Corporation purchases for or provides to MacAndrews & Forbes and for the reasonable out-of-pocket expenses incurred by Products Corporation in connection with the purchase or provision of such services. Each of the Company, on the one hand, and MacAndrews & Forbes, 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 their 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 that 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 nine months ended September 30, 2016 and 2015 was \$1.3 million and \$2.2 million, respectively, which primarily includes partial payments made by the Company to MacAndrews & Forbes during the first quarter of 2016 and 2015 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 each September 30, 2016 and December 31, 2015, a receivable balance of \$0.1 million, respectively, from MacAndrews & Forbes was included in the Company's Balance Sheets for transactions subject to the Reimbursement Agreements.

Other

During the nine months ended September 30, 2016 and 2015, the Company engaged several companies in which MacAndrews & Forbes had a controlling interest to provide the Company with various ordinary course business services. These services included processing approximately \$35.1 million and \$25.4 million of coupon redemptions for the Company's retail customers for the nine months ended September 30, 2016 and 2015, respectively, for which the Company paid fees of approximately \$0.3 million and \$0.3 million during the nine months ended September 30, 2016 and 2015, respectively, and other similar advertising, coupon redemption and raw material supply services, for which the Company paid fees aggregating to less than \$0.3 million during the nine months ended September 30, 2016 and 2015, respectively. The Company believes that its engagement of each of these affiliates was on arm's length terms, taking into account each firm's expertise in its respective field, and that the fees paid were at least as favorable as those available from unaffiliated parties.

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

Overview

Overview of the Business

Revlon, Inc. ("Revlon" 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, including Elizabeth Arden, Inc. ("Elizabeth Arden"). Revlon is an indirect majority-owned subsidiary of MacAndrews & Forbes Incorporated (together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation wholly-owned by Ronald O. Perelman.

The Company operates in four reporting segments: the consumer division ("Consumer"); the professional division ("Professional"); Elizabeth Arden; and Other (each as described below). The Company manufactures, markets and sells worldwide an extensive array of beauty and personal care products, including color 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 volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries in the U.S. and internationally. The Company's principal customers for its products in the Professional segment include hair and nail salons and distributors to professional salons in the U.S. and internationally.

On September 7, 2016 (the "Acquisition Date"), the Company completed the acquisition of Elizabeth Arden (the "Elizabeth Arden Acquisition"). Elizabeth Arden is a global prestige beauty products company with an iconic portfolio of brands that are highly complementary to the Company's existing brand portfolio and are sold worldwide. In North America, Elizabeth Arden's principal customers include prestige retailers, the mass retail channel and distributors, as well as direct sales to consumers via its branded retail outlet stores and e-commerce business. Elizabeth Arden products are also sold through the Elizabeth Arden Red Door Spa beauty salons and spas. Internationally, Elizabeth Arden's portfolio of owned and licensed brands is sold to perfumeries, boutiques, department stores, travel retailers and distributors. The operating results and purchase accounting for the Company's Elizabeth Arden Acquisition are presented in the Elizabeth Arden segment.

With the Elizabeth Arden Acquisition, the Company expects to benefit from greater scale, an expanded global footprint, and with the addition of Elizabeth Arden's growing prestige fragrances, skin care and color cosmetics, a significant presence across all major beauty channels and categories. The combination will leverage the Company's scale across major vendors and manufacturing partners, improving distribution and procurement efficiencies. Upon closing the Elizabeth Arden Acquisition the Company disclosed that it expected to achieve approximately \$140 million of synergies and cost reductions over a multi-year period through the elimination of duplicative activities, leveraging purchasing scale, and optimizing the manufacturing and distribution networks of the combined company. The Company anticipates achieving these expected synergies and cost reductions. Other expected strategic benefits from the Elizabeth Arden Acquisition include:

- **Expanded Category Mix:** The Company's strength and expertise in color cosmetics, hair care, men's grooming, anti-perspirants, deodorants and beauty tools are complemented by the addition of Elizabeth Arden's world-class portfolio of licensed prestige fragrances and the internationally recognized line of Elizabeth Arden-branded prestige fragrance, skin care and color cosmetics products, which are highly profitable categories that the Company believes are key to future industry growth;
- **Channel Diversification:** Elizabeth Arden's strong global reach in prestige distribution and travel retail complement Revlon's strength in mass and salons, strongly positioning the combined company in all key beauty channels; and
- **Broader Geographic Footprint:** Post-acquisition the combined company now markets and distributes its products in approximately 150 countries. With Elizabeth Arden's presence in important international growth regions, including Asia Pacific, the combined company will be better positioned to compete globally.

The operating results and purchase accounting for the Company's Elizabeth Arden Acquisition are presented in the Elizabeth Arden reporting segment. Refer to Note 2, "Business Combinations," to the Unaudited Consolidated Financial Statements in this Form 10-Q for further details related to the Elizabeth Arden Acquisition.

The Other segment primarily includes the operating results of the CBBeauty Group and certain of its related entities, which the Company acquired in April 2015 (collectively "CBB" and such transaction, the "CBB Acquisition"). CBB develops, manufactures, markets and distributes fragrances and other beauty products under a variety of celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories.

The Company's Business Strategy

Our strategy is built on three key pillars:

- ***Build a Foundation for Sustainable Growth that Outpaces the Industry.*** The Company will compete in large and fast growing beauty segments and build its portfolio of product offerings in all strategic categories. The Company will further strengthen and diversify our channels of distribution, especially direct to consumer. The Company will strengthen its U.S. business and expand into faster growing territories, with a special focus on Asia.
- ***Harness the Power of our Iconic Brand Portfolio to Delight Consumers Wherever and However They Shop for Beauty.*** The Company will continue to focus on restoring the appeal and aspiration of its flagship brands and invest in them. The Company is advancing its digital and omni-channel capabilities, and is focused on high growth channels, especially E-commerce. The Company intends to continue to win in traditional channels, while expanding its combined reach in to travel retail.
- ***Develop a Cost Structure to Deliver World Class Profitability.*** The Company will continue to improve its operating performance by strategically allocating investments behind key brands, categories and regions. The Company intends to further improve its category mix and, with the acquisition of Elizabeth Arden, is now capable of shifting toward higher gross margin categories. The Company will continue to rationalize its product portfolio and seek to reduce its product returns, sales markdowns and inventory levels. Through an enhanced new product development processes, the Company will increase its speed to shelf, optimize its resource allocation and shorten new product launch timing.

Overview of Net Sales and Earnings Results

Consolidated net sales in the third quarter of 2016 were \$604.8 million, an increase of \$133.3 million, or 28.3%, compared to \$471.5 million in the third quarter of 2015. Excluding the \$8.1 million unfavorable impact of foreign currency fluctuations (referred to herein as "FX," "XFX" or on an "XFX basis"), consolidated net sales increased on an XFX basis by \$141.4 million, or 30.0%, in the third quarter of 2016, compared to the third quarter of 2015. The XFX increase in consolidated net sales in the third quarter of 2016 was primarily driven by a \$5.1 million, or 4.5%, increase in Professional segment net sales and the inclusion of \$135.2 million of net sales as a result of the Elizabeth Arden Acquisition from and after the September 7, 2016 Acquisition Date.

Consolidated net sales in the first nine months of 2016 were \$1,533.3 million, an increase of \$140.9 million, or 10.1%, compared to \$1,392.4 million in the first nine months of 2015. Excluding the \$33.0 million unfavorable FX impact, consolidated net sales on an XFX basis increased by \$173.9 million, or 12.5%, in the first nine months of 2016 compared to the first nine months of 2015. The XFX increase in consolidated net sales in the first nine months of 2016 was primarily driven by a \$22.6 million, or 2.2%, increase in Consumer segment net sales; an \$8.9 million, or 2.5%, increase in Professional segment net sales; a \$7.2 million, or 54.5%, increase in Other segment net sales; and the inclusion of \$135.2 million of net sales as a result of the Elizabeth Arden Acquisition on and after the September 7, 2016 Acquisition Date.

Consolidated loss from continuing operations, net of taxes, in the third quarter of 2016 was \$4.5 million, compared to consolidated income from continuing operations, net of taxes, of \$7.9 million in the third quarter of 2015. The \$12.4 million decrease in the third quarter of 2016 was primarily due to:

- \$41.6 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 Elizabeth Arden Acquisition, commencing on and after the Acquisition Date;
- \$32.9 million increase in acquisition and integration costs, primarily related to the Elizabeth Arden Acquisition;
- a \$16.9 million aggregate loss on the early extinguishment of debt recognized in the third quarter of 2016 as a result of the complete refinancing of the 2011 Term Loan and Acquisition Term Loan in connection with the Elizabeth Arden Acquisition; and
- a \$5.9 million increase in interest expense during the third quarter of 2016 as a result of the debt related transactions completed in connection with the Elizabeth Arden Acquisition, as discussed in Recent Events below;

with the foregoing partially offset by:

- \$57.7 million of higher gross profit in the third quarter of 2016, primarily due to the inclusion of gross profit as a result of the Elizabeth Arden Acquisition, commencing on the Acquisition Date; and

- a \$25.0 million decrease in the provision for income taxes recognized in the third quarter of 2016, primarily due to lower pretax income, the phasing of the recognition of income taxes and the relatively favorable impact of certain discrete items that did not reoccur in the third quarter of 2016.

Consolidated income from continuing operations, net of taxes, in the first nine months of 2016 was \$16.9 million, compared to \$33.1 million of consolidated income from continuing operations, net of taxes, in the first nine months of 2015. The \$16.2 million decrease in consolidated income from continuing operations, net of taxes in the first nine months of 2016 was primarily due to:

- \$40.1 million of higher SG&A expenses, primarily driven by the inclusion of the SG&A expenses as a result of the Elizabeth Arden Acquisition, commencing on and after the Acquisition Date;
- \$33.0 million increase in acquisition and integration costs, primarily related to the Elizabeth Arden Acquisition;
- a \$16.9 million aggregate loss on the early extinguishment of debt recognized in the third quarter of 2016 as a result of the complete refinancing of the 2011 Term Loan and Acquisition Term Loan in connection with the Elizabeth Arden Acquisition; and
- a \$7.3 million increase in interest expense during the first nine months of 2016 primarily as a result of the debt related transactions completed during the third quarter of 2016 in connection with the Elizabeth Arden Acquisition, as discussed below;

with the foregoing partially offset by:

- \$43.5 million of higher gross profit in the first nine months of 2016, primarily due to the inclusion of gross profit as a result of the Elizabeth Arden Acquisition, commencing on and after the Acquisition Date, partially offset by lower gross profit within the Consumer segment; and
- a \$37.8 million decrease in the provision for income taxes recognized in the first nine months of 2016, primarily due to lower pretax income, the phasing of the recognition of income taxes and the relatively favorable impact of certain discrete items that did not reoccur in the first nine months of 2016.

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

Recent Events

Acquisition of Elizabeth Arden

On the September 7, 2016 Acquisition Date, the Company completed the Elizabeth Arden Acquisition. Elizabeth Arden is a global prestige beauty products company with an iconic portfolio of brands that are highly complementary to the Company's existing brand portfolio and are sold worldwide. In North America, Elizabeth Arden's principal customers include prestige retailers, the mass retail channel and distributors, as well as direct sales to consumers via its branded retail outlet stores and e-commerce business. Elizabeth Arden products are also sold through the Elizabeth Arden Red Door Spa beauty salons and spas. Internationally, Elizabeth Arden's portfolio of owned and licensed brands is sold to perfumeries, boutiques, department stores, travel retailers and distributors. The operating results and purchase accounting for the Company's Elizabeth Arden Acquisition are presented in the Elizabeth Arden reporting segment. Refer to Note 2, "Business Combinations," to the Unaudited Consolidated Financial Statements in this Form 10-Q for further details related to the Elizabeth Arden Acquisition.

The operating results and purchase accounting for the Company's Elizabeth Arden Acquisition are presented in the Elizabeth Arden reporting segment.

2016 Debt Related Transactions

During the third quarter of 2016, Products Corporation completed several debt transactions in connection with the issuance of its 6.25% Senior Notes and Amended Credit Agreements. See "Part 1, Item 1 - Business" in this Form 10-K for a summary of these debt transactions and "Financial Condition, Liquidity and Capital Resources – Long-Term Debt Instruments" for further discussion of these debt transactions.

In connection with and substantially concurrently with the closing of the Elizabeth Arden Acquisition, Products Corporation entered into: (i) a 7-year \$1,800.0 million senior secured term loan facility (the "2016 Term Loan Facility" and such agreement being the "2016 Term Loan Agreement"); and (ii) a 5-year \$400.0 million senior secured asset-based revolving credit facility (the "2016 Revolving Credit Facility" and such agreement being the "2016 Revolving Credit Agreement" and such facility, together with the 2016 Term Loan Facility, the "Senior Facilities"). Products Corporation also completed the issuance of \$450.0 million

aggregate principal amount of 6.25% Senior Notes due 2024 (the "6.25% Senior Notes"). Refer to Note 8, "Long-Term Debt," to the Unaudited Consolidated Financial Statements in this Form 10-Q for further details related to these debt transactions.

On February 29, 2016, Products Corporation prepaid \$23.2 million of indebtedness, representing 50% of its 2015 "excess cash flow" as defined under the then existing Amended Term Loan Agreement, in accordance with the terms of its Amended Term Loan Facility. The prepayment was applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment that was applied to the 2011 Term Loan reduced the principal amount outstanding by \$11.5 million to \$651.4 million (as all amortization payments under the 2011 Term Loan had been paid). The \$11.7 million that was applied to the Acquisition Term Loan reduced Products Corporation's future annual amortization payments under the Acquisition Term Loan on a ratable basis from \$6.9 million prior to the prepayment to \$6.8 million after giving effect to the prepayment and through its maturity on October 8, 2019.

Acquisition of Cutex International

On May 31, 2016 (the "Cutex International Acquisition Date"), the Company completed the acquisition of certain international Cutex businesses ("Cutex International") from Coty Inc. (the "Cutex International Acquisition"), which primarily operate in Australia and the U.K., and related assets for total cash consideration of \$29.1 million. Following the Company's October 2015 acquisition of the Cutex business and related assets in the U.S., the Cutex International Acquisition completes the Company's global consolidation of the Cutex brand and enhances and complements the Company's existing brand portfolio of nail care products. The Cutex International results of operations are included in the Company's Consolidated Financial Statements commencing on the Cutex International Acquisition Date. Pro forma results of operations have not been presented, as the impact of the Cutex International Acquisition on the Company's consolidated financial results is not material. See Note 2, "Business Combinations," to the Unaudited Consolidated Financial Statements in this Form 10-Q for further details related to the Cutex International Acquisition.

Operating Segments

The Company operates in four reporting segments: the consumer division ("Consumer"); the professional division ("Professional"); Elizabeth Arden; and Other:

- 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 large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries in the U.S. and internationally. The Consumer segment also includes a skincare line under the **Natural Honey** brand and a hair color line under the **Llongueras** brand sold to large volume retailers and other retailers, primarily in Spain, which were acquired as part of the Colomer Acquisition. In October 2015 and in May 2016, the Company acquired **Cutex** businesses in the U.S. and in certain international territories and related assets, respectively. The results of operations relating to the sales of **Cutex** nail care products are included within the Consumer segment.
- The Professional segment is comprised primarily of the Company's professional brands, 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 to professional salons. The Company's principal customers for its professional products include hair and nail salons and distributors to professional salons in the U.S. and internationally. The Professional segment also includes a multi-cultural hair care line consisting of **Creme of Nature** hair care products sold to professional salons, large volume retailers and other retailers, primarily in the U.S.
- The Elizabeth Arden segment includes the operating results of the Elizabeth Arden business and related purchase accounting for the Company's September 2016 Elizabeth Arden Acquisition. Elizabeth Arden is a global prestige beauty products company with an iconic portfolio of prestige fragrance, skincare and cosmetic brands, which includes the **Elizabeth Arden** skin care brands, color cosmetics and fragrances; designer fragrances such as **Juicy Couture** and **John Varvatos**; heritage fragrances such as **Curve**, **Elizabeth Taylor**, **Britney Spears** and **Christina Aguilera**; and various celebrity fragrances.
- The Other segment primarily includes the operating results of the CBBeauty Group and certain of its related entities, which the Company acquired in April 2015 (collectively "CBB" and such transaction, the "CBB Acquisition"). CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories.

Results of Operations

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

Consolidated Net Sales:

Third quarter results:

Consolidated net sales in the third quarter of 2016 were \$604.8 million, an increase of \$133.3 million, or 28.3%, as compared to \$471.5 million in the third quarter of 2015. Excluding the \$8.1 million unfavorable FX impact, consolidated net sales on an XFX basis increased by \$141.4 million, or 30.0%, during the third quarter of 2016.

Year-to-date results:

Consolidated net sales in the first nine months of 2016 were \$1,533.3 million, a \$140.9 million increase, or 10.1%, as compared to \$1,392.4 million in the first nine months of 2015. Excluding the \$33.0 million unfavorable FX impact, consolidated net sales increased on an XFX basis by \$173.9 million, or 12.5%, during the first nine months of 2016.

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, stock-based compensation expense, gains/losses on foreign currency fluctuations, gains/losses on the early extinguishment of debt and miscellaneous expenses, for each of the Company's reportable 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 includes the impact of: (i) restructuring and related charges; (ii) acquisition and integration costs; (iii) deferred compensation related to the accounting for the CBB Acquisition; (iv) costs of sales resulting from fair value adjustments in the second quarter of 2016 and 2015 related to inventory acquired in the Cutex International Acquisition and the CBB Acquisition, respectively; (v) charges related to the Elizabeth Arden 2016 Business Transformation Program; and (vi) costs of sales resulting from a fair value adjustment to inventory acquired in the Elizabeth Arden Acquisition. Unallocated corporate expenses primarily include 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 14, "Segment Data and Related Information" to the Unaudited Consolidated Financial Statements in this Form 10-Q.

REVLON, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(all tabular amounts in millions, except share and per share amounts)

The following tables provide a comparative summary of the Company's segment results for the three months ended September 30, 2016 and 2015:

	Net Sales						Segment Profit					
	Three Months Ended September 30,		Change		XFX Change ^(a)		Three Months Ended September 30,		Change		XFX Change ^(a)	
	2016	2015	\$	%	\$	%	2016	2015	\$	%	\$	%
Consumer	\$ 342.8	\$ 348.1	\$ (5.3)	(1.5)%	\$ 0.5	0.1%	\$ 81.0	\$ 86.0	\$ (5.0)	(5.8)%	\$ (5.0)	(5.8)%
Professional	118.8	114.5	4.3	3.8 %	5.1	4.5%	23.7	23.4	0.3	1.3 %	0.3	1.3 %
Elizabeth Arden	135.2	—	135.2	N.M.	135.2	N.M.	32.5	—	32.5	N.M.	32.5	N.M.
Other	8.0	8.9	(0.9)	(10.1)%	0.6	6.7%	(0.1)	(1.4)	1.3	92.9 %	1.3	92.9 %
Total	\$ 604.8	\$ 471.5	\$ 133.3	28.3 %	\$ 141.4	30.0%	\$ 137.1	\$ 108.0	\$ 29.1	26.9 %	\$ 29.1	26.9 %

^(a) XFX excludes the impact of foreign currency fluctuations.

The following tables provide a comparative summary of the Company's segment results for the nine months ended September 30, 2016 and 2015:

	Net Sales						Segment Profit					
	Nine Months Ended September 30,		Change		XFX Change ^(a)		Nine Months Ended September 30,		Change		XFX Change ^(a)	
	2016	2015	\$	%	\$	%	2016	2015	\$	%	\$	%
Consumer	\$ 1,022.3	\$ 1,027.1	\$ (4.8)	(0.5)%	\$ 22.6	2.2%	\$ 220.4	\$ 232.0	\$ (11.6)	(5.0)%	\$ (10.0)	(4.3)%
Professional	357.2	352.1	5.1	1.4 %	8.9	2.5%	73.4	76.9	(3.5)	(4.6)%	(3.5)	(4.6)%
Elizabeth Arden	135.2	—	135.2	N.M.	135.2	N.M.	32.5	—	32.5	N.M.	32.5	N.M.
Other	18.6	13.2	5.4	40.9 %	7.2	54.5%	\$ (0.9)	\$ (1.2)	0.3	25.0 %	0.4	33.3 %
Total	\$ 1,533.3	\$ 1,392.4	\$ 140.9	10.1 %	\$ 173.9	12.5%	\$ 325.4	\$ 307.7	\$ 17.7	5.8 %	\$ 19.4	6.3 %

^(a) XFX excludes the impact of foreign currency fluctuations.

Consumer Segment

Third quarter results:

Consumer segment net sales in the third quarter of 2016 were \$342.8 million, a \$5.3 million decrease, or 1.5%, compared to \$348.1 million in the third quarter of 2015. Excluding the \$5.8 million unfavorable FX impact, total Consumer net sales increased on an XFX basis by \$0.5 million, or 0.1%, in the third quarter of 2016, compared to the third quarter of 2015. This increase was primarily driven by incremental net sales from completing the global consolidation of the Cutex brand, as well as higher net sales of **Revlon** beauty tools and **Revlon** color cosmetics, mostly offset by lower net sales of **SinfulColors** color cosmetics.

Consumer segment profit in the third quarter of 2016 was \$81.0 million, a \$5.0 million decrease, or 5.8%, compared to \$86.0 million in the third quarter of 2015, primarily resulting from the absence in 2016 of a gain related to the sale of a non-core consumer brand that was completed in the third quarter of 2015. This decrease was primarily driven by the unfavorable impact of FX transaction within cost of sales, partially offset by a decrease in brand support on lower performing brands.

Year-to-date results:

Consumer segment net sales in the first nine months of 2016 were \$1,022.3 million, a \$4.8 million decrease, or 0.5%, compared to \$1,027.1 million in the first nine months of 2015. Excluding the \$27.4 million unfavorable FX impact, total Consumer net sales increased on an XFX basis by \$22.6 million, or 2.2%, in the first nine months of 2016, compared to the first nine months of 2015. This increase was primarily driven by higher net sales of **Cutex** nail products, **Mitchum** anti-perspirant deodorant products, **Revlon** beauty tools and **Revlon** color cosmetics, partially offset by lower net sales of **Almay** color cosmetics.

Consumer segment profit in the first nine months of 2016 was \$220.4 million, a \$11.6 million decrease, or 5.0%, compared to \$232.0 million in the first nine months of 2015. Excluding the \$1.6 million unfavorable FX impact, Consumer segment profit decreased on an XFX basis by \$10.0 million, or 4.3%, in the first nine months of 2016, compared to the first nine months of 2015. This decrease was primarily driven by lower gross profit as a result of higher promotional allowances, the unfavorable impact of product mix and the impact of foreign currency transaction within cost of sales, partially offset by a decrease in brand support on lower performing brands.

Professional Segment

Third quarter results:

Professional segment net sales in the third quarter of 2016 were \$118.8 million, a \$4.3 million increase, or 3.8%, compared to \$114.5 million in the third quarter of 2015. Excluding the \$0.8 million unfavorable FX impact, total Professional net sales increased on an XFX basis by \$5.1 million in the third quarter of 2016, compared to the third quarter of 2015. This increase was primarily due to higher net sales of **Revlon Professional** hair products, in part as a result of the launch of **Revlon Professional Be Fabulous** and **American Crew** men's grooming products throughout most territories, partially offset by lower net sales of **CND** nail products.

Professional segment profit in the third quarter of 2016 was \$23.7 million, a \$0.3 million increase, or 1.3%, compared to \$23.4 million in the third quarter of 2015, primarily driven by higher net sales internationally, partially offset by higher brand support in the third quarter of 2016.

Year-to-date results:

Professional segment net sales in the first nine months of 2016 were \$357.2 million, a \$5.1 million increase, or 1.4%, compared to \$352.1 million in the first nine months of 2015. Excluding the \$3.8 million unfavorable FX impact, total Professional net sales increased on an XFX basis by \$8.9 million in the first nine months of 2016, compared to the first nine months of 2015. This increase was primarily as a result of higher net sales of **Revlon Professional** hair products and **American Crew** men's grooming products, partially offset by lower net sales of **CND** nail products within the International and North America regions.

Professional segment profit in the first nine months of 2016 was \$73.4 million, a \$3.5 million decrease, or 4.6%, compared to \$76.9 million in the first nine months of 2015, primarily driven by higher net sales internationally, partially offset by higher brand support in the first nine months of 2016.

Elizabeth Arden Segment

Third quarter and Year-to-date results:

The Elizabeth Arden segment is comprised of the operations acquired by the Company in the Elizabeth Arden Acquisition which closed on the September 7, 2016 Acquisition Date. Therefore, an analysis of net sales and segment profit for the Elizabeth Arden segment for the third quarter and first nine months of 2016 is not included in this Form 10-Q, as the Company does not have any comparable prior year's net sales or segment profit for the Elizabeth Arden segment.

Elizabeth Arden operations have historically been seasonal, with higher net sales generally occurring in the second half of the calendar year as a result of increased demand by retailers in anticipation of and during the holiday season. As a result, the operating results of the Elizabeth Arden segment following the Acquisition Date include the effects of seasonality.

Other Segment

Third quarter results:

Other segment net sales in the third quarter of 2016 were \$8.0 million, a \$0.9 million decrease, or 10.1%, compared to \$8.9 million in the third quarter of 2015. Excluding the \$1.5 million unfavorable FX impact, total Other segment net sales increased on an XFX basis by \$0.6 million, or 6.7%, in the third quarter of 2016, primarily due to net sales associated with newly-acquired distribution rights in Europe.

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Other segment loss in the third quarter of 2016 was \$0.1 million, a \$1.3 million decrease, or 92.9%, compared to \$1.4 million in the third quarter of 2015. The decrease in Other segment loss was primarily driven by higher net sales and lower brand support.

Year-to-date results:

Other segment net sales in the first nine months of 2016 were \$18.6 million, a \$5.4 million increase, or 40.9%, compared to \$13.2 million in the first nine months of 2015. Excluding the \$1.8 million unfavorable FX impact, total Other segment net sales increased on an XFX basis by \$7.2 million, or 54.5%, in the first nine months of 2016, compared to the first nine months of 2015. This increase was primarily driven by there being no comparable results for the first nine months of 2015, as the CBB Acquisition closed on April 21, 2015.

Other segment loss in the first nine months of 2016 was \$0.9 million, a \$0.3 million decrease, or 25.0%, compared to \$1.2 million in the first nine months of 2015. This decrease was primarily driven by there being no comparable results for the first nine months of 2015, as the CBB Acquisition closed on April 21, 2015, and higher net sales.

Geographic Results:

In connection with changes that the organization made to its management reporting structure following the Elizabeth Arden Acquisition, beginning with the third quarter of 2016, the Company has combined its former U.S., Canada and Puerto Rico operating regions into the North America region for reporting purposes. The Company has modified its net sales discussion to conform to management's procedures for reviewing the business, and, accordingly, the amounts for the third quarter of 2015 and for the first nine months of 2015 have been restated to conform to this presentation.

The following tables provide a comparative summary of the Company's net sales by region for the three months ended September 30, 2016 and 2015:

	Three Months Ended September 30,		Change		XFX Change ^(a)	
	2016	2015	\$	%	\$	%
Consumer						
North America	\$ 210.8	\$ 222.5	\$ (11.7)	(5.3)%	\$ (11.7)	(5.3)%
International	132.0	125.6	6.4	5.1 %	12.2	9.7 %
Professional						
North America	\$ 51.9	\$ 50.8	\$ 1.1	2.2 %	\$ 1.1	2.2 %
International	66.9	63.7	3.2	5.0 %	4.0	6.3 %
Elizabeth Arden						
North America	\$ 87.6	\$ —	\$ 87.6	N.M.	\$ 87.6	N.M.
International	\$ 47.6	\$ —	\$ 47.6	N.M.	\$ 47.6	N.M.
Other						
North America	\$ —	\$ —	\$ —	—%	\$ —	—%
International	8.0	8.9	(0.9)	(10.1)%	0.6	6.7 %
Total Net Sales	\$ 604.8	\$ 471.5	\$ 133.3	28.3 %	\$ 141.4	30.0 %

^(a) XFX excludes the impact of foreign currency fluctuations.

The following tables provide a comparative summary of the Company's net sales by region for the nine months ended September 30, 2016 and 2015:

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	Nine Months Ended September 30,		Change		XFX Change ^(a)	
	2016	2015	\$	%	\$	%
Consumer						
North America	\$ 656.7	\$ 673.4	\$ (16.7)	(2.5)%	\$ (14.7)	(2.2)%
International	365.6	353.7	11.9	3.4 %	37.3	10.5 %
Professional						
North America	\$ 154.3	\$ 152.4	\$ 1.9	1.2 %	\$ 2.7	1.8 %
International	202.9	199.7	3.2	1.6 %	6.2	3.1 %
Elizabeth Arden						
North America	\$ 87.6	\$ —	\$ 87.6	N.M.	\$ 87.6	N.M.
International	47.6	—	\$ 47.6	N.M.	\$ 47.6	N.M.
Other						
North America	\$ —	\$ —	\$ —	— %	\$ —	— %
International	18.6	13.2	5.4	40.9 %	7.2	54.5 %
Total Net Sales	\$ 1,533.3	\$ 1,392.4	\$ 140.9	10.1 %	\$ 173.9	12.5 %

^(a) XFX excludes the impact of foreign currency fluctuations.

Consumer Segment

Third quarter results:

North America

In the Consumer segment, North America net sales in the third quarter of 2016 decreased by \$11.7 million, or 5.3%, to \$210.8 million, as compared to \$225.5 million in the third quarter of 2015. This decrease was primarily driven by softening market conditions in core categories that impacted **Revlon** color cosmetics and **SinfulColors** color cosmetics. These decreases were partially offset by incremental net sales as a result of completing the global consolidation of the **Cutex** brand, as well as higher net sales of **Revlon** beauty tools.

International

In the Consumer segment, International net sales in the third quarter of 2016 increased by \$6.4 million, or 5.1%, to \$132.0 million, as compared to \$125.6 million in the third quarter of 2015. Excluding the \$5.8 million unfavorable FX impact, International net sales increased on an XFX basis by \$12.2 million, or 9.7%, in the third quarter of 2016, as compared to the third quarter of 2015. This increase was primarily driven by higher net sales of **Revlon** color cosmetics, **Revlon ColorSilk** hair color and **Cutex** nail products. From a geographic perspective, the increase in International net sales was mainly attributable to higher net sales in Argentina, the U.K. and Mexico.

Year-to-date results:

North America

In the Consumer segment, North America net sales in the first nine months of 2016 decreased by \$16.7 million, or 2.5%, to \$656.7 million, as compared to \$673.4 million in the first nine months of 2015. Excluding the \$2.0 million unfavorable FX impact, Consumer segment net sales in North America decreased on an XFX basis by \$14.7 million, or 2.2%, in the first nine months of 2016, compared to the first nine months of 2015. This decrease was primarily driven by lower net sales of **Revlon** color cosmetics, **Almay** color cosmetics and **Revlon Colorsilk** hair color, partially offset by higher net sales of **Cutex** nail products and **Revlon** beauty tools.

International

In the Consumer segment, International net sales in the first nine months of 2016 increased by \$11.9 million, or 3.4%, to \$365.6 million, as compared to \$353.7 million in the first nine months of 2015. Excluding the \$25.4 million unfavorable FX impact, Consumer segment International net sales increased on an XFX basis by \$37.3 million, or 10.5%, in the first nine months of 2016, compared to the first nine months of 2015. This increase was primarily driven by higher net sales of **Revlon** color cosmetics, **Revlon ColorSilk** hair color, **Cutex** nail products and **Mitchum** anti-perspirant deodorant products. From a geographic perspective, the increase in International net sales was mainly driven by higher net sales in Argentina, the U.K., Mexico and Japan.

Professional Segment

Third quarter results:

North America

In the Professional segment, North America net sales in the third quarter of 2016 increased by \$1.1 million, or 2.2%, to \$51.9 million, as compared to \$50.8 million in the third quarter of 2015. This increase was primarily driven by higher net sales of **American Crew** men's grooming products driven by the Elvis branded marketing campaign.

International

In the Professional segment, International net sales in the third quarter of 2016 increased by \$3.2 million, or 5.0%, to \$66.9 million, as compared to \$63.7 million in the third quarter of 2015. Excluding the \$0.8 million unfavorable FX impact, Professional segment International net sales increased on an XFX basis by \$4.0 million, or 6.3%, in the third quarter of 2016, compared to the third quarter of 2015. This increase was primarily due to higher net sales of **Revlon Professional** hair products, in part due to the launch of **Revlon Professional Be Fabulous**, as well as an increase in net sales of **American Crew** men's grooming products throughout most of the International region, partially offset by lower net sales of **CND** nail products, primarily in Russia.

Year-to-date results:

North America

In the Professional segment, North America net sales in the first nine months of 2016 increased by \$1.9 million, or 1.2%, to \$154.3 million, as compared to \$152.4 million in the first nine months of 2015. Excluding the \$0.8 million unfavorable FX impact, Professional segment net sales in North America increased on an XFX basis by \$2.7 million, or 1.8%, in the first nine months of 2016, compared to the first nine months of 2015. This increase was primarily driven by higher net sales of **Creme of Nature** multi-cultural hair products and **American Crew** men's grooming products, partially offset by lower net sales of **CND** nail products.

International

In the Professional segment, International net sales in the first nine months of 2016 increased by \$3.2 million, or 1.6%, to \$202.9 million, as compared to \$199.7 million in the first nine months of 2015. Excluding the \$3.0 million unfavorable FX impact, Professional segment International net sales increased by \$6.2 million, or 3.1%, in the first nine months of 2016, compared to the first nine months of 2015. This increase was primarily due to higher net sales of **Revlon Professional** hair products and **American Crew** men's grooming products throughout the International region, partially offset by lower net sales of **CND** nail products, primarily in Russia.

Elizabeth Arden Segment

Third quarter and Year-to-date results:

The Elizabeth Arden segment is comprised of the operations acquired by the Company in the Elizabeth Arden Acquisition which closed on the September 7, 2016 Acquisition Date. Therefore, an analysis of net sales and segment profit for the Elizabeth Arden segment for the third quarter and first nine months of 2016 is not included in this Form 10-Q, as the Company does not have any comparable prior year's net sales or segment profit for the Elizabeth Arden segment.

Elizabeth Arden operations have historically been seasonal, with higher net sales generally occurring in the second half of the year as a result of increased demand by retailers in anticipation of and during the holiday season. As a result, the operating results of the Elizabeth Arden segment following the Acquisition Date include the effects of seasonality.

Other Segment

Third quarter results:

North America

The Other segment primarily operates within the International region. As a result, an analysis of net sales in the North America region for the Other segment is not included in this Form 10-Q.

International

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In the Other segment, net sales during the third quarter of 2016 decreased by \$0.9 million, or 10.1%, to \$8.0 million, as compared to \$8.9 million in the third quarter of 2015. Excluding the \$1.5 million unfavorable FX impact, Other segment net sales increased on an XFX basis by \$0.6 million, or 6.7%, in the third quarter of 2016. This increase was primarily driven by higher net sales associated with newly-acquired distribution rights in Europe.

Year-to-date results:

North America

The Other segment primarily operations within the International region. As a result, an analysis of net sales in the North America region for the Other segment is not included in this Form 10-Q.

International

In the Other segment, net sales during the first nine months of 2016 increased by \$5.4 million, or 40.9%, to \$18.6 million, as compared to \$13.2 million in the first nine months of 2015. Excluding the \$1.8 million unfavorable FX impact, Other segment net sales increased on an XFX basis by \$7.2 million, or 54.5%, in the first nine months of 2016. This increase was primarily driven by there being no comparable results for the full first nine months of 2015, as the CBB Acquisition closed on April 21, 2015 and higher net sales associated with newly-acquired distribution rights in Europe.

Gross profit:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
Gross profit	\$ 361.4	\$ 303.7	\$ 57.7	\$ 964.5	\$ 921.0	\$ 43.5
Percentage of net sales	59.8%	64.4%	(4.7)%	62.9%	66.1%	(3.2)%

Gross profit increased \$57.7 million in the third quarter of 2016, as compared to the third quarter of 2015. Gross profit decreased as a percentage of net sales by 4.7 percentage points in the third quarter of 2016, as compared to the third quarter of 2015. The drivers of the increase in gross profit in the third quarter of 2016, as compared to the third quarter 2015, primarily included:

- the inclusion of gross profit from the Elizabeth Arden Acquisition, which increased gross profit by \$64.7 million, however decreased gross profit as a percentage of net sales by 3.4 percentage points; and
- favorable volume, which increased gross profit by \$4.3 million, with no impact on gross profit as a percentage of net sales;

with the foregoing partially offset by:

- unfavorable foreign currency fluctuations, which decreased gross profit by \$7.3 million and decreased gross profit as a percentage of net sales by 0.8 percentage points;
- unfavorable product mix, which decreased gross profit by \$6.5 million and decreased gross profit as a percentage of net sales by 0.7 percentage points; and
- higher promotional allowances, which decreased gross profit by \$2.5 million and decreased gross profit as a percentage of net sales by 0.3 percentage points.

Gross profit increased \$43.5 million in the first nine months of 2016, as compared to the first nine months of 2015. Gross profit decreased as a percentage of net sales by 3.2 percentage points in the first nine months of 2016, as compared to the first nine months of 2015. The drivers of the increase in gross profit in the first nine months of 2016, as compared to the first nine months 2015, primarily included:

- the inclusion of gross profit from the Elizabeth Arden Acquisition, which increased gross profit by \$64.7 million, however decreased gross profit as a percentage of net sales by 1.5 percentage points; and
- favorable volume, which increased gross profit by \$31.9 million, with no impact on gross profit as a percentage of net sales;

with the foregoing partially offset by:

- unfavorable foreign currency fluctuations, which decreased gross profit by \$26.8 million and decreased gross profit as a percentage of net sales by 0.9 percentage points;

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- higher promotional allowances, which decreased gross profit by \$14.8 million and decreased gross profit as a percentage of net sales by 0.5 percentage points; and
- unfavorable product mix, which decreased gross profit by \$11.4 million and decreased gross profit as a percentage of net sales by 0.4 percentage points.

SG&A expenses:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
SG&A expenses	\$ 285.7	\$ 244.1	\$ 41.6	\$ 792.8	\$ 752.7	\$ 40.1

SG&A expenses increased by \$41.6 million in the third quarter of 2016, as compared to the third quarter of 2015, primarily driven by:

- the inclusion of SG&A expenses in the Elizabeth Arden segment as a result of the Elizabeth Arden Acquisition, commencing on and after the Acquisition Date, which contributed \$36.6 million to the increase in SG&A expenses; and
- a \$3.5 million gain related to the sale of certain non-core assets that was recognized in the third quarter of 2015;

with the foregoing partially offset by:

- \$3.2 million of favorable FX impacts.

SG&A expenses increased by \$40.1 million in the first nine months of 2016, as compared to the first nine months of 2015, primarily driven by:

- the inclusion of SG&A expenses in the Elizabeth Arden segment as a result of the Elizabeth Arden Acquisition, commencing on and after the Acquisition Date, which contributed \$36.6 million to the increase in SG&A expenses; and
- \$21.0 million of higher general and administrative expenses in 2016, primarily due to higher compensation due to changes in senior executive management, higher professional and legal fees and a total of \$6.5 million in gains recognized in the first nine months of 2015 related to the sales of certain non-core assets, partially offset by lower severance;

with the foregoing partially offset by:

- \$15.3 million of favorable FX impacts; and
- a \$10.8 million decrease in brand support expenses for lower performing brands, primarily within the Consumer segment.

Acquisition and Integration Costs:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
Acquisition and integration costs	\$ 33.5	\$ 0.6	\$ 32.9	\$ 39.5	\$ 6.5	\$ 33.0

The acquisition and integration costs for the three and nine months ended September 30, 2016 are summarized in the table presented below.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Acquisition Costs	\$ 13.4	\$ 0.3	\$ 19.4	\$ 5.0
Integration Costs	20.1	0.3	20.1	1.5
Total acquisition and integration costs	\$ 33.5	\$ 0.6	\$ 39.5	\$ 6.5

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The Company incurred \$33.5 million of acquisition and integration costs in the third quarter of 2016, primarily related to the Elizabeth Arden Acquisition. In the third quarter of 2015, the Company incurred \$0.6 million of acquisition and integration costs primarily related to legal and consulting fees related to the CBB Acquisition.

The Company incurred \$39.5 million of acquisition and integration costs in the first nine months of 2016, primarily related to the Elizabeth Arden Acquisition. In the first nine months of 2015, the Company incurred \$6.5 million of acquisition and integration costs primarily related to non-restructuring integration costs related to the Company's integration of Colomer's operations into the Company's business.

Restructuring charges and other, net:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
Restructuring charges and other, net	\$ 0.5	\$ 4.0	\$ (3.5)	\$ 2.3	\$ 0.9	\$ 1.4

The Company recognized \$0.5 million of restructuring charges and other, net, during the third quarter of 2016, primarily related to charges for employee-related costs incurred in connection with the 2015 Efficiency Program, as compared to \$4.0 million of estimated restructuring costs recognized during the third quarter of 2015, which primarily related to charges for employee-related costs incurred in connection with the 2015 Efficiency Program.

The Company recognized \$2.3 million of restructuring charges and other, net, for the first nine months of 2016, primarily related to charges for employee-related costs incurred in connection with the 2015 Efficiency Program, as compared to \$0.9 million of estimated restructuring costs recognized during the first nine months of 2015, which primarily related to charges for employee-related costs incurred in connection with the 2015 Efficiency Program, offset by certain reductions in estimated restructuring costs.

The Company expects to achieve approximately \$9 million in cost reductions during 2016 from the 2015 Efficiency Program and annualized cost reductions thereafter are expected to be approximately \$10 million to \$15 million.

See Note 3, "Restructuring Charges" to the Unaudited Consolidated Financial Statements in this Form 10-Q for further discussion.

Interest expense:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
Interest expense	\$ 27.4	\$ 21.5	\$ 5.9	\$ 69.3	\$ 62.0	\$ 7.3

The \$5.9 million and \$7.3 million increase in interest expense in the third quarter and first nine months of 2016, compared to the third quarter and first nine months of 2015, respectively, was primarily due to higher average debt outstanding and higher weighted average borrowing rates as a result of the debt transactions completed in connection with the Elizabeth Arden Acquisition.

Refer to "Financial Condition, Liquidity and Capital Resources – Long-Term Debt Instruments" for further discussion.

Loss on early extinguishment of debt:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
Loss on early extinguishment of debt	\$ 16.9	\$ —	\$ 16.9	\$ 16.9	\$ —	\$ 16.9

The Company recognized a \$16.9 million aggregate loss on the early extinguishment of debt during the third quarter of 2016, primarily due to approximately \$6.0 million of fees and expenses that were expensed as incurred in connection with entering into the Senior Facilities, as well as the write-off of \$10.9 million of unamortized debt discount and deferred financing fees previously capitalized in connection with the repayment of the 2011 Term Loan and the Acquisition Term Loan.

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Refer to "Financial Condition, Liquidity and Capital Resources – Long-Term Debt Instruments" for further discussion.

Foreign currency (gains) losses, net:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
Foreign currency losses (gains), net	\$ 1.2	\$ (0.7)	\$ 1.9	\$ 6.3	\$ 7.3	\$ (1.0)

The Company recognized \$1.2 million of foreign currency losses, net, during the third quarter of 2016, as compared to \$0.7 million of foreign currency gains, net, during the third quarter of 2015, primarily driven by the net unfavorable impact of the revaluation of certain U.S. Dollar denominated intercompany payables and foreign currency denominated receivables during the third quarter of 2016, as compared to net gains primarily driven by the Company's foreign currency forward exchange contracts during the third quarter of 2015.

The \$1.0 million decrease in foreign currency losses, net, during the first nine months of 2016, as compared to the first nine months of 2015, was primarily driven by the net favorable impact of the revaluation of certain U.S. Dollar denominated intercompany payables and foreign currency denominated receivables, offset in part by the unfavorable impact of losses on the Company's foreign currency forward exchange contracts during the first nine months of 2016, as compared to gains on the Company's foreign currency forward exchange contracts during the first nine months of 2015.

Provision for income taxes:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Change	2016	2015	Change
(Benefit from) provision for income taxes	\$ (0.4)	\$ 24.6	\$ (25.0)	\$ 16.0	\$ 53.8	\$ (37.8)

The provision for income taxes decreased by \$25.0 million in the third quarter of 2016, compared to the third quarter of 2015, primarily due to lower pre-tax income and the phasing of the recognition of income taxes, as well as the favorable impact of certain discrete items realized in the third quarter of 2015 that did not reoccur in the third quarter of 2016.

The provision for income taxes decreased by \$37.8 million in the first nine months of 2016, compared to the first nine months of 2015, primarily due to lower pre-tax income and the phasing of the recognition of income taxes, as well as the favorable impact of certain discrete items realized in the first nine months of 2015 that did not reoccur in the first nine months of 2016.

The Company's effective tax rate for the three months ended September 30, 2016 differed than the 35% federal statutory rate as a result of non-deductible acquisition costs, certain dividends and earnings taxable in the U.S., and state and local taxes, partially offset by the foreign and U.S. effects attributable to operations outside the U.S.

The Company's effective tax rate for the nine months ended September 30, 2016 was higher than the 35% federal statutory rate as a result of certain foreign dividends and earnings taxable in the U.S. and state and local taxes.

The Company expects that its tax provision and effective tax rate in any individual quarter and year-to-date period 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 September 30, 2016, the Company had a liquidity position of \$307.2 million, consisting of \$99.2 million of cash and cash equivalents, as well as \$207.9 million in available borrowings under Products Corporation's \$400.0 million 2016 Revolving Credit Facility, based upon the borrowing base of \$300.0 million, less \$10.5 million of outstanding undrawn letters of credit, \$16.2 million of outstanding checks and \$65.4 million of borrowings outstanding under the 2016 Revolving Credit Facility at such date.

The Company's foreign operations held \$97.0 million out of the total \$99.2 million in cash and cash equivalents (net of any outstanding checks) as of September 30, 2016. 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 to the extent repatriated, and otherwise records a tax liability for the estimated cost of repatriation in a future period. The Company believes that the cash generated by its domestic operations and availability under the 2016 Revolving Credit Facility and other permitted lines of credit should be sufficient to meet its domestic liquidity needs for at least the next 12 months. Therefore, the Company currently anticipates that restrictions and/or taxes on repatriation of foreign earnings will not have a material effect on the Company's liquidity during such period.

Changes in Cash Flows

At September 30, 2016, the Company had cash and cash equivalents of \$99.2 million, compared with \$326.9 million at December 31, 2015. The following table summarizes the Company's cash flows from operating, investing and financing activities for the nine months ended September 30, 2016 and 2015:

	Nine Months Ended September 30,	
	2016	2015
Net cash used in operating activities	\$ (70.8)	\$ (2.6)
Net cash used in investing activities	(1,061.3)	(55.4)
Net cash provided by (used in) financing activities	900.8	(28.4)
Effect of exchange rate changes on cash and cash equivalents	3.6	(7.7)

Operating Activities

Net cash used in operating activities was \$70.8 million and \$2.6 million for the first nine months of 2016 and 2015, respectively. The increase in cash used in operating activities in the first nine months of 2016, compared to the first nine months of 2015, was primarily driven by the timing of certain accounts payable disbursements at the end of 2015, cash used in operating activities related to the Elizabeth Arden Acquisition and related cash used for acquisition and integration costs.

Investing Activities

Net cash used in investing activities was \$1,061.3 million and \$55.4 million for the nine months ended September 30, 2016 and 2015, respectively, which included \$33.1 million and \$27.0 million of cash used for capital expenditures, respectively. Net cash used in investing activities during the first nine months of 2016 included \$1,034.3 in cash payments for the Elizabeth Arden Acquisition (partially offset by \$41.1 million of cash acquired in the Elizabeth Arden Acquisition) and \$29.1 million in cash payments for the May 2016 Cutex International Acquisition, as compared to \$34.2 million in cash payments, net of cash acquired, primarily for the Company's April 2015 CBB Acquisition.

Financing Activities

Net cash provided by financing activities was \$900.8 million, as compared to net cash used in financing activities of \$28.4 million for the nine months ended September 30, 2016 and 2015, respectively.

Net cash provided by financing activities for the first nine months of 2016 primarily included:

- cash proceeds received in connection with the 2016 Term Loan Facility, in the aggregate principal amount of \$1,800.0 million, or \$1,791.0 million, net of discounts;
- cash proceeds received in connection with issuance of the 6.25% Senior Notes, in the aggregate principal amount of \$450.0 million; and
- borrowings under the 2016 Revolving Credit Facility of \$65.4 million;

with the foregoing partially offset by:

- \$658.6 million of cash used to repay all of the aggregate principal balance outstanding under Products Corporation's 2011 Term Loan;
- \$651.4 million of cash used to repay all of the aggregate principal balance outstanding under Products Corporation's Acquisition Term Loan;
- (i) \$45.0 million of fees incurred in connection with the 2016 Term Loan Facility; (ii) \$5.7 million of fees incurred in connection with the 2016 Revolving Credit Facility; and (iii) \$10.9 million of fees incurred in connection with Products Corporation's issuance of the 6.25% Senior Notes;
- a \$23.2 million required excess cash flow prepayment made under the Amended Term Loan Facility, as discussed below;
- \$3.4 million of scheduled amortization payments on the Acquisition Term Loan;
- \$2.7 million utilized for the repurchase of shares from a former executive; and
- a \$2.6 million decrease in short-term borrowings and overdraft.

Net cash used in financing activities for the first nine months of 2015 included:

- a \$24.6 million required excess cash flow prepayment made under the Amended Term Loan Facility; and
- \$5.1 million of scheduled amortization payments on the Acquisition Term Loan;

with the foregoing partially offset by:

- \$4.3 million of short-term borrowings and overdraft.

Long-Term Debt Instruments

For further detail regarding Products Corporation's long-term debt instruments, see Note 11, "Long-Term Debt," to the Consolidated Financial Statements in Revlon, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015, filed with the U.S. Securities and Exchange Commission (the "SEC") on February 26, 2015 (the "2015 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 2015 Form 10-K.

(a) Recent Debt Transactions

In connection with and substantially concurrently with the closing of the Elizabeth Arden Acquisition, Products Corporation entered into: (i) the 7-year \$1,800.0 million 2016 Term Loan Facility; and (ii) the 5-year \$400.0 million 2016 Revolving Credit Facility. Products Corporation also completed the issuance of \$450.0 million aggregate principal amount of the 6.25% Senior Notes due 2024. The proceeds of Products Corporation's 6.25% Senior Notes offering and the 2016 Term Loan Facility, together with approximately \$35.0 million of borrowings under the 2016 Revolving Credit Facility and approximately \$126.7 million of cash on hand, were used to fund the Elizabeth Arden Acquisition (including: (i) repurchasing the entire \$350.0 million aggregate principal amount outstanding of the Elizabeth Arden Existing Senior Notes; (ii) repaying the entire \$142.0 million aggregate principal amount of borrowings outstanding as of the Acquisition Date under Elizabeth Arden's \$300.0 million revolving credit facility; (iii) repaying the entire \$25.0 million aggregate principal amount of borrowings outstanding as of the Acquisition Date under Elizabeth Arden's second lien credit facility; and (iv) retiring \$55.0 million liquidation preference of all of the issued and outstanding 50,000 shares of Elizabeth Arden Preferred Stock, which amount includes a \$5.0 million change of control premium) and to completely refinance and repay all of the \$651.4 million in aggregate principal balance outstanding under Products Corporation's 2011 Term Loan due 2017 and all of the \$658.6 million in aggregate principal balance outstanding under Products Corporation's Acquisition Term Loan due 2019. The Company did not incur any material early termination penalties in connection with repaying such facilities.

2016 Term Loan Facility

Principal and Maturity: On the Acquisition Date, Products Corporation entered into the 2016 Term Loan Agreement, for which Citibank, N.A. acts as administrative and collateral agent and which has an initial aggregate principal amount of \$1,800.0 million and will mature on the earlier of (x) the seventh anniversary of the Closing Date and (y) the 91st day prior to the maturity of Products Corporation's 5.75% Senior Notes due 2021 (the "5.75% Senior Notes") if, on that date (and solely for so long as), (i) any of Products Corporation's 5.75% Senior Notes remain outstanding and (ii) Products Corporation's available liquidity does not exceed the aggregate principal amount of the then outstanding 5.75% Senior Notes by at least \$200.0 million. The loans under the 2016 Term Loan Facility were borrowed at an original issue discount of 0.5% to their principal amount. The 2016 Term Loan Facility may be increased by an amount equal to the sum of (x) the greater of \$450.0 million and 90% of Products Corporation's pro forma consolidated EBITDA, plus (y) an unlimited amount to the extent that (1) the first lien leverage ratio (defined as the ratio of Products Corporation's net senior secured funded debt that is not junior or subordinated to the liens of the Senior Facilities to EBITDA) is less than or equal to 3.5 to 1.0 (for debt secured pari passu with the 2016 Term Loan Facility) or (2) the secured leverage ratio (defined as the ratio of Products Corporation's net senior secured funded debt to EBITDA) is less than or equal to 4.25 to 1.0 (for junior lien or unsecured debt), plus (z) up to an additional \$400.0 million if the 2016 Revolving Credit Facility has been repaid and terminated.

Guarantees and Security: Products Corporation and the restricted subsidiaries under the 2016 Term Loan Facility, which include Products Corporation's domestic subsidiaries, including Elizabeth Arden and its domestic subsidiaries (collectively, the "Restricted Group"), are subject to the covenants under the 2016 Term Loan Agreement. The 2016 Term Loan Facility is guaranteed by each existing and future direct or indirect wholly-owned domestic restricted subsidiary of Products Corporation (subject to various exceptions), as well as by Revlon, on a limited recourse basis. The obligations of Revlon, Products Corporation and the subsidiary guarantors under the 2016 Term Loan Facility are secured by pledges of the equity of Products Corporation held by Revlon and the equity of the Restricted Group held by Products Corporation and each subsidiary guarantor (subject to certain exceptions, including equity of first-tier foreign subsidiaries in excess of 65% of the voting equity interests of such entity) and by substantially all tangible and intangible personal and real property of Products Corporation and the subsidiary guarantors (subject to certain exclusions). The obligors and guarantors under the 2016 Term Loan Facility and the 2016 Revolving Credit Facility are identical. The liens securing the 2016 Term Loan Facility on the accounts, inventory, equipment, chattel paper, documents, instruments, deposit accounts, real estate and investment property and general intangibles (other than intellectual property) related thereto (the "Revolving Facility Collateral") rank second in priority to the liens thereon securing the 2016 Revolving Credit Facility. The liens securing the 2016 Term Loan Facility on all other property, including capital stock, intellectual property and certain other intangible property (the "Term Loan Collateral"), rank first in priority to the liens thereon securing the 2016 Revolving Credit Facility, while the liens thereon securing the 2016 Revolving Credit Facility rank second in priority to the liens thereon securing the 2016 Term Loan Facility.

Interest and Fees: Interest accrues on term loans under the 2016 Term Loan Facility at a rate per annum of Adjusted LIBOR (which has a floor of 0.75%) plus a margin of 3.50% or an alternate base rate plus a margin of 2.50%, at Products Corporation's option, and is payable quarterly, at a minimum. Products Corporation is obligated to pay certain fees and expenses in connection with the 2016 Term Loan Facility.

Affirmative and Negative Covenants: The 2016 Term Loan Agreement contains certain affirmative and negative covenants that, among other things, limit the Restricted Group's ability to: (i) incur additional debt; (ii) incur liens; (iii) sell, transfer or dispose of assets; (iv) make investments; (v) make dividends and distributions on, or repurchases of, equity; (vi) make prepayments of contractually subordinated or junior lien debt; (vii) enter into certain transactions with their affiliates; (viii) enter into sale-leaseback transactions; (ix) change their lines of business; (x) restrict dividends from their subsidiaries or restrict liens; (xi) change their fiscal year; and (xii) modify the terms of certain debt. The negative covenants are subject to various exceptions, including an "available amount basket" based on 50% of Products Corporation's cumulative consolidated net income, plus a "starter" basket of \$200.0 million, subject to Products Corporation's compliance with a 5.0 to 1.0 ratio of Products Corporation's net debt to Consolidated EBITDA (as defined in the 2016 Term Loan Agreement), except such compliance is not required when such baskets are used to make investments. While the 2016 Term Loan Agreement contains certain customary representations, warranties and events of default, it does not contain any financial maintenance covenants.

Prepayments: The 2016 Term Loan Facility is subject to mandatory prepayments from: (i) the net proceeds from the issuance by Products Corporation or any of its restricted subsidiaries of certain additional debt; (ii) commencing with the excess cash flow calculation with respect to fiscal year ending December 31, 2017, 50% of excess cash flow, with step-downs to 25% and 0% upon achievement of certain first lien leverage ratios and reduced by voluntary prepayments of loans under the 2016 Term Loan Facility and revolving loans under the 2016 Revolving Credit Facility to the extent commitments thereunder are permanently reduced; and (iii) asset sale proceeds of certain non-ordinary course asset sales or other dispositions of property that have not been reinvested to the extent in excess of certain minimum amounts. Products Corporation may voluntarily prepay the 2016 Term Loan Facility without premium or penalty unless Products Corporation prepays a term loan within six months after the Closing Date in connection with a repricing transaction (in which case a 1.00% premium is payable).

2016 Revolving Credit Facility

Principal and Maturity: On the Closing Date, Products Corporation entered into the 2016 Revolving Credit Agreement, for which Citibank, N.A. acts as administrative agent and collateral agent. The 2016 Revolving Credit Facility has an initial maximum availability of \$400.0 million (with a \$100.0 million sublimit for letters of credit and up to \$70.0 million available for swing line loans), which availability is subject to the amount of the borrowing base. The 2016 Revolving Credit Facility may be increased by the greater of (x) \$50.0 million and (y) the excess of the borrowing base over the amounts of then-effective commitments. The 2016 Revolving Credit Facility permits certain non-U.S. subsidiaries to borrow in local currencies. The borrowing base calculation under the 2016 Revolving Credit Facility is based on the sum of: (i) 85% of eligible accounts receivable; (ii) the lesser of 85% of the net orderly liquidation value and a percentage of the value specified in respect of different types of eligible inventory; (iii) qualified restricted cash (capped at \$75.0 million); and (iv) a temporary increase amount between August 15 and October 31 of each year, which are collectively subject to certain availability reserves set by the administrative agent. The 2016 Revolving Credit Facility will mature on the earlier of (x) the fifth anniversary of the Closing Date and (y) the 91st day prior to the maturity of Products Corporation's 5.75% Senior Notes if, on that date (and solely for so long as), (i) any of Products Corporation's 5.75% Senior Notes remain outstanding and (ii) Products Corporation's available liquidity does not exceed the aggregate principal amount of the then outstanding 5.75% Senior Notes by at least \$200.0 million.

Guarantees and Security: The Restricted Group under the 2016 Revolving Credit Agreement (which is the same as the Restricted Group under the 2016 Term Loan Agreement) is subject to the covenants under the 2016 Revolving Credit Agreement. The 2016 Revolving Credit Facility is guaranteed by each existing and future direct or indirect wholly-owned domestic restricted subsidiary of Products Corporation (subject to various exceptions), as well as by Revlon on a limited recourse basis. The obligations of Revlon, Products Corporation and the subsidiary guarantors under the 2016 Revolving Credit Facility are secured by pledges of the equity of Products Corporation held by Revlon and the equity of Products Corporation's restricted subsidiaries held by Products Corporation and each subsidiary guarantor (subject to certain exceptions, including equity of first-tier foreign subsidiaries in excess of 65% of the voting equity interests of such entity) and by substantially all tangible and intangible personal and real property of Products Corporation and the subsidiary guarantors (subject to certain exclusions). The obligors and guarantors under the 2016 Revolving Credit Facility and the 2016 Term Loan Facility are identical. The liens on the 2016 Revolving Facility Collateral securing the 2016 Revolving Credit Facility rank first in priority to the liens thereon securing the 2016 Term Loan Facility, which rank second in priority on such collateral. The liens on the Term Loan Collateral securing the 2016 Revolving Credit Facility rank second in priority to the liens thereon securing the 2016 Term Loan Facility, which rank first in priority on such collateral.

Interest and Fees: Interest is payable quarterly and accrues on borrowings under the 2016 Revolving Credit Facility at a rate per annum equal to either: (i) the alternate base rate plus an applicable margin equal to 0.25%, 0.50% or 0.75% depending on the average excess availability (based on the borrowing base as most recently reported by Products Corporation to the administrative agent from time to time); or (ii) the Eurocurrency rate plus an applicable margin equal to 1.25%, 1.50% or 1.75% depending on the average excess availability (based on the borrowing base as most recently reported by Products Corporation to the administrative agent from time to time), at Products Corporation's option. The applicable margin decreases as average excess availability under the 2016 Revolving Credit Facility increases. Products Corporation is obligated to pay certain fees and expenses in connection with the 2016 Revolving Credit Facility, including a commitment fee for any unused amounts of 0.25%. Loans under the 2016 Revolving Credit Facility may be prepaid without premium or penalty.

Affirmative and Negative Covenants: The 2016 Revolving Credit Agreement contains affirmative and negative covenants that are similar to those in the 2016 Term Loan Agreement, other than the "available amount basket" (as described above in the description of the 2016 Term Loan Facility); provided, however, under the 2016 Revolving Credit Agreement the Restricted Group will be able to incur unlimited additional junior secured debt and unsecured debt, make unlimited asset sales and dispositions, make unlimited investments and acquisitions, prepay junior debt and make unlimited restricted payments to the extent that certain "payment conditions" for asset-based credit facilities are satisfied. The 2016 Revolving Credit Agreement contains certain customary representations, warranties and events of default. If Products Corporation's "Liquidity Amount" (defined in the 2016 Revolving Credit Agreement as the Borrowing Base less the sum of (x) the aggregate outstanding extensions of credit under the 2016 Revolving Credit Facility, and (y) any availability reserve in effect on such date) falls below the greater of \$35.0 million and 10% of the maximum availability under the 2016 Revolving Credit Facility (a "Liquidity Event Period"), then the Restricted Group will be required to maintain a consolidated fixed charge coverage ratio (the ratio of Products Corporation's EBITDA minus capital expenditures to cash interest expense for such period) of a minimum of 1.0 to 1.0 until the first date after 20 consecutive business days for which the Liquidity Amount is equal to or greater than such threshold. If Products Corporation is in default under the consolidated fixed charge coverage ratio under the 2016 Revolving Credit Agreement, Products Corporation may cure such default by issuing certain equity securities to, or receiving capital contributions from, the Company and applying such cash which is deemed to increase EBITDA for the purpose of calculating the applicable ratio. Products Corporation may exercise this cure right no more than two times in any four-quarter period, and no more than five times in total during the term of the 2016 Revolving Credit Facility.

Prepayments: Products Corporation must prepay borrowings under the 2016 Revolving Credit Facility to the extent that outstanding loans and letters of credit exceed availability. During a Liquidity Event Period, the administrative agent may apply amounts collected in controlled accounts for the repayment of loans under the 2016 Revolving Credit Facility. Copies of the 2016 Revolving Credit Agreement and other ancillary agreements governing the 2016 Revolving Credit Facility and the related security and collateral agreements are filed as Exhibits 10.4, 10.7, 10.8 and 10.9 hereto and are incorporated herein by reference in their entirety. The above descriptions of the terms of the 2016 Revolving Credit Facility and the related security and collateral agreements are qualified in their entirety by references to such agreements.

6.25% Senior Notes

On August 4, 2016, Revlon Escrow Corporation (the "Escrow Issuer"), which on such date was a wholly owned subsidiary of Products Corporation, completed its offering (the "Offering"), pursuant to an exemption from registration under the Securities Act of 1933 (as amended, the "Securities Act"), of \$450.0 million aggregate principal amount of 6.25% Senior Notes due 2024. The 6.25% Senior Notes are unsecured and were issued by the Escrow Issuer to the initial purchasers under an Indenture, dated as of August 4, 2016 (the "6.25% Senior Notes Indenture"), between the Escrow Issuer and U.S. Bank National Association, as trustee (the "Trustee"). The 6.25% Senior Notes mature on August 1, 2024. Interest on the 6.25% Senior Notes accrues at 6.25% per annum, paid every six months through maturity on each February 1 and August 1, beginning on February 1, 2017. As described above, the 6.25% Senior Notes were released from Escrow on the September 7, 2016 Acquisition Date. On the Acquisition Date, the Escrow Issuer was merged with and into Products Corporation and in connection with the Escrow Release, Products Corporation and certain of its direct and indirect wholly-owned domestic subsidiaries, including Elizabeth Arden and certain of its subsidiaries (collectively, the "Guarantors"), and the Trustee entered into a supplemental indenture (the "Supplemental Indenture") to the 6.25% Senior Notes Indenture, pursuant to which Products Corporation assumed the obligations of the Escrow Issuer under the 6.25% Senior Notes and the 6.25% Senior Notes Indenture and the Guarantors jointly and severally, fully and unconditionally guaranteed the 6.25% Senior Notes on a senior unsecured basis. The Guarantors are the same entities that are subsidiary guarantors under the 2016 Term Loan Facility and the 2016 Revolving Credit Facility.

Ranking: The 6.25% Senior Notes are Products Corporation's senior, unsubordinated and unsecured obligations, ranking: (i) pari passu in right of payment with all of Products Corporation's existing and future senior unsecured indebtedness; (ii) senior in right of payment to all of Products Corporation's and the Guarantors' future subordinated indebtedness; and (iii) effectively junior to all of Products Corporation's and the Guarantors' existing and future

senior secured indebtedness, including, indebtedness under Products Corporation’s new Senior Facilities, to the extent of the value of the assets securing such indebtedness. The 6.25% Senior Notes and the Guarantees are: (i) structurally subordinated to all of the liabilities and preferred stock of any of the Company’s subsidiaries that do not guarantee the 6.25% Senior Notes; and (ii) pari passu in right of payment with liabilities of the Guarantors other than expressly subordinated indebtedness.

Optional Redemption: Prior to August 1, 2019, Products Corporation may redeem the 6.25% Senior Notes at its option, at any time as a whole or from time to time in part, upon Products Corporation’s payment of an applicable make-whole premium based on the comparable treasury rate plus 50 basis points. Prior to August 1, 2019, up to 40% of the aggregate principal amount of 6.25% Senior Notes that have been issued may also be redeemed at Products Corporation’s option at any time as a whole or from time to time in part, at a redemption price equal to 106.250% of the principal amount thereof, plus accrued and unpaid interest to (but not including) the date of redemption with the proceeds of certain equity offerings and capital contributions (so long as at least 60% of the 6.25% Senior Notes that have been issued thereafter remain outstanding). On and after August 1, 2019, Products Corporation may redeem the 6.25% Senior Notes at its option, at any time as a whole, or from time to time in part, at the following redemption prices (expressed as percentages of principal amount), plus accrued interest to (but not including) the date of redemption, if redeemed during the 12-month period beginning on August 1 of the years indicated below:

Period	Optional Redemption Premium Percentage
2019	104.688%
2020	103.125%
2021	101.563%
2022 and thereafter	100.000%

All redemptions (and notices thereof) may be subject to various conditions precedent, and redemption dates specified in such notices may be extended so that such conditions precedent may be fulfilled (to the extent redemption on such dates is otherwise permitted by the 6.25% Senior Notes Indenture).

Change of Control: Upon the occurrence of specified change of control events, Products Corporation is required to make an offer to purchase all of the 6.25% Senior Notes at a purchase price of 101% of the outstanding principal amount of the 6.25% Senior Notes as of the date of any such repurchase, plus accrued and unpaid interest to (but not including) the date of repurchase.

Certain Covenants: The 6.25% Senior Notes Indenture imposes certain limitations on Products Corporation’s and the Guarantors’ ability, and the ability of certain other subsidiaries, to: (i) incur or guarantee additional indebtedness or issue preferred stock; (ii) pay dividends, make certain investments and make repayments on indebtedness that is subordinated in right of payment to the 6.25% Senior Notes and make other “restricted payments;” (iii) create liens on their assets to secure debt; (iv) enter into transactions with affiliates; (v) merge, consolidate or amalgamate with another company; (vi) transfer and sell assets; and (vii) permit restrictions on the payment of dividends by Products Corporation’s subsidiaries.

These covenants are subject to important qualifications and exceptions. The 6.25% Senior Notes Indenture also contains customary affirmative covenants and events of default. In addition, if during any period of time the 6.25% Senior Notes receive investment grade ratings from both Standard & Poor’s and Moody’s Investors Services, Inc. and no default or event of default has occurred and is continuing under the 6.25% Senior Notes Indenture, Products Corporation and its subsidiaries will not be subject to the covenants regarding limitations on debt, limitations on restricted payments, limitation on guarantees by restricted subsidiaries, limitation on transactions with affiliates, certain provisions of the successor company covenant, limitation on asset sales and limitation on dividends from restricted subsidiaries.

Amended Term Loan Facility - Excess Cash Flow Payment

On February 29, 2016, Products Corporation prepaid \$23.2 million of indebtedness, representing 50% of its 2015 “excess cash flow” as defined under the then existing Amended Term Loan Agreement, in accordance with the terms of its Amended Term Loan Facility. The prepayment was applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment that was applied to the 2011 Term Loan reduced the principal amount outstanding by \$11.5 million to \$651.4 million (as all amortization payments under the 2011 Term Loan had been paid). The \$11.7 million that was applied to the Acquisition Term Loan reduced Products Corporation’s future annual amortization payments under the Acquisition Term Loan on a ratable basis from \$6.9 million prior to the prepayment to \$6.8 million after giving effect to the prepayment and through its maturity on October 8, 2019.

(b) Covenants

Products Corporation was in compliance with all applicable covenants under the 2016 Term Loan Agreement and the 2016 Revolving Credit Agreement as of September 30, 2016. At September 30, 2016, the aggregate principal amounts outstanding under the 2016 Term Loan Facility and the 2016 Revolving Credit Facility were \$1,800.0 million and \$65.4 million, respectively, and availability under the \$400.0 million 2016 Revolving Credit Facility, based upon the calculated borrowing base of \$300.0 million, less \$10.5 million of outstanding undrawn letters of credit, \$16.2 million of outstanding checks, and \$65.4 million then drawn on the 2016 Revolving Credit Facility, was \$207.9 million.

Products Corporation was in compliance with all applicable covenants under its 6.25% Senior Notes Indenture as of September 30, 2016. Products Corporation was in compliance with all applicable covenants under its 5.75% Senior Notes Indenture as of September 30, 2016 and December 31, 2015.

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 2016 Revolving Credit Facility and other permitted lines of credit. The 2016 Term Loan Agreement, 2016 Revolving Credit Agreement, the 5.75% Senior Notes Indenture and the 6.25% Senior Notes Indenture contain certain provisions that by their terms limit Products Corporation’s 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; payments in connection with the Company’s synergy and integration programs related to the Elizabeth Arden Acquisition; purchases of permanent wall displays; capital expenditure requirements; debt service payments and costs; cash tax payments; pension and other post-retirement benefit plan contributions; payments in connection with the Company’s restructuring programs; business and/or brand acquisitions (including, without limitation, through licensing transactions), if any; severance 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 non-core business lines and/or exiting and/or entering certain territories. The Company's cash contributions to its pension and post-retirement benefit plans in the first nine months of 2016 were \$6.0 million. The Company expects cash contributions to its pension and post-retirement benefit plans to be approximately \$10 million in the aggregate for 2016. The Company's cash taxes paid in the first nine months of 2016 were \$19.4 million. The Company expects to pay cash taxes of approximately \$20 million in the aggregate for 2016. The Company's purchases of permanent wall displays and capital expenditures in the first nine months of 2016 were \$25.9 million and \$33.1 million, respectively. The Company expects purchases of permanent wall displays and capital expenditures to be approximately \$50.0 million and \$65.0 million, respectively, in the aggregate for 2016. Upon closing the Elizabeth Arden Acquisition, the Company disclosed that it expected to achieve approximately \$140 million of synergies and cost reductions over a multi-year period through the elimination of duplicative activities, leveraging purchasing scale and optimizing the manufacturing and distribution networks of the combined company. The Company anticipates achieving its expected synergies and cost reductions. Any of these actions, the intended purpose of which would be to create value through improving the Company's 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 2016 Revolving Credit Facility and/or other permitted additional sources of capital, which actions could increase the Company's total debt.

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 (including, without limitation, through licensing transactions), 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 Colomer Acquisition, the CBB Acquisition, the Cutex International Acquisition and/or the Elizabeth Arden Acquisition. Any of these actions, the intended purpose of which would be to create value through improving the Company's 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 2016 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 2016 Revolving Credit Facility and other permitted lines of credit will be sufficient to enable the Company to pay its operating expenses for 2016, including expenses in connection with the execution of the Company's business strategy, payments in connection with the Company's synergy and integration programs related to the Elizabeth Arden Acquisition, purchases of permanent wall displays, capital expenditure requirements, debt service payments and costs, cash tax payments, pension and other post-retirement plan contributions, payments in connection with the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, severance not otherwise included in the Company's restructuring programs, debt and/or equity repurchases, if any, costs related to litigation, discontinuing non-core business lines and/or entering and/or exiting certain territories and/or channels of trade.

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 one or more of the Consumer, Elizabeth Arden, Professional and/or Other segments; adverse changes in foreign currency exchange rates, foreign 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 and/or decreased performance by third party suppliers; changes in consumer purchasing habits, including with respect to retailer preferences and/or sales channels; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing, marketing, advertising and/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, pricing and/or marketing plans; or if the Company's expenses, including, without limitation, for synergy and integration programs related to the Elizabeth Arden Acquisition, 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 and/or other covenants under the 2016 Term Loan Agreement, 2016 Revolving Credit Agreement, 6.25% Senior Notes Indenture and/or 5.75% Senior Notes Indenture 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 2015 Form 10-K, as updated by Part II, Item 1A. "Risk Factors" in this Form 10-Q, 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 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 September 30, 2016, the FX Contracts outstanding had a notional amount of \$122.8 million and a net liability fair value of \$1.7 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 "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 the \$400 million notional amount under Products Corporation's Acquisition Term Loan over the three-year term of the 2013 Interest Rate Swap. In connection with entering into the 2016 Term Loan Facility, the 2013 Interest Swap was carried over to apply to a notional amount of \$400 million in respect of indebtedness under such loan for the remaining balance of the term of such swap. Products Corporation receives from the counterparty a floating interest rate based on the higher of three-month U.S. Dollar LIBOR or 1.00%, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which, with respect to the 2016 Term Loan Facility, effectively fixes the interest rate on such notional amount at 5.5709% over the remaining balance of the three-year term of the 2013 Interest Rate Swap). For the nine months ended September 30, 2016, the effective portion of the changes in fair value of the 2013 Interest Rate Swap was recorded in other comprehensive income and the ineffective portion of the changes in fair value of such swap was recorded in the Statement of Operations. The fair value of the Company's 2013 Interest Rate Swap at September 30, 2016 and December 31, 2015 was a liability of \$6.3 million and \$6.5 million, respectively.

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 \$1.4 million and \$2.0 million as of September 30, 2016 and December 31, 2015, 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 counterparties to the Company's derivative instruments, 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

The following table aggregates all contractual obligations and commercial commitments that affect the Company's financial condition and liquidity position as of September 30, 2016:

Contractual Obligations	Payments Due by Period (dollars in millions)				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt, including current portion ^(a)	\$ 2,816.0	\$ 69.9	\$ 36.2	\$ 36.2	\$ 2,673.7
Interest on long-term debt ^(b)	893.7	25.2	276.2	267.4	324.9
Capital lease obligations	4.2	0.8	2.8	0.6	—
Operating leases ^(c)	212.3	11.8	67.7	44.9	87.9
Purchase obligations ^(d)	306.0	217.1	69.5	13.8	5.6
Other long-term obligations ^(e)	62.2	17.7	33.3	6.0	5.2
Total contractual obligations	\$ 4,294.4	\$ 342.5	\$ 485.7	\$ 368.9	\$ 3,097.3

REVLON, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(all tabular amounts in millions, except share and per share amounts)

- (a) Consists primarily of (i) the \$1,800.0 million aggregate principal amount outstanding under the 2016 Term Loan as of September 30, 2016; (ii) the \$450.0 million aggregate principal amount outstanding under the 6.25% Senior Notes as of September 30, 2016; and (iii) the \$500.0 million aggregate principal amount outstanding under the 5.75% Senior Notes as of September 30, 2016.
- (b) Consists of interest through the respective maturity dates on the outstanding debt discussed in (a) above; based on interest rates under such debt agreements as of September 30, 2016.
- (c) Included in the obligations for operating leases as of September 30, 2016 is the lease for the Company's headquarters in New York City, which includes minimum lease payments in the aggregate of approximately \$70 million over the 15-year term, a leased distribution and office facility in Roanoke, Virginia and a leased warehouse and returns processing facility in Salem, Virginia, which facilities in Virginia were acquired in the Elizabeth Arden Acquisition.
- (d) Consists of purchase commitments for finished goods, raw materials, components, minimum royalty guarantees and services pursuant to enforceable and legally binding obligations which include all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transactions.
- (e) Consists primarily of media and advertising contracts, pension funding obligations (amount due within one year only, as subsequent pension funding obligation amounts cannot be reasonably estimated since the return on pension assets in future periods, as well as future pension assumptions, are not known), software licensing agreements and obligations related to third-party warehousing and distribution services. Such amounts exclude employment agreements, severance and other immaterial contractual commitments, which severance and other contractual commitments related to restructuring activities are discussed in Note 3, "Restructuring Charges," to the Consolidated Financial Statements in this Form 10-Q.

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 2015 Form 10-K.

Effect of Recently 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 Products Corporation's 2016 Term Loan Facility and its 2016 Revolving Credit Facility. 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 with the 2013 Interest Rate Swap. 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 2015 Form 10-K ("Item 7A") describes significant aspects of the Company's financial instrument program that have material market risk as of December 31, 2015. The following tables present this information as required by Item 7A as of September 30, 2016.

Expected Maturity Date for the period ended December 31,

(dollars in millions, except for rate information)

	2016	2017	2018	2019	2020	Thereafter	Total	Fair Value September 30, 2016
Debt								
Short-term variable rate (various currencies)	\$ 9.9						\$ 9.9	\$ 9.9
Average interest rate ^(a)	3.1%							
Short-term fixed rate (third party - EUR)	1.8						1.8	1.8
Average interest rate	11.8%							
Long-term fixed rate – third party (USD)						\$ 950.0	950.0	974.6
Average interest rate						5.99%		
Long-term fixed rate – third party (EUR)		\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	0.2	0.6	0.6
Average interest rate		—%	—%	—%	—%	—%		
Long-term variable rate – third party (USD) ^(b)	69.9	\$ 18.0	18.0	18.0	18.0	1,723.5	1,865.4	\$ 1,867.7
Average interest rate ^{(a)(c)}	3.3%	4.4%	4.8%	4.8%	4.8%	4.9%		
Total debt	\$ 81.6	\$ 18.1	\$ 18.1	\$ 18.1	\$ 18.1	\$ 2,673.7	\$ 2,827.7	\$ 2,854.6

^(a) Weighted average variable rates are based upon implied forward rates from the U.S. Dollar LIBOR and Euribor yield curves at September 30, 2016.

^(b) Includes total quarterly amortization payments required within each year under the 2016 Term Loan Facility.

^(c) At September 30, 2016, the 2016 Term Loan Facility bears interest at the Eurodollar Rate (as defined in the 2016 Term Loan Agreement) plus 3.50% per annum (with the Eurodollar Rate not to be less than 0.75%).

If any of LIBOR, Euribor, the base rate, the U.S. federal funds rate or such equivalent local foreign currency rate increases, Products Corporation's debt service costs will increase to the extent that Products Corporation has elected such rates for its outstanding loans. Based on the amounts outstanding under the 2016 Term Loan Agreement and the 2016 Revolving Credit Agreement and other short-term borrowings (which, in the aggregate, are Products Corporation's only debt currently subject to floating interest rates) as of September 30, 2016, a 1% increase in both the LIBOR and Euribor rates would increase the Company's annual interest expense by \$15.0 million.

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 Products Corporation's then-existing 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 the \$400 million notional amount under Products Corporation's then-existing Acquisition Term Loan over the three-year term of the 2013 Interest Rate Swap. In connection with entering into the 2016 Term Loan Facility, the 2013 Interest Swap was carried over to apply to a notional amount of \$400 million in respect of indebtedness under such loan for the remaining balance of the term of such swap.

Products Corporation receives from the counterparty a floating interest rate based on the higher of the three-month U.S. Dollar LIBOR or 1.00%, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which, with respect to the

2016 Term Loan Facility, effectively fixes the interest rate on such notional amount at 5.5709% over the remaining balance of the three-year term of the 2013 Interest Rate Swap). The fair value of the Company's 2013 Interest Rate Swap at September 30, 2016 was a liability of \$6.3 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 12 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	U.S. Dollar Equivalent Notional Amount	Contract Value September 30, 2016	Asset (Liability) Fair Value September 30, 2016
Sell Canadian Dollars/Buy USD	0.7531	27.2	26.9	(0.3)
Sell Australian Dollars/Buy USD	0.7315	24.0	23.1	(0.9)
Sell British Pound/Buy USD	1.3645	21.8	22.9	1.1
Sell Euro/Buy USD	1.1049	12.3	12.1	(0.2)
Buy Mexican Peso/Sell USD	0.0534	11.4	10.9	(0.5)
Sell USD/Buy Swiss Franc	1.0175	9.9	10.1	0.2
Sell Japanese Yen/Buy USD	0.0095	5.8	5.5	(0.3)
Sell South African Rand/Buy USD	0.0633	5.7	4.9	(0.8)
Buy Australian Dollars/Sell NZ dollars	1.0669	4.1	4.1	—
Sell New Zealand Dollars/Buy USD	0.7260	0.6	0.6	—
Total forward contracts		\$ 122.8	\$ 121.1	\$ (1.7)

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 fiscal 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 quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The entities acquired in the Elizabeth Arden Acquisition have been excluded from management's assessment of internal control over financial reporting as of September 30, 2016 because they were acquired by the Company in a business combination in September 2016.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the three months ended September 30, 2016, as well as the Company's other public documents and statements, may contain forward-looking statements that involve risks and uncertainties, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements 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 and unknown 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 the Consumer, Elizabeth Arden, Professional and/or Other segments; adverse changes in foreign currency exchange rates, foreign 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 and/or decreased performance by third party suppliers, changes in consumer purchasing habits, including with respect to retailer preferences and/or among sales channels; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing, marketing, advertising and/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, pricing and/or marketing plans; or if the Company's expenses, including, without limitation, for pension expense under its benefit plans, acquisition-related integration costs, costs related to the Company's synergy and integration programs in connection with the Elizabeth Arden Acquisition, 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;
- (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, (including through licensing transactions, if any), 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 Colomer Acquisition, the CBB Acquisition, the Cutex International Acquisition (including the Company's belief that such acquisition enhances and complements the Company's existing brand portfolio of nail care products) and/or the Elizabeth Arden Acquisition and related synergy, integration and other related costs, any of which, the intended purpose of which would be to create value through improving the Company's 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 2016 Revolving Credit Facility and/or other permitted additional sources of capital, which actions could increase the Company's total debt;
- (iv) the Company's belief that it is building a combined organization that is entrepreneurial, agile and boldly creative, with a passion for beauty, that it has strategic brand builders developing a diverse portfolio of iconic brands that delight consumers around the world wherever and however they shop for beauty and that it strives to be an ethical company that values inclusive leadership and is committed to sustainable and responsible growth and the Company's belief in its strategy that is based on three key pillars: (a) building a foundation for sustainable growth that outpaces the industry; competing in large and fast growing beauty segments and building our portfolio of product offerings in all strategic categories; further strengthening and diversifying our channels of distribution, especially direct to consumer; strengthening our U.S. business and expanding into faster growing territories, with a special focus on Asia; (b) harnessing the power of our iconic brand portfolio to delight consumers wherever and however they shop for beauty; continuing to focus on restoring the appeal and aspiration of our flagship brands and investing in them; advancing our digital and omni-channel capabilities, and focusing on high-growth channels, especially e-commerce; continuing to win in traditional channels, while expanding our combined reach into travel retail; and (c) developing a cost structure to deliver world class profitability; continuing to improve our operating performance by strategically allocating investments behind key brands, categories and regions; further improving our category mix and, with the acquisition of Elizabeth Arden, shifting toward higher gross margin categories; continuing to reduce the complexity of our product lineup and seeking to reduce our product returns, sales markdowns and inventory levels; and, through enhanced new product development processes, increasing our speed to shelf, optimizing our resource allocation and shortening new product launch timing;
- (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 (a) that the 2015 Efficiency Program will drive certain organizational efficiencies across the Company's Consumer and Professional segments and reduce general and administrative expenses within the Consumer and Professional segments; (b) that the Company will recognize a total of approximately \$12.0 million of restructuring and related charges for the 2015 Efficiency Program by the end of 2017; (c) that cash payments related to the 2015 Efficiency Program will total approximately \$12 million, including \$0.2 million for capital expenditures (which capital expenditures are excluded from total restructuring and related charges expected to be recognized for the 2015 Efficiency Program), of which \$4.2 million is expected to be paid during the remainder of 2016, with the remaining balance expected to be paid in 2017; and (d) that approximately \$9 million of cost reductions from the 2015 Efficiency Program are expected to benefit 2016 results and that annualized cost reductions thereafter are expected to be approximately \$10 million to \$15 million by the end of 2018;
- (vi) the Company's expectation that operating revenues, cash on hand and funds available for borrowing under Products Corporation's 2016 Revolving Credit Facility and other permitted lines of credit will be sufficient to enable the Company to cover its operating expenses for 2016, including the cash requirements referred to in item (viii) below, and the Company's beliefs that (a) the cash generated by its domestic operations and availability under the 2016 Revolving Credit Facility and other permitted lines of credit should be sufficient to meet its domestic liquidity needs for at least the next 12 months, and (b) restrictions or taxes on repatriation of foreign earnings will not have a material effect on the Company's liquidity during such period;
- (vii) the Company's expected principal sources of funds, including operating revenues, cash on hand and funds available for borrowing under Products Corporation's 2016 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; payments in connection with the Company's synergy and integration programs related to the Elizabeth Arden Acquisition; payments in connection with the Company's purchases of permanent wall displays; capital expenditure requirements; debt service payments and costs; cash tax payments; pension and other post-retirement benefit plan contributions; payments in connection with the Company's restructuring programs; business and/or brand acquisitions (including through licensing transactions, if any); severance 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 non-core business lines and/or exiting and/or entering certain territories and/or channels of trade (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 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;
- (xii) the Company's expectation that its tax provision and effective tax rate in any individual quarter and year-to-date period 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 belief that the ultimate outcome of Elizabeth Arden's protests, appeals and/or judicial processes with regards to the Elizabeth Arden IRS audit will not have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows;
- (xiv) the Company's belief the allegations contained in the Consolidated Amended Class Action Complaint are without merit and its plans to vigorously defend against them and its belief 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, prospects, results of operations, financial condition and/or cash flows, but that 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;

- (xv) certain estimates used by management in estimating the fair value of the assets acquired in the Elizabeth Arden Acquisition and the Cutex International Acquisition; and
- (xvi) the Company's expected benefits from the Elizabeth Arden Acquisition, including, without limitation: (a) benefiting from greater scale, an expanded global footprint and, with the addition of Elizabeth Arden's growing prestige fragrances, skin care and color cosmetics, a significant presence across all major beauty channels and categories; (b) leveraging the Company's scale across major vendors and manufacturing partners, improving distribution and procurement efficiencies; (c) achieving approximately \$140 million of synergies and cost reductions over a multi-year period through the elimination of duplicative activities, leveraging purchasing scale and optimizing the manufacturing and distribution networks of the combined company; (d) achieving additional growth through opportunities presented by the combined company's expanded sales channels and geographies; (e) expanding category mix, as the Company's strength and expertise in color cosmetics, hair care, men's grooming, anti-perspirants, deodorants and beauty tools are complemented by the addition of Elizabeth Arden's world-class portfolio of licensed prestige fragrances and the internationally recognized line of Elizabeth Arden-branded prestige fragrance, skin care and color cosmetics products, which are highly profitable categories that the Company believes are key to future industry growth; (f) diversifying the Company's channels, as Elizabeth Arden's strong global reach in prestige distribution and travel retail complement Revlon's strength in mass and salons, strongly positioning the combined company in all key beauty channels; (g) broadening the Company's geographic footprint, as post-acquisition, the combined company now markets and distributes its products in approximately 150 countries and that with Elizabeth Arden's presence in important international growth regions, including Asia Pacific, the combined company will be better positioned to compete globally.

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 2015 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 2016 (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). Except as expressly set forth in this Form 10-Q, the information available from time to time on such websites shall not be deemed incorporated by reference into this 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 2015 Form 10-K, as updated in Part II, Item 1A. "Risk Factors" in this Form 10-Q, 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 the Consumer, Elizabeth Arden, Professional and/or Other segments; adverse changes in foreign currency exchange rates, foreign 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 and/or decreased performance by third party suppliers; 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 retailer preferences and/or among sales 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 synergy and integration program costs and expenses related to the Elizabeth Arden Acquisition, restructuring costs and/or acquisition-related integration costs; 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, pricing 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, marketing, advertising and/or promotional strategies by the Company's customers; and changes in the competitive environment and actions by the Company's competitors, including, among other things, business combinations, technological breakthroughs, implementation of new pricing strategies, 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, foreign 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 (including through licensing transactions, if any), 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 Colomer Acquisition, the CBB Acquisition, the Cutex International Acquisition and/or the Elizabeth Arden Acquisition, as well as the unavailability of cash on hand and/or funds under the 2016 Revolving Credit Facility or from other permitted additional sources of capital to fund such potential activities;
- (iv) (A) difficulties, delays in or less than expected results from the Company's efforts to build a combined organization that is entrepreneurial, agile, and boldly creative with a passion for beauty, being strategic brand builders developing a diverse portfolio of iconic brands that delight consumers around the world wherever and however they shop for beauty and striving to be an ethical company that values inclusive leadership and is committed to sustainable and responsible growth, such as due to, among other things, less than effective product development, less than expected acceptance of its new or existing products by consumers, salon professionals and/or customers, less than expected acceptance of its

advertising, promotional, pricing and/or marketing plans and/or brand communication by consumers, salon professionals and/or customers, 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 or higher than expected costs and expenses; (B) difficulties, delays in or less than expected results from the Company's efforts to build a foundation for sustainable growth that outpaces the industry, compete in large and fast growing beauty segments, build the Company's portfolio of product offerings in all strategic categories, further strengthen and diversify the Company's channels of distribution, especially direct to consumer; strengthen the Company's U.S. business and expand into faster growing territories, with a special focus on Asia, such as due to, among other things, decreased sales of the Company's existing or new products, less than effective product development across a range of product categories, less than expected acceptance of its new or existing products, less than expected acceptance of its advertising, promotional, pricing and/or marketing plans and/or brand communication, less than expected results from the Company's efforts to create fewer and better new product launches across the Company's brands, less than effective activities intended to develop multiple channels for the Company's products, such as less than expected results from pursuing the Company's e-commerce initiatives and/or less than effective efforts to develop relationships and/or acquire businesses that would be intended to facilitate geographic expansion; (C) difficulties, delays in or less than expected results from the Company's efforts to restore the appeal and aspiration of our flagship brands and invest in them, advance our digital and omni-channel capabilities and/or focus on high-growth channels, such as e-commerce and travel retail, such as due to less than expected investment behind such activities and/or less than effective new product development and/or advertising, marketing or promotional programs; and/or (D) difficulties, delays in or less than expected results from the Company's efforts to develop a cost structure to deliver world class profitability, improve our operating performance by strategically allocating investments behind key brands, categories and regions, improve our category mix and shift toward higher gross margin categories, reduce the complexity of our product lineup, reduce our product returns, sales markdowns and inventory levels, increase our speed to shelf, optimize our resource allocation and/or shorten new product launch timing, such as due to less than anticipated benefits from the Acquisition, higher than expected costs, including as may be due to less than expected results from the Company's efforts to further drive margins by reducing costs across the supply chain, eliminating overhead redundancies and leveraging purchasing scale, less than effective new product development in key strategic product categories and/or higher than expected sales returns such as those that may be related to actions by the Company's customers, such as inventory management or greater than anticipated space reconfigurations or reductions in display space

- (v) difficulties, delays or unanticipated costs or charges or less than expected cost reductions 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 2015 Efficiency Program and/or the risk that such program may not satisfy the Company's objectives;
- (vi) lower than expected operating revenues, cash on hand and/or funds available under the 2016 Revolving Credit Facility and/or other permitted lines of credit or higher than anticipated operating expenses, such as referred to in clause (viii) below, and/or less than anticipated cash generated by the Company's domestic operations or unanticipated restrictions or taxes on repatriation of foreign earnings;
- (vii) the unavailability of funds under Products Corporation's 2016 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, integration and/or synergy costs related to the Elizabeth Arden Acquisition, permanent wall display costs, capital expenditures, debt service payments, cash tax payments, cash pension plan contributions, other post-retirement benefit plan contributions and/or net periodic benefit costs for the pension and other post-retirement benefit plans, restructuring costs, severance and discontinued operations not otherwise included in the Company's restructuring programs, debt and/or equity repurchases, costs related to litigation and/or payments in connection with business and/or brand acquisitions (including through licensing transactions, if any), and discontinuing non-core business lines and/or exiting and/or entering certain territories and/or channels of trade;
- (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) unanticipated adverse effects on the Company's business, prospects, results of operations, financial condition and/or cash flows as a result of unexpected developments with respect to Elizabeth Arden's protests, appeals and/or judicial processes related to its IRS examinations;
- (xiv) unanticipated adverse effects on the Company's business, financial condition and/or its results of operations as a result of unexpected developments with respect to the Company's legal proceedings;
- (xv) changes in the fair values of the assets acquired in the Cutex International Acquisition due to, among other things, unanticipated future performance of the acquired licenses; and/or
- (xvi) less than expected benefits from the Elizabeth Arden Acquisition, such as (a) the Company's or the Elizabeth Arden's respective businesses experiencing disruptions due to management's focus on executing the business integration activities and/or due to employee uncertainty during the integration transition period or other factors making it more difficult to maintain relationships with customers, suppliers, employees and other business partner; (b) the Company being unable to successfully implement, in whole or in part, its integration strategies, including the possibility that the expected synergies and cost reductions from the Acquisition will not be realized or will not be realized within the expected time period.

Factors other than those listed above could also cause the Company's results to differ materially from expected results. This discussion is provided pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Website Availability of Reports, Corporate Governance Information and Other Financial 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 and Compensation Committee. Revlon, Inc. maintains a corporate investor relations website, 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 and Compensation Committee, as well as Revlon, Inc.'s Code of Conduct and Business Ethics, which includes Revlon, Inc.'s Code of Ethics for Senior Financial Officers, and the Audit Committee Pre-Approval Policy. From time to time, the Company may post on www.revloninc.com certain presentations that may include material information regarding its business, financial condition and/or results of operations. 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, prospects, results of operations, financial condition and/or cash flows. 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.

As previously disclosed, following the announcement of the execution of the Elizabeth Arden Merger Agreement, several putative shareholder class action lawsuits and a derivative lawsuit were filed challenging the Merger. In addition to the complaints filed on behalf of plaintiffs Parker, Christiansen, Ross and Stein, on July 25, 2016, a lawsuit (Hutson v. Elizabeth Arden, Inc., et al., Case No. CACE-16-013566) (referred to as the "Hutson complaint") was filed in the Seventeenth Judicial Circuit in and for Broward County, Florida (the "Court") against Elizabeth Arden, the members of the board of directors of Elizabeth Arden, Revlon, Products Corporation and Acquisition Sub. In general, the Hutson complaint alleges that: (i) the members of Elizabeth Arden's board of directors breached their fiduciary duties to Elizabeth Arden's shareholders with respect to the Merger, by, among other things, approving the Merger pursuant to an unfair process and at an inadequate and unfair price; and (ii) Revlon, Products Corporation and Acquisition Sub aided and abetted the breaches of fiduciary duty by the members of Elizabeth Arden's board. The plaintiff seeks relief similar to that sought in the Parker case.

By Order dated August 4, 2016, all five cases were consolidated by the Court into a Consolidated Amended Class Action. Thereafter, on August 11, 2016 a Consolidated Amended Class Action Complaint was filed, seeking to enjoin defendants from consummating the Merger and/or from soliciting shareholder votes. To the extent that the Merger was consummated, the Consolidated Amended Class Action Complaint seeks to rescind the Merger or recover rescissory or other compensatory damages, along with costs and fees. The grounds for relief set forth in the Consolidated Amended Class Action Complaint in large part track those grounds as asserted in the five individual complaints, as previously disclosed. Class counsel advised that post consummation of the Merger they were going to file a Second Consolidated Amended Class Action Complaint, but to date no such complaint has been filed.

The Company believes the allegations contained in the Consolidated Amended Class Action Complaint are without merit and intends to vigorously defend against them. Additional lawsuits arising out of or relating to the Merger Agreement or the Merger may be filed in the future.

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, prospects, results of operations, financial condition and/or cash flows. 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 2015 Form 10-K, as well as the following updates to such risk factors:

The results of the U.K.'s referendum on its withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and the Company's business.

The Company is a multinational company with worldwide operations, including material business operations in Europe. In June 2016, a majority of voters in the U.K. elected to withdraw from the European Union in a national referendum. The referendum was advisory, and the terms of any withdrawal are subject to a negotiation period that could last at least two years after the government of the U.K. formally initiates a withdrawal process. Nevertheless, the referendum has created significant uncertainty about the future relationship between the U.K. and the European Union and has given rise to calls for the governments of other European Union member states to consider withdrawal from the European Union. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings may be especially subject to

increased market volatility. Lack of clarity about future U.K. laws and regulations as the U.K. determines which European Union laws to replace or replicate in the event of a withdrawal, including financial laws and regulations, tax and free trade agreements, intellectual property rights, supply chain logistics, environmental, health and safety laws and regulations, immigration laws and employment laws, could decrease foreign direct investment in the U.K., increase costs, depress economic activity, restrict the Company's access to capital and make regulatory compliance and the distribution, sourcing, manufacturing and sales and marketing of the Company's products more difficult or costly. If the U.K. and the European Union are unable to negotiate acceptable withdrawal terms or if other European Union member states pursue withdrawal, barrier-free access between the U.K. and other European Union member states or among the European economic area overall could be diminished or eliminated. Approximately 5% of the Company's net sales are in the U.K. and approximately 20% of the Company's net sales are in the remainder of the European Union. Any of these factors could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

The Company's success depends, in part, on the quality, efficacy and safety of its products.

The Company's success depends, in part, on the quality, efficacy and safety of its products. If the Company's products are found or alleged to be defective or unsafe, or if they fail to meet customer or consumer standards, the Company's relationships with its customers or consumers could suffer, the appeal of one or more of the Company's brands could be diminished, and the Company could lose sales and/or become subject to liability claims, any of which could have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

The Company may not realize the anticipated synergies, net cost reductions and growth opportunities from the Elizabeth Arden Acquisition.

The benefits that the Company expects to achieve as a result of the Elizabeth Arden Acquisition will depend, in part, on the ability of the combined company to realize anticipated growth opportunities, net cost reductions and synergies. The Company's success in realizing these growth opportunities, net cost reductions and synergies, and the timing of this realization, depends on the successful integration of the Company's historical business and operations and the historical business and operations of Elizabeth Arden. Even if the Company is able to integrate the businesses and operations of Products Corporation and Elizabeth Arden successfully, this integration may not result in the realization of the full benefits of the growth opportunities, net cost reductions and synergies that the Company currently expects from this integration within the anticipated time frame or at all. For example, the Company may be unable to eliminate duplicative costs. Moreover, the Company may incur substantial expenses in connection with the integration of its business and Elizabeth Arden's business. While the Company anticipates that certain expenses will be incurred, such expenses are difficult to estimate accurately and may exceed current estimates. Accordingly, the benefits from the Acquisition may be offset by costs or delays incurred in integrating the businesses. The projected net cost reductions and synergies related to the Acquisition are based on a number of assumptions relating to the Company's business and Elizabeth Arden's business. Those assumptions may be inaccurate, and, as a result, the Company's projected net cost reductions and synergies may be inaccurate, and the Company's business, prospects, results of operations, financial condition and/or cash flows could be materially and adversely affected.

In connection with the Acquisition, we have assumed potential liabilities relating to Elizabeth Arden's business.

In connection with the Acquisition, we have assumed potential liabilities relating to Elizabeth Arden's business. To the extent we have not identified such liabilities or miscalculated their potential financial impact, these liabilities could have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Item 5. Other Information

Appointment of E. Scott Beattie as Director.

In connection with transition and integration efforts related to the Elizabeth Arden Acquisition, on November 3, 2016 (the "Effective Date"), Revlon's Board of Directors appointed E. Scott Beattie, Elizabeth Arden's former Chairman, President and Chief Executive Officer, to serve as a member of Revlon's Board of Directors in the capacity of non-executive Vice-Chairman. As of the Effective Date, Mr. Beattie will no longer be an employee of the Company, but will assume the role of Senior Advisor to Fabian T. Garcia, the Company's President and Chief Executive Officer. With the appointment of Mr. Beattie, Revlon's Board will be comprised of 14 members, 6 of whom constitute independent Directors under NYSE and SEC standards.

On November 3, 2016, the Company and Mr. Beattie entered into an agreement setting forth the terms and conditions of his position as Senior Advisor to the Company's CEO (the "Consulting Agreement"). Pursuant to the Consulting Agreement, beginning on the Effective Date, Mr. Beattie will provide advisory services to the CEO related to transition and integration efforts (the "Advisory Services") for up to three years following the Effective Date (the "Advisory Period"). The Company will pay Mr. Beattie a fee of \$500,000 per year (the "Advisory Fees") for as long as Mr. Beattie continues to provide the Advisory Services. The Advisory Fees are inclusive of compensation that Mr. Beattie would have been otherwise eligible to receive for his service as a non-employee member of Revlon's Board. In connection with his appointment to Revlon's Board and his entry into the Consulting Agreement, the Company granted to Mr. Beattie a number of restricted stock units equal to \$3 million divided by the NYSE closing price of Revlon Class A Common Stock on the Effective Date (the "RSU Grant"). The RSU Grant will vest ratably on each of the first three anniversaries of the Effective Date, subject to accelerated vesting upon the occurrence of any "change of control" (as defined in the award agreement evidencing the RSU Grant (the "2016 Restricted Stock Unit Agreement", a copy of which is incorporated by reference into this Form 10-Q as Exhibit 10.2.))

The Company may elect to terminate the Advisory Services prior to the end of the Advisory Period upon the occurrence of any of the following events: (i) Mr. Beattie's willful failure to provide or perform the Advisory Services; (ii) Mr. Beattie's commission of any felony or any crime involving moral turpitude; or (iii) breach by Mr. Beattie of the non-competition, non-solicitation, confidentiality and non-disparagement restrictions contained in the Consulting Agreement, in each case, following notice by the Company and a period to cure (collectively, the "Restrictive Covenants" and any event under (i), (ii) or (iii), "Cause"). The Company may also terminate the Advisory Services at any time, and Mr. Beattie may terminate the Advisory Services if he is not nominated to Revlon's Board for any given year during the Advisory Period, provided that if the Advisory Services are terminated in either of those scenarios, the Company will continue to pay Mr. Beattie the Advisory Fees through the end of the Advisory Period, and Mr. Beattie would remain eligible to continue to vest in the RSU Grant in accordance with the original vesting schedule. Mr. Beattie will receive these same payments and benefits in the event the Advisory Services are terminated as a result of his death or disability. Mr. Beattie's receipt of the Advisory Fees and his eligibility to vest in the RSU Grant are, under all circumstances, subject to his continuous compliance with the Restrictive Covenants. The foregoing description of the Consulting Agreement is qualified in its entirety by reference to the full text of such agreement, a copy of which is incorporated by reference into this Form 10-Q as Exhibit 10.1.

In connection with Mr. Beattie's appointment to serve as non-executive Vice Chairman of Revlon's Board, on November 3, 2016, Revlon's Board approved the amendment and restatement of Revlon's By-laws, effective as of that date, to provide for the role of non-executive Vice Chairman.

Item 6. Exhibits

- 2.1 Agreement and Plan of Merger, dated June 16, 2016, by and among Revlon, Inc., Revlon Consumer Products Corporation, RR Transaction Corp. and Elizabeth Arden, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on June 17, 2016).
- *3.1 Second Amended and Restated By-Laws of Revlon, Inc., dated November 3, 2016.
- 4.1 Escrow Agreement, dated as of August 4, 2016, by and among Revlon Escrow Corporation, U.S. Bank National Association, as trustee, and Citibank, N.A., as escrow agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on August 5, 2016).
- 4.2 Indenture, dated as of August 4, 2016, by and between Revlon Escrow Corporation and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on August 5, 2016).
- 4.3 Registration Rights Agreement, dated as of August 4, 2016, by and among Revlon Escrow Corporation, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., as representatives of the initial purchasers (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on August 5, 2016).
- 4.4 First Supplemental Indenture, dated as of September 7, 2016, by and among Revlon Consumer Products Corporation, the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- 4.5 Joinder Agreement to the Registration Rights Agreement, dated as of September 7, 2016, by and among Revlon Consumer Products Corporation, the guarantors party thereto and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., as representatives of the initial purchasers (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- *10.1 Consulting Agreement between the Company and E. Scott Beattie, dated November 3, 2016.
- *10.2 Restricted Stock Unit Agreement between the Company and E. Scott Beattie, dated November 3, 2016.
- 10.3 Term Loan Agreement, dated as of September 7, 2016, by and among Revlon Consumer Products Corporation, Revlon, Inc. (solely for the purposes set forth therein), certain lenders party thereto and Citibank, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- 10.4 Asset-Based Revolving Credit Agreement, dated as of September 7, 2016, by and among Revlon Consumer Products Corporation, certain local borrowing subsidiaries from time to time party thereto, Revlon, Inc. (solely for the purposes set forth therein), certain lenders and issuing lenders party thereto and Citibank, N.A., as administrative agent, collateral agent, issuing lender and swingline lender (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- 10.5 Term Loan Guarantee and Collateral Agreement, dated as of September 7, 2016, made by each of the signatories thereto in favor of Citibank, N.A., as collateral agent, for the benefit of the Secured Parties under the Term Loan Agreement (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- 10.6 Holdings Term Loan Guarantee and Pledge Agreement, dated as of September 7, 2016, made by Revlon, Inc. in favor of Citibank, N.A., as collateral agent, for the benefit of the Secured Parties under the Term Loan Agreement (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- 10.7 ABL Guarantee and Collateral Agreement, dated as of September 7, 2016, made by each of the signatories thereto in favor of Citibank, N.A., as collateral agent, for the benefit of the Secured Parties under the Asset-Based Revolving Credit Agreement (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- 10.8 Holdings ABL Guarantee and Pledge Agreement, dated as of September 7, 2016, made by Revlon, Inc. in favor of Citibank, N.A., as collateral agent, for the benefit of the Secured Parties under the Asset-Based Revolving Credit Agreement (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).
- 10.9 ABL Intercreditor Agreement, dated as of September 7, 2016, among Citibank, N.A., as ABL Agent, Citibank, N.A., as Initial Term Loan Agent, Revlon, Inc., Revlon Consumer Products Corporation, each subsidiary listed therein or that becomes a party thereto and each Other Term Loan Agent from time to time party thereto (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on September 9, 2016).

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)

- 10.10 Preferred Stock Repurchase and Warrant Cancellation Agreement, dated June 16, 2016, by and among Revlon, Inc., Revlon Consumer Products Corporation, RR Transaction Corp., Elizabeth Arden, Inc., Nightingale Onshore Holdings L.P. and Nightingale Offshore Holdings L.P. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Revlon, Inc. filed with the SEC on June 17, 2016).
- *31.1 Certification of Fabian T. Garcia, Chief Executive Officer, dated November 4, 2016, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
- *31.2 Certification of Juan R. Figueroa, Chief Financial Officer, dated November 4, 2016, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
- 32.1 (furnished herewith) Certification of Fabian T. Garcia, Chief Executive Officer, dated November 4, 2016, 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 Juan R. Figueroa, Chief Financial Officer, dated November 4, 2016, 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: November 4, 2016

Revlon, Inc.
(Registrant)

By: /s/ Fabian T. Garcia

Fabian T. Garcia
President,
Chief Executive Officer and
Director

By: /s/ Juan R. Figueroa

Juan R. Figueroa
Executive Vice President and
Chief Financial Officer

By: /s/ Siobhan Anderson

Siobhan Anderson
Senior Vice President,
Chief Accounting Officer,
Corporate Controller, Treasurer
and Investor Relations

AMENDED AND RESTATED

BY-LAWS

OF

REVLON, INC.

Effective as of November 3, 2016

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#4823-5603-4093v6

BY-LAWS
(as amended and restated)
OF
REVLON, INC.
(hereinafter called the “Corporation”)

ARTICLE I

OFFICES

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

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

ARTICLE II

MEETINGS OF STOCKHOLDERS

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

Section 2. Annual Meetings. The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders shall elect a Board of Directors, and transact such other business as may properly be brought before the meeting. Written notice of the Annual Meeting of Stockholders stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

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

II. In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received by the Secretary at the principal executive offices of the Corporation not less than sixty days nor more than ninety days prior to the anniversary date of the immediately preceding Annual Meeting of stockholders; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs.

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

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

Section 4. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called by either (i) the Board of Directors, (ii) the Chairman of the Board of Directors or (iii) the President. Such request shall state the purpose or purposes of the proposed meeting. Written notice of a Special Meeting of Stockholders stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 5. Quorum. Except as otherwise required by law or by the Certificate of Incorporation, the holders of a majority in total number of votes of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, such quorum

shall not be present or represented at any meeting of the stockholders, the Chairman of the meeting or the holders of a majority in number of votes of the capital stock entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a written notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting not less than ten nor more than sixty days before the date of the meeting.

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

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

Section 8. Organization and Order of Business. At every meeting of stockholders, the Chairman of the Board of Directors or, in such person's absence, such person as shall have been designated by the Chairman of the Board of Directors or, if no such person has been designated or the designated person is absent, the President or, in such person's absence, such person as shall have been designated by the President, or, if no such person has been designated or the designated person is absent, such person as shall have been designated by a majority of the Board of Directors present, shall act as Chairman of the meeting. The Secretary or, in such person's absence, an Assistant Secretary, shall act as Secretary of the meeting. The Chairman of the meeting shall have the sole authority to prescribe the agenda and rules of order for the conduct of any Annual or Special Meeting of Stockholders and to determine all questions arising thereat relating to the order of business and the conduct of the meeting, except as otherwise required by law. Unless otherwise directed by the Chairman of the meeting, the vote at any meeting of the stockholders need not be by written ballot. In case none of the officers above designated to act as Secretary of the meeting shall be present, the Chairman of the meeting or Secretary of the meeting shall be appointed by vote of a majority of the total number of votes of the capital stock present in person or represented by proxy and entitled to vote thereat.

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

Section 10. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

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

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

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

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

ARTICLE III

DIRECTORS

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

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

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

Section 4. Organization. At each meeting of the Board of Directors, the Chairman of the Board of Directors or, in such person's absence, a director designated by the Chairman of the Board of Directors, or, if no such director has been designated or the designated director is absent, a director designated by a majority of the directors present, shall act as Chairman. The Secretary of the Corporation shall act as Secretary at each meeting of the Board of Directors. In case the Secretary shall be absent from any meeting of the Board of Directors, an Assistant Secretary shall perform the duties of Secretary at such meeting; and in the absence from any such meeting of the Secretary and all the Assistant Secretaries, the Chairman of the meeting may appoint any person to act as Secretary of the meeting.

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

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

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

Section 8. Quorum and Manner of Acting. Except as otherwise required by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of

Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

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

Section 10. Meetings by Means of Conference Telephone. Unless otherwise required by the Certificate of Incorporation or these By-Laws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 10 of this Article III shall constitute presence in person at such meeting.

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

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

Section 13. Chairman of the Board of Directors; Vice Chairman of the Board of Directors. The Chairman of the Board of Directors shall be an officer of the Corporation who shall have such

authority and perform such duties as provided in these By-Laws. The Vice Chairman of the Board of Directors, if any, shall have such authority and perform such duties as may from time to time be assigned by the Chairman of the Board of Directors or by the Board of Directors, but shall not be an officer of the Corporation unless elected by the Board of Directors as an Executive Vice Chairman of the Board of Directors.

ARTICLE IV

COMMITTEES

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

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

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

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

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

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

ARTICLE V

OFFICERS

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

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

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

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

Section 5. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors or the Secretary of the Corporation. Any such resignation shall take effect at the time therein specified or if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

Section 9. Executive Vice Chairman of the Board of Directors. The Executive Vice Chairman of the Board of Directors shall, subject to the direction of the Board of Directors or any duly authorized committee of directors, and at the request or in the absence or disability of the Chairman of the Board of Directors, perform the duties and exercise the powers of the Chairman of the Board of Directors. The Executive Vice Chairman of the Board of Directors may enter into and execute in the name of the Corporation deeds, mortgages, bonds, guarantees, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or delegated by the Board of Directors, by a duly authorized committee of directors or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be made or executed. In general, the Executive Vice Chairman of the Board of Directors shall have all authority incident to the office of Executive Vice Chairman of the Board of Directors and shall have such other authority and perform such other duties as may from time to time be assigned by the Board of Directors, by any duly authorized committee of directors or by the Chairman of the Board of Directors.

Section 10. President. The President shall be the chief executive officer of the Corporation and shall have general supervision of the business, affairs and property of the Corporation and over its several officers, subject, however, to the control of the Board of Directors. The President may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. The President may enter into and execute in the name of the Corporation deeds, mortgages, bonds, guarantees, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or delegated by the Board of Directors or by a duly authorized committee of directors, or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be made or executed. The President shall have the power to fix the compensation of elected officers whose compensation is not fixed by the Board of Directors or a committee thereof in accordance with Section 7 of this Article V, and

also to engage, discharge, determine the duties and fix the compensation of all employees and agents of the Corporation necessary or proper for the transaction of the business of the Corporation. In general, the President shall have all authority incident to the office of President and chief executive officer and shall have such other authority and perform such other duties as may from time to time be assigned by the Board of Directors or by any duly authorized committee of directors or by the Chairman of the Board of Directors or by the Executive Vice Chairman of the Board of Directors. The President shall, at the request or in the absence or disability of the Chairman of the Board of Directors or the Executive Vice Chairman of the Board of Directors, perform the duties and exercise the powers of such officer.

Section 11. Chief Operating Officer. The Board of Directors may designate a Chief Operating Officer. The Chief Operating Officer shall have all the authority and duties as may from time to time be assigned by the Board of Directors or by any duly authorized committee of directors or by the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors or the President.

Section 12. Vice Presidents. The Vice Presidents shall have supervision over the operations of the Corporation within their respective areas of responsibility and in accordance with policies, procedures and practices in effect from time to time, subject, however, to the control of the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President and any other officer to whom they report. They shall, within such areas of responsibility (in the order of their designation, or in the absence of such designation, in the order of their seniority based on title or, in the case of officers of equal title, in order of their tenure), at the request or in the absence, illness or disability of the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President, or any other more senior officer, as the case may be, assume and perform the duties and exercise the powers of such officer in furtherance of the management and operations of the Corporation, subject to the control of and pending action by the Board of Directors. They may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. They may enter into and execute in the name of the Corporation deeds, mortgages, guarantees, bonds, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or otherwise delegated by these By-Laws or by the Board of Directors, a duly authorized committee of directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any other officer to whom they report, or shall be required by law otherwise to be made or executed. In general, they shall have all authority incident to their respective offices and shall have such other authority and perform such other duties as may from time to time be assigned to them by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any other officer to whom they report.

Section 13. Treasurer. The Treasurer shall, if required by the Board of Directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any other officer to whom the Treasurer reports, give a bond for the faithful discharge of duties, in such sum and with such sureties as may be so required. The Treasurer shall have custody of, and

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

Section 14. Controller. The Controller shall be responsible for preparing and maintaining reasonable and adequate books of account and other accounting records of the assets, liabilities and transactions of the Corporation in accordance with generally accepted accounting principles and procedures, shall see that reasonable and adequate audits thereof are regularly made and that reasonable and adequate systems of financial control are maintained, shall examine and certify the financial accounts of the Corporation, shall prepare and render such budgets and other financial reports as the Board of Directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any other officer to whom the Controller reports may require, and shall, in general, have all authority incident to the office of Controller and such other authority and perform such other duties as from time to time may be assigned by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any other officer to whom the Controller reports.

Section 15. Secretary. The Secretary shall act as Secretary of all meetings of the stockholders and of the Board of Directors of the Corporation; shall keep the minutes thereof in the proper book or books to be provided for that purpose; shall see that all notices required to be given by the Corporation in connection with meetings of stockholders and of the Board of Directors are duly given; may, with the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any Vice President, sign certificates for stock of the Corporation; shall

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

Section 16. Duties of Assistant Treasurers, Assistant Secretaries and Other Subordinate Officers. The Assistant Treasurers shall, respectively, if required by the Board of Directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any other officer to whom they report, give bonds for the faithful discharge of their duties in such sums and with such sureties as may be so required. Assistant Treasurers and Assistant Secretaries may, with the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or any Vice President, sign certificates for stock of the Corporation. Subordinate officers shall have all authority incident to their respective offices and such other authority and perform such other duties as shall be assigned to them by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or the officers to whom they report.

Section 17. Appointed Officers. The Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors and the President may appoint or cause to be appointed, in accordance with the policies and procedures established by them, such Presidents, Vice Presidents and other officers of the Divisions, Groups and Staffs of the Corporation (each an "Appointed Officer") as each of them shall determine to be necessary or desirable in furtherance of the business and affairs of such Divisions, Groups and Staffs, may designate such Vice Presidents as Senior Executive Vice Presidents, Executive Vice Presidents or Senior Vice Presidents, and may use such other descriptive words as each of them may determine to designate the seniority or areas of special competence or responsibility of the Appointed Officers appointed in accordance with this Section 17 of this Article V. Appointed Officers appointed in accordance with this Section 17 of this Article V shall not be deemed to be officers as elsewhere referred to in this Article V or in Article X hereof but as between themselves and the Corporation shall have such authority and perform such duties in the management and operations of the Divisions, Groups and Staffs of the Corporation of which they are appointed officers as the officer appointing them and the persons to whom they report may from time to time determine. Such Appointed Officers shall have the authority as between themselves and third parties to bind the Corporation solely to the extent of their apparent authority based upon their titles and solely in relation to the business affairs of the Divisions, Groups and Staffs of which they are appointed officers.

ARTICLE VI

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

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

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

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

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

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

ARTICLE VII

STOCK AND DIVIDENDS

Section 1. Form of Certificates. (a) The shares of capital stock of the Corporation shall be represented by a certificate or may be uncertificated. Every holder of capital stock in the Corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of capital stock of the Corporation signed by, or in the name of the Corporation by (i) the Chairman of the Board of Directors, the Executive Vice Chairman of the Board of Directors, the President or one of the Vice Presidents and (ii) the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by such stockholder in the Corporation.

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

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

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

Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation and its transfer agents and registrars with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate.

Section 4. Transfers. Except as otherwise prescribed by law or the Certificate of Incorporation, stock of the Corporation shall be transferable in the manner prescribed by applicable law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by such person's duly authorized attorney appointed by a power of attorney duly executed and filed with the Secretary of the Corporation or a transfer agent of the Corporation, and upon surrender of the certificate or certificates for such stock properly endorsed for transfer and payment of all necessary transfer taxes; or, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney lawfully constituted in writing, and upon payment of all necessary transfer taxes and compliance with appropriate procedures for transferring shares in uncertificated form; provided, however, that such surrender and endorsement or payment of taxes shall not be required in any case in which the officers of the Corporation shall determine to waive such requirement. With respect to certificated shares of stock, every certificate exchanged, returned or surrendered to the Corporation shall be marked "Canceled," with the date of cancellation, by the Secretary or an Assistant Secretary of the Corporation or the transfer agent thereof. No transfer of stock shall be valid as against the Corporation, its stockholders or creditors for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

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

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

Section 7. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

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

ARTICLE VIII

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by courier service, facsimile, email or other electronic transmission.

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

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

ARTICLE IX

BOOKS

Section 1. Books. The Corporation shall keep in accordance with applicable law correct and adequate books and records of account and minutes of proceedings of the stockholders, the Board of Directors and any committees of the Board of Directors. The Corporation shall keep in accordance with applicable law at the office designated in the Certificate of Incorporation or at the office of the transfer agent or registrar of the Corporation, a record containing the names and addresses of all stockholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

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

ARTICLE X

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings other Than Those by or in the Right of the Corporation. Subject to Section 3 of this Article X, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article X, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, against expenses (including attorneys' fees) actually and reasonably incurred

by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article X (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2, and in each case Section 11, of this Article X, as the case may be. Such determination shall be made (i) by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (ii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article X, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other entity or enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 or 2, and in each case Section 11, of this Article X, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article X, and notwithstanding the absence of any determination thereunder, any director or officer may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2, and in each case Section 11, of this Article X. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the

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

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

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

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

Section 9. Certain Definitions. For purposes of this Article X, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust,

employee benefit plan or other entity or enterprise, shall stand in the same position under the provisions of this Article X with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article X, references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article X. For purposes of this Article X, the term “officers” shall not include “Appointed Officers” as defined in Section 17 of Article V.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article X shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person. Any amendment, alteration or repeal of this Article X that adversely affects any right of an indemnitee or his or her successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

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

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

ARTICLE XI

AMENDMENT OF BY-LAWS

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

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

ARTICLE XII

GENERAL PROVISIONS

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

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

CONSULTING AGREEMENT

This Consulting Agreement (this "Agreement"), dated as of November 2, 2016 (the "Execution Date"), is made and entered into by and among E. Scott Beattie ("Beattie"), and Revlon Consumer Products Corporation ("RCPC") and Revlon, Inc. ("Revlon") and collectively with RCPC and its subsidiaries, including, without limitation, Elizabeth Arden, Inc. ("Elizabeth Arden"), the "Company").

WHEREAS, Beattie was previously employed by Elizabeth Arden as its President and Chief Executive Officer, and his employment with Elizabeth Arden terminated on the Execution Date;

WHEREAS, on September 7th, 2016, Revlon acquired Elizabeth Arden (the "Acquisition"); and

WHEREAS, as consideration for the Company providing Beattie with the compensation described herein, Beattie agrees to provide advisory services to the Company as set forth in this Agreement.

NOW THEREFORE, in consideration of the covenants and obligations set forth herein, Beattie and the Company hereby agree as follows:

1. ADVISORY SERVICES. Beattie agrees to the following:
 - a. During the Advisory Period (as defined below), Beattie shall serve as non-employee senior advisor ("Senior Advisor") to Fabian Garcia, the Company's President and Chief Executive Officer, or his successor (the "CEO"), reporting directly to the CEO. In his role as Senior Advisor, Beattie shall provide advice, assistance and cooperation to the Company if, as, when and to the extent requested by the CEO. Beattie's services to the CEO shall include, without limitation, the following: (i) sharing with the CEO Beattie's expertise, experience, knowledge of and insight with respect to Elizabeth Arden's business and the beauty and fragrance industry in general; (ii) assisting the CEO in the procurement of new fragrances; (iii) working with the CEO to sustain key customer and other key stakeholder relations; (iv) assisting the CEO in the Company's integration process in connection with the Acquisition (including assisting in the retention of key talent); and (v) representing the Company in industry forums, as agreed with and determined by the CEO (any and all of the foregoing, the "Advisory Services"). Beattie shall provide the Advisory Services to, and at the direction of, the CEO. Beattie shall be permitted to perform the Advisory Services from New York City or the State of Florida at any given time during the Advisory Period, and shall make best efforts to attend all in-person meetings of Revlon's Board of Directors (the "Board"). In no event shall the Advisory Services exceed

a number of hours per month that would result in Beattie providing greater than 20% of the average number of hours Beattie was providing bona fide services to the Company in the 36-month period prior to the Execution Date.

- b. Beattie acknowledges and agrees that, unless expressly authorized by the CEO or the Board, or in connection with his services as a member of the Board in accordance with his fiduciary duties, he is not authorized to speak publicly, or to issue any other form of communication or disclosure to the public, on behalf of the Company, to enter into agreements on behalf of the Company or to otherwise bind the Company.
- c. Advisory Services Pay. In consideration of Beattie's agreement to provide the Advisory Services and his actually providing the Advisory Services as, when and to the extent requested by the CEO, the Company agrees to pay Beattie during the Advisory Period (and as provided in Section 1(f), if applicable) a fee at a rate of five-hundred thousand U.S. dollars (\$500,000) per annum (the "Advisory Services Pay"), which will be payable in equal installments on a monthly basis starting on November 15, 2016, and on the 15th of every month thereafter during the applicable period (each such date, a "Regular Payment Date"). Beattie hereby acknowledges that the Advisory Services Pay shall be inclusive of, and in lieu of, any cash compensation he is or was otherwise entitled to receive for his service as a member of the Board.
- d. Business Expenses. The Company shall promptly reimburse Beattie for reasonable and necessary expenses actually incurred by Beattie in connection with the business and affairs of the Company and the performance of Beattie's duties hereunder, subject to and in accordance with the Revlon Travel and Entertainment Policy, as in effect from time to time.
- e. Restricted Stock Unit Grant. As soon as reasonably practicable following the Effective Date (as defined below), Revlon will grant to Beattie a number of restricted stock units equal to \$3 million divided by the NYSE closing price of Revlon Class A Common Stock on the Effective Date (the "RSU Grant") pursuant to the restricted stock unit agreement evidencing the RSU Grant that is consistent with the terms of this Agreement, substantially in the form attached hereto as Exhibit A (the "RSU Agreement"). The RSU Grant will vest ratably on each of the first three anniversaries of the Effective Date (the "Original Vesting Schedule"), so long as Beattie (i) continues to provide Advisory Services, to the extent requested by the CEO; and (ii) has not committed a material breach of Sections 4, 5, 6 or 7 of this Agreement (such sections collectively, the "Restrictive Covenants") following written notice by the

Board or the CEO (setting forth in reasonable detail the act(s) alleged to constitute such breach) and, to the extent curable, has been given 15 days to cure such breach (a "Restrictive Covenant Breach"), through each applicable vesting date.

- (i) If the Advisory Period is terminated pursuant to subsections (ii) or (iii) of Section 1(f) of this Agreement, Beattie will continue to vest in the RSU Grant in accordance with the Original Vesting Schedule, so long as Beattie has not committed a Restrictive Covenant Breach.
 - (ii) Upon a "Change of Control" (as defined in the RSU Agreement), the unvested portion of the RSU Grant shall fully vest upon the consummation date of such Change of Control.
 - (iii) In the event that Beattie commits a Restrictive Covenant Breach, Beattie shall pay to the Company the value of any RSU Grant which vested during the 12-month period prior to such breach first occurring, in cash, within 10 days of the Company's delivery of notice of such breach, and the Company is hereby authorized to deduct such amount from any other amounts otherwise due to Beattie.
 - (iv) Except as expressly set forth herein, the RSU Grant shall be governed by the terms and conditions of the RSU Agreement.
- f. The "Advisory Period" shall begin on the day following the Execution Date (the "Effective Date") and shall continue until the earliest to occur of:
- (i) the third anniversary of the Effective Date (such three-year period from the Effective Date, the "Complete Term");
 - (ii) the date on which the Board and/or the CEO notifies Beattie that it no longer requires Beattie's provision of the Advisory Services for any reason other than for Cause (as defined below), or the date of Beattie's death or permanent and total disability;
 - (iii) the date on which Beattie terminates the Advisory Period as a result of the Company's failure to nominate him to the Board (other than in connection with the existence of Cause);
 - (iv) the date on which Beattie notifies the Board and/or the CEO that he no longer wishes to provide the Advisory Services for any or no reason; or
 - (v) the date on which Beattie is terminated by the Company as a result of his commission of any of the following act(s): (A) the willful material

failure by Beattie to provide or perform the Advisory Services; (B) Beattie's commission of any felony or any crime involving moral turpitude; or (C) a Restrictive Covenant Breach (any such event under clause (A), (B) or (C), "Cause"). The Board or the CEO shall provide written notice of the same to Beattie (setting forth in reasonable detail the act(s) alleged to constitute Cause), who shall then have 15 days to cure such event of Cause, if and to the extent any occurrence of Cause is determined by the Board in good faith to be capable of cure.

In order to terminate the Advisory Period pursuant to subsection (ii), (iii) or (iv) above, the Company or Beattie, as applicable, must provide the other with at least 15 days' prior written notice.

In the event the Advisory Period terminates pursuant to subsection (ii) or (iii) of Section 1(f), and subject to Beattie's execution of a Release (as defined below), which Release shall become effective and irrevocable within 60 days of the Advisory Period being so terminated (the date such Release actually becomes effective and irrevocable, the "Release Effective Date"), Beattie shall continue to receive the Advisory Services Pay for a period beginning on the Regular Payment Date following the Release Effective Date through the end of the Complete Term; provided that the first such payment shall include any amounts that would have otherwise been paid during the period from the date the Advisory Period terminates through such first payment date. Where the maximum period of 60 days for the Release to become effective and irrevocable spans two taxable years, the Release Effective Date shall be no earlier than the first business day of the second taxable year, subject to any further delays (if applicable) required pursuant to Section 9 of this Agreement. For purposes of this Agreement, the term "Release" shall mean a form of general release in favor of the Company and its affiliates substantially similar to the "General Release" included in the Separation and Release Agreement entered into between the parties on November 2, 2016 (the "Separation Agreement").

For the avoidance of doubt, upon the conclusion of the Advisory Period for any reason other than pursuant to subsection (ii) or (iii) of this Section 1(f), the Advisory Services Pay shall cease, subject to Section 5 of this Agreement.

2. SERVICE ON BOARD OF DIRECTORS/OTHER RESIGNATIONS. During the Advisory Period, Beattie shall serve as non-executive Vice Chairman of the Board at the discretion of, and subject to approval by, the Board, and as long as so elected by the Company's shareholders. As of the Effective Date, Beattie shall be covered (solely with respect to his role and position as a member of the Board) by the Company's directors

and officers insurance policy, as in effect from time. By signing this Agreement, Beattie represents that, prior to or as of the Execution Date, he has resigned from all other positions that he holds as a director, officer or otherwise with Elizabeth Arden, subject to the terms of the Separation Agreement, and agrees to promptly provide any documentation memorializing such actions as may be requested by the Board. Beattie may continue to serve as a member of the executive committee of the board of directors of the Personal Care Products Council (f/k/a the Cosmetic, Toiletry & Fragrance Association) on behalf of the Company, and may continue to serve as a member of the board of directors of Red Door Spa, in each case, provided that the Board in its sole discretion has not requested that Beattie cease to perform such service.

3. COOPERATION. Beattie agrees, without limitation as to time, to provide his attendance and truthful testimony where deemed appropriate by the Board, with respect to any investigation or the Company's defense or prosecution of any existing or future claims with respect to any matters about which Beattie has knowledge by virtue of providing the Advisory Services, by virtue of serving as a member of the Board or by virtue of his prior services to Elizabeth Arden. Such assistance and cooperation shall be provided by Beattie without fee or charge, other than the Company's reimbursement of reasonable travel expenses. Assistance shall be given at locations and times mutually agreed upon by Beattie and the Company, except with respect to mandated court appearances for which Beattie will make himself available upon reasonable notice.

4. CONFIDENTIAL INFORMATION. Unless the Board or CEO consents or directs Beattie in writing, he will not at any time during or after his service with the Company, use any Confidential Information (as defined in this Section 4) for his own benefit or disclose any Confidential Information to anyone outside the Company or to any employee or consultant of the Company not also having authorized access to and a legitimate need to know such Confidential Information, nor shall he direct anyone else to do so. In the event Beattie is requested or required to make disclosure of any Confidential Information under any court order, subpoena or other judicial process, he 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. For purposes of this Agreement, "Confidential Information" means any information, including without limitation, any financial information, projections, forecasts, business plans, synergy and/or cost reduction plans and related actions, mergers and acquisitions and divestitures, research and development projects, advertising, marketing and/or promotional plans, new business development projects, status of any contracts or contractual negotiations, formula, pattern, drawing, compilation, program, device, method, technique, computer security information, process, cost data, customer or supplier list or product or related information, directly or indirectly related to the past, present or anticipated business affairs of the Company or its affiliates, 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 any information regarding personal matters of any directors, officers or employees, or their respective family members, disclosed to Beattie or known to him through or in the course of his service with

the Company or its affiliates, directly or indirectly relating to the past, present or anticipated business affairs of the Company or its affiliates. Beattie understands that he may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of Confidential Information that: (a) is made (i) in confidence to a federal, state or local government official, or to his attorney, either directly or indirectly; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a law suit or other proceeding. The restrictions set forth in this Section 4 are in addition to, and concurrent with, any confidentiality or similar restrictions, agreements or covenants by which Beattie is otherwise bound.

5. NON-COMPETITION. During the Restricted Period (as defined in this Section 5), Beattie 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 this Section 5), or engage in any other activity or relationship which would be contrary to the Company's conflict of interest policy as set forth in the Revlon Code of Conduct and Business Ethics, as in effect from time to time. This prohibition does not apply to solely owning, directly or indirectly, (i) 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 that would otherwise constitute a Restricted Entity, or (ii) not more than five percent of the equity interests in any passive private investment fund that may be invested in a Restricted Entity. A "Restricted Entity" shall mean any other corporation, firm or business engaged in a consumer or professional cosmetics, fragrances, toiletries, skincare, beauty product and/or spa or salon business, or any other business that is competitive, in any geographical area, with any business of the Company or any of its affiliates. The "Restricted Period" shall mean the Advisory Period and: (A) in the event the Advisory Period is terminated pursuant to subsection (iv) of Section 1(f) of this Agreement, the one-year period following the date on which the Advisory Period so terminates, subject to the Company's continuation of the Advisory Fees during such one-year period; (B) in the event the Company terminates the Advisory Period pursuant to subsections (ii) or (iii) of Section 1(f) of this Agreement, the remainder of the Complete Term, provided that the Company honors its obligations to Beattie under Section 1(f) of this Agreement; or (C) if the Advisory Period is terminated for any reason other than as provided in subsections (A) and (B) of this Section 5, the one-year period following the date on which the Advisory Period terminates (but not beyond the Complete Term). The restrictions set forth in this Section 5 are in addition to, and concurrent with, any non-competition or similar restrictions, agreements or covenants by which Beattie is otherwise bound.

6. NON-SOLICITATION. Beattie hereby agrees that, during the Restricted Period, he will not, directly or indirectly, solicit, induce, influence, or attempt to solicit, induce or influence, any person then or previously employed by or providing services to the Company or its affiliates to terminate his or her employment or other service relationship with the Company or its affiliates, or otherwise interfere with any such employment by or association with the Company or its affiliates for the purpose of associating, as an employee

or otherwise, with any Restricted Entity (as defined in Section 6) or otherwise encourage any such employee or other service provider to leave his or her employment or service with the Company. Further, Beattie hereby agrees that he will not, at any time during the Restricted Period, directly or indirectly, solicit, induce, influence, or attempt to solicit, induce or influence, any customer, supplier, licensor and/or vendor of the Company or its affiliates to divert his, her or its business to any Restricted Entity or otherwise encourage such customer, supplier, licensor and/or vendor to terminate its business relationship with the Company or its affiliates or otherwise interfere with any business or contractual relationship of the Company or its affiliates that may exist from time to time, including but not limited to with any supplier, customer, licensor and/or vendor. The restrictions set forth in this Section 6 are in addition to, and concurrent with, any non-solicitation or similar restrictions, agreements or covenants by which Beattie is otherwise bound.

7. NON-DISPARAGEMENT. Beattie agrees and acknowledges that he will not at any time make any statement (orally or in writing) or take any action which, in any way, disparages the Company or any of its affiliates. The Company agrees that it shall not, and shall instruct its officers and members of the Board not to, disparage, criticize or defame Beattie. Nothing in this Section 7 shall prohibit the Company, its affiliates, Beattie or any other person or entity from providing truthful and accurate facts where required by lawfully compelled testimony; provided that Beattie notifies the Company in advance of any such testimony by Beattie and cooperates with the Company's reasonable efforts with respect to such testimony, to the fullest extent permitted by applicable law. This Section 7 will survive in perpetuity.

8. BREACH OF AGREEMENT. Notwithstanding anything herein to the contrary, Beattie agrees that the Company may immediately cease further payment of the Advisory Services Pay and that Beattie will forfeit any further vesting in the RSU Grant, and the Company's obligation to provide any additional consideration under this Agreement will be void, in the event Beattie commits a Restrictive Covenant Breach. Beattie agrees that if there is a Restrictive Covenant Breach, it will be difficult to measure the exact amount of damages. Beattie understands and agrees that a Restrictive Covenant Breach will constitute a material breach of this Agreement which will cause the Company to suffer immediate, substantial and irreparable injury, and which will be a sufficient basis for a court to award injunctive relief (without the necessity to post bond) and monetary damages to the Company without affecting the remainder of this Agreement.

9. SECTION 409A. The intent of the parties is that payments and benefits under this Agreement shall comply with or be exempt from Internal Revenue Code Section 409A and applicable guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted in accordance therewith. In no event whatsoever shall the Company or its affiliates be liable for any tax, interest or penalties that may be imposed on Beattie by Code Section 409A or any damages for failing to comply with Code Section 409A or otherwise. To the extent any taxable expense reimbursement or in-kind benefits under this Agreement is subject to Code Section 409A, the amount thereof eligible in any calendar year shall not affect the

amount eligible for any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the year in which Beattie incurred such expenses, and in no event shall any right to reimbursement or receipt of in-kind benefits be subject to liquidation or exchange for another benefit. Notwithstanding any provisions of this Agreement to the contrary, if Beattie is a "specified employee" (within the meaning of Code Section 409A and determined pursuant to any policies adopted by the Company consistent with Code Section 409A), at the time of Beattie's separation from service, and if any portion of the payments or benefits to be received by Beattie upon separation from service would be considered deferred compensation under Code Section 409A and cannot be paid or provided to Beattie without Beattie incurring taxes, interest or penalties under Code Section 409A, amounts that would otherwise be payable pursuant to this Agreement and benefits that would otherwise be provided pursuant to this Agreement, in each case, during the six-month period immediately following Beattie's separation from service will instead be paid or made available on the earlier of (i) the first business day of the seventh month following the date of Beattie's separation from service or (ii) Beattie's death. Each payment under this Agreement is intended to be a "separate payment" and not one of a series of payments for purposes of Code Section 409A.

10. GOVERNING LAW; JURISDICTION; WAIVER OF TRIAL BY JURY. 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 law provisions that would require application of the laws of a different jurisdiction, except as otherwise preempted by the laws of the United States. The parties consent and agree to the exclusive jurisdiction of the Federal and State courts sitting in the County of New York for all purposes. ALSO, AS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT, TO THE EXTENT ALLOWED BY LAW, THE PARTIES 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 CONSULTING RELATIONSHIP, OR ACTIONS OR INACTIONS OF ANY PARTY HERETO. If any action shall be brought to enforce or interpret any of the terms or conditions of this Agreement, the party that substantially prevails shall be entitled to its or his reasonable attorneys' fees and costs.

11. ENTIRE AGREEMENT. Except as explicitly set forth in this Agreement, the RSU Agreement and the Separation Agreement, this Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof including, but not limited to, any emails or term sheets. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth. In entering into, performing and enforcing this Agreement, each of Beattie and the Company disclaim any reliance whatsoever on any representations, warranties, promises, understandings or arrangements that are not expressly set forth, or referred to, in this Agreement. The failure

of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

12. ASSIGNMENT. This Agreement shall be binding upon the parties hereto and their successors and permitted assignees. This Agreement, and Beattie's rights and obligations hereunder, may not be assigned by the parties, nor may the parties pledge, encumber or anticipate any payments or benefits due hereunder, by operation of law or otherwise.

13. SEVERABILITY. Any provision of this Agreement that is held to be invalid or unenforceable under any applicable law or regulation shall, to the extent of any such invalidity or unenforceability, be deemed by the parties (a) to be modified to the extent necessary to cure such invalidity or unenforceability and to carry out so far as possible the intention manifested by the provision in question or (b) if necessary, to be omitted from this Agreement, but such invalidity or unenforceability, and such resulting modification or omission, shall not invalidate or render unenforceable the remaining provisions of this Agreement.

14. CONSTRUCTION OF AGREEMENT. The parties hereto acknowledge and agree that each party has reviewed and negotiated the terms and provisions of this Agreement and has contributed to its drafting. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties hereto and not in favor or against either party. The parties further agree that the recitals set forth in the beginning of this Agreement shall constitute substantive terms of this Agreement.

15. INDEPENDENT CONTRACTOR. Beattie warrants that, during the Advisory Period, Beattie will at all times be and remain an independent contractor, and will not be considered the agent, partner, principal or employee of the Company or any of its affiliates. Beattie will be free to exercise his own judgment as to the manner and method of providing the Advisory Services to the Company, subject to applicable laws and requirements reasonably imposed by the Company. Beattie acknowledges and agrees that, during Advisory Period, he will not be treated as an employee of the Company or any of its subsidiaries or affiliates for purposes of federal, state or local income or other tax withholding, nor unless otherwise specifically provided by law, for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act or any workers' compensation law of any state or country (or subdivision thereof), or for purposes of benefits provided to employees of the Company or any of its affiliates under any employee benefit plan, program, policy or arrangement (including, without limitation, vacation, holiday and sick leave benefits, insurance coverage and retirement benefits). Beattie acknowledges and agrees that, as an independent contractor, he will be required to pay (and that the Company will not withhold or remit) any applicable taxes on the fees paid to him by the Company, and to provide workers' compensation insurance and any

other coverage required by law. Beattie will at all times indemnify, hold harmless and defend the Company for all liabilities, losses, damages, costs (including, without limitation, legal costs and other professional fees on an indemnity basis) and expenses of whatsoever nature incurred or suffered by the Company or any of its affiliates arising from Beattie's performance of or breach of Beattie's obligations or warranties under this Agreement. Beattie hereby acknowledges that he will have no recourse against the Company (or any of its directors, officers, personnel, representatives, agents, successors or affiliates) for any such liability, loss, damage, cost or expense.

16. WORK PRODUCT.

(a) Beattie acknowledges that any and all records, files, notes and working papers relating to the Advisory Services and all trademarks, artwork, logos, graphics, video, text, data and other materials and information supplied by the Company to Beattie in connection with this Agreement, shall remain the sole and exclusive property of the Company to be used only in connection with the Advisory Services.

(b) All work product, including, without limitation, all records, files, notes and working papers, inventions, ideas, know how, data, designs, artwork, text, sketches, drawings, notebook and labbook entries, works and improvements of any kind whatsoever, whether of a technical, artistic or economic nature or otherwise, made or conceived by Beattie, either solely or jointly with others (including, without limitation, with the Company or its affiliates), which result from the Advisory Services (collectively, the "Work Product") shall be the sole property of the Company and its designees. Beattie hereby agrees to promptly: (i) communicate and to assign to the Company or its designees all such Work Product, (ii) execute and deliver all papers, instruments and assignments requested by the Company or its designees, (iii) perform any other reasonable act that the Company or its designees may require to vest in the Company or its designees all right, title and interest in and to all patents, copyrights, trademarks and other rights in and to the Work Product in any and all countries, and (iv) communicate, cooperate and provide all relevant information required by any attorney of the Company or its affiliates or any of their designees for the preparation of any patent, trademark, domain name, copyright and/or other similar filing. All Work Product and other material developed or acquired by Beattie, whether solely or jointly with others, in the course of performing the Advisory Services, as well as all information and material furnished to Beattie by the Company, whether or not patented, copyrighted or trademarked, shall remain the property of the Company and its affiliates and shall be held by Beattie as their custodian in strict confidence in accordance with the confidentiality provisions of this Agreement and as a trade secret which is the property of the Company or its affiliates.

17. COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which will be deemed to be an original and both of which taken together will constitute one and the same agreement.

18.

11

IN WITNESS WHEREOF, this Agreement is executed as of the date set forth below.

11/2/2016 /s/ E. Scott Beattie
Date Name

REVLON CONSUMER PRODUCTS CORPORATION

11/3/2016 By /s/ Michael T. Sheehan
Date

Senior Vice President, Deputy General Counsel and Secretary

REVLON, INC.

11/3/2016 By /s/ Michael T. Sheehan
Date

Senior Vice President, Deputy General Counsel and Secretary

Restricted Stock Unit Agreement

FOURTH AMENDED AND RESTATED REVLON, INC. STOCK PLAN

This RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”) is entered into between REVLON, INC., a Delaware corporation (“Revlon” and, together with Revlon’s affiliates, the “Company”), and E. Scott Beattie, a non-employee director of Revlon (the “Grantee”) on November 3, 2016 (the “Grant Date”), subject to the Grantee’s acceptance of this Agreement.

Revlon’s Compensation Committee (the “Committee”) has determined that the objectives of the Fourth Amended and Restated Revlon, Inc. Stock Plan, as amended (the “Plan”), will be furthered by granting to the Grantee Restricted Stock Units, subject to certain restrictions, upon the terms and conditions hereinafter contained (“RSUs” or the “Restricted Stock Unit Award”). Each RSU represents the right to receive one share of Revlon, Inc. Class A common stock (“Common Stock”), subject to the terms and conditions of the Plan and this Restricted Stock Unit Agreement (this “Agreement”).

In consideration of the foregoing and of the mutual undertakings set forth in this Agreement, the Company and the Grantee agree as follows:

SECTION 1. Notice of Grant; Grant of RSUs. Subject to Section 9 of this Agreement, the Company hereby grants to the Grantee the number of RSUs designated in the notice of grant from the Company which accompanies this Agreement as Schedule 2 hereto, or the online award summary referred to therein (the “Notice of Grant”). However, the Grantee shall have no right to the delivery of any shares of Common Stock subject to the RSUs except to the extent such RSUs have vested. Prior to the actual delivery of shares of Common Stock pursuant to Section 2 hereof, the RSUs will represent an unsecured obligation of the Company. The Grantee shall not be required to make any payment for the RSUs.

SECTION 2. Restrictions.

(a) **Vesting of RSUs.** For so long as the Restricted Stock Unit Award shall not be canceled pursuant to the terms of the Plan or this Agreement (or the consulting and transition agreement entered into between the Company and the Grantee on November 2, 2016 (the “Transition Agreement”)), one-third of the RSUs shall vest on each of the first three anniversaries of the Grant Date (the “Original Vesting Schedule”). Notwithstanding the foregoing, the RSUs which are the subject of this Agreement shall immediately vest upon a “Change of Control,” as defined in Schedule 1 hereto.

(b) **Issuance of Shares.** No shares of Common Stock shall be issued or delivered to the Grantee prior to the date on which the RSUs vest. As soon as reasonably practicable after any RSUs vest, but in no event more than 10 days following the applicable vesting event, subject to the terms of this Agreement, the Company shall cause to be issued to the Grantee (in book-entry form or otherwise) shares of Common Stock with respect to such vested RSUs. Notwithstanding the foregoing, no RSUs that vest upon a Change of Control will be settled on such Change of Control unless such Change of Control is also a “change in effective control” or “change in ownership” under Section 409A of the Internal Revenue Code of 1986, as amended (in either case, a “409A Change of Control”). If such Change of Control is not also a 409A Change of Control, then any vested RSUs (or other form of consideration) received by shareholders of the Company in respect of shares of Common Shares in connection with such Change of Control shall be delivered to the Grantee no more than 10 days following the applicable vesting date on which the RSUs would have otherwise vested in accordance with the Original Vesting Schedule.

SECTION 3. Rights as Stockholder. Neither the Grantee nor any person claiming under or through the Grantee will have any of the rights or privileges of a stockholder of the Company in respect of any shares of Common Stock deliverable hereunder unless and until certificates representing such shares of Common Stock (which may be in book-entry form) have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to the Grantee (including through electronic delivery to a brokerage account), including, but not limited to, the right to vote and to receive dividends and other distributions. After such issuance, recordation and delivery, the Grantee will have all the rights of a stockholder of the Company with respect to such shares.

SECTION 4. Taxes. The Grantee is liable and responsible for all taxes owed in connection with the RSUs, regardless of any action the Company takes with respect to any tax obligations that arise in connection with the RSUs. The Company makes no representation or undertaking regarding the tax treatment in connection with the grant or vesting of the RSUs or the subsequent sale of shares of Common Stock issuable pursuant to the RSUs. The Company does not commit to and is under no obligation to structure the RSUs to reduce or eliminate the Grantee's tax liability. The Grantee acknowledges and agrees that he is not an employee of the Company and that, as a non-employee director of Revlon, the Grantee will be required to pay (and the Company will not withhold or remit) any applicable taxes in connection with the RSUs.

SECTION 5. Termination of Service with the Company.

(a) Subject to Section 5(b) below, effective as of the date of the Grantee's termination of service with the Company for any reason, all RSUs which are unvested as provided in Section 2 of this Agreement shall be canceled, except to the extent the Committee may otherwise determine.

(b) In the event that the Grantee's service with the Company is terminated pursuant to subsections (ii) or (iii) of Section 1(f) of the Transition Agreement, the Grantee shall continue to vest in the RSUs in accordance with the Original Vesting Schedule as and to the extent provided in Section 1(e) of the Transition Agreement, which is incorporated herein by reference.

(c) Nothing in the Plan or this Agreement shall confer upon the Grantee or any other person the right to continue in the service of the Company or affect any right which the Company may have to terminate the service of the Grantee or any other person.

SECTION 6. Plan Provisions to Prevail. This Agreement shall be subject to all of the terms and provisions of the Plan, as it may be amended from time to time, which are incorporated hereby and made a part hereof, including, without limitation, the provisions of Section 2.9(c) of the Plan (generally prohibiting the sale of shares not owned or immediately issuable and failure to duly deliver shares in settlement), Section 3.8(c) of the Plan (generally relating to waivers of claims to continued exercise or vesting of awards, damages and severance entitlements related to non-continuation of awards), Section 3.2 of the Plan (generally relating to consents required by securities and other laws), Section 3.5 of the Plan (relating to changes in capitalization) and Section 3.11 of the Plan (generally relating to the effects of certain reorganizations and other extraordinary transactions). Any term defined in the Plan shall have the same meaning in this Agreement, unless otherwise defined herein. In the event there is any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan shall govern. In the event there is any inconsistency regarding the details of the grant between the records or communications of the Company's outside Stock Plan Administrator and the resolutions and/or minutes of the Committee authorizing the RSUs subject to this Agreement, the Committee's records shall prevail over the records, communications, databases and

online summaries or presentations of those grant details furnished or maintained by the Company's outside Stock Plan Administrator. Notwithstanding the foregoing, the provisions of Section 1(e) of the Transition Agreement hereof shall govern and control over any conflicting provisions of the Plan, including without limitation the "default rules" under Section 2.10 of the Plan.

SECTION 7. Grantee's Acknowledgment. By entering into this Agreement, the Grantee agrees and acknowledges that (a) he/she has received, read and understood a copy of the Plan, including Section 3.8(c) of the Plan (generally relating to waivers of claims to continued exercise or vesting of awards, damages and severance entitlements related to non-continuation of awards) and this Agreement, and accepts the RSUs upon all of the terms thereof, and (b) that no member of the Committee shall be liable for any Plan Action (as defined in the Plan), including without limitation any action or determination made in good faith with respect to the Plan or any award thereunder or under this Agreement. The Grantee has reviewed with his or her own advisors the tax and other consequences of the transactions contemplated by this Agreement. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with respect to all matters of this Agreement.

SECTION 8. Nontransferability; Limitations on the Sale of Common Stock.

(a) No RSUs granted to the Grantee under this Agreement shall be assignable or transferable by the Grantee (voluntarily or by operation of law), other than by will or by the laws of descent and distribution prior to vesting of the RSUs set forth in the Plan and this Agreement applicable thereto.

(b) The Grantee may sell, assign and/or transfer the shares of Common Stock issued in respect of the RSUs pursuant to this Agreement, in whole or in part, subject to compliance with the Company's trading policies, as provided in Section 16 hereof. Unless the Committee otherwise determines, the Grantee shall not have the right to pledge, hypothecate or encumber the RSUs granted pursuant to this Agreement. Any attempt to dispose of the RSUs and the shares of Common Stock issued in respect thereof in contravention of such restrictions shall be null and void and without effect.

SECTION 9. Conditions. Notwithstanding anything contained in this Agreement to the contrary, the grant of the RSUs pursuant to Section 1 hereof is conditioned upon and subject to the Grantee's execution and delivery to the Company of an executed copy of this Agreement (which shall be electronically accepted by the Grantee pursuant to processes prescribed by the Company).

SECTION 10. Notices. Any notice to be given to the Company hereunder shall be in writing and shall be addressed to the Company's General Counsel at her then current Revlon email address. Any notice to be given to the Grantee hereunder shall be in writing and shall be addressed to the Grantee at the address set forth below, or at such other address as the Grantee may hereafter designate to the Company by notice as provided herein, or at such other address of the Grantee on file with the Company's human resource or payroll records, whichever is later communicated. Subject to the foregoing, notices hereunder shall be deemed to have been duly given when sent by email or personal delivery, or three business days following delivery by registered or certified mail, or on the next business day if sent via overnight courier, in each case to the party entitled to receive the same in the manner provided in this Section 10.

SECTION 11. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the Company and, to the extent set forth in Section 3.3 of the Plan and Section 8 of this Agreement, the heirs and personal representatives of the Grantee.

SECTION 12. Governing Law. This Agreement shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such state

SECTION 13. Modifications to Agreement; Waivers. This Agreement may not be altered, modified, changed or discharged, except by a writing signed by or on behalf of both Revlon and the Grantee. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

SECTION 14. Other Company Actions. Nothing contained in this Agreement shall be construed to prevent the Company from taking any action which is deemed by it to be appropriate or in its best interest, whether or not such action would have an adverse effect on the RSUs granted under this Agreement. Neither the Grantee nor any other person shall have any claim against the Company as a result of any such action.

SECTION 15. Committee Authority. The Committee shall have full authority to interpret, construe and administer the terms of this Agreement in its sole discretion. The determination of the Committee as to any such matter of interpretation, construction or administration shall be final, binding and conclusive on all parties.

SECTION 16. No Violation of Securities Laws; Securities Trading Policy.

(a) The Company shall not be obligated to make any payment or delivery hereunder if such action, in the opinion of counsel for the Company, would violate any applicable securities laws. The Company shall be under no obligation to register any shares of Common Stock or any other property pursuant to any securities laws on account of the transactions contemplated by this Agreement.

(b) It is understood and agreed that under the Company's Confidentiality of Information and Securities Trading Policy, as is in effect from time to time, a copy of which is available upon request from the Company's General Counsel (the "Trading Policy"), employees and Directors of the Company, including Grantees of RSUs, may be restricted from selling shares of Common Stock after the RSUs vest and during certain "restricted periods." As of the date of this Agreement, the "restricted periods" commence on the first day of each fiscal quarter of the Company (i.e., April 1, July 1, October 1 and January 1) and continue until two business days after the public release of the Company's earnings for the prior quarter (under the Trading Policy, these periods may change from time to time, and the Company may impose other restricted trading periods due to special circumstances).

SECTION 17. Severability. Notwithstanding any other provision of this Agreement, if any provision of this Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the sole discretion of the Committee, materially altering the intent of the Agreement, such provision shall be stricken as to such jurisdiction or person, and the remainder of the Agreement shall remain in full force and effect.

SECTION 18. Headings. The headings of sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement.

SECTION 19. Fractional Shares. Unless and until the Committee in its sole discretion determines otherwise, no fractional shares of Common Stock shall be issued or delivered pursuant to this Agreement, and unless and until the Committee in its sole discretion determines that cash, other securities,

or other property shall be paid or transferred in lieu of any fractional shares, any rights to any fractional share shall be canceled, terminated or otherwise eliminated, without payment of any consideration.

SECTION 20. Entire Agreement. This Agreement, the Plan, and the Transition Agreement contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersedes all prior communications, representations and negotiations, written or oral, in respect thereto. Neither the Company nor the Committee nor the Grantee have made any promises, agreements, conditions or understandings, either orally or in writing, concerning the Restricted Stock Unit Award that are not included in this Agreement, the Plan, or the Transition Agreement.

SECTION 21. Miscellaneous. This Agreement is being furnished to the Grantee electronically and shall not be enforceable by the Grantee unless and until it has been electronically accepted by the Grantee via electronic acceptance procedures established by the Company, as communicated to the Grantee in the Notice of Grant (or otherwise in writing), and such acceptance has been logged and validated by the Company. The grant covered by this Agreement shall be void and of no force or effect if this Agreement is not accepted timely by the Grantee.

SECTION 22. Section 409A. Notwithstanding any provisions of this Agreement to the contrary, if the Grantee is determined to be a "specified employee" (within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A")) at the time the Grantee ceases to continue to provide services to the Company, and if any portion of the payments or benefits to be received by the Grantee following a separation from service under this Agreement would be considered deferred compensation under Section 409A and cannot be paid or provided to the Grantee without the Grantee incurring taxes, interest or penalties under Section 409A, amounts that would otherwise be payable pursuant to this Agreement and benefits that would otherwise be provided pursuant to this Agreement, in each case, during the six-month period immediately following the Grantee' separation from service will instead be paid or made available on the earlier of (i) the first business day of the seventh month following the date of the Grantee's separation from service or (ii) the Grantee's death.

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

REVLON, INC.

By: /s/ Michael T. Sheehan
Name: Michael T. Sheehan

Title: SVP, Deputy General Counsel and Secretary
Date: November 3, 2016

GRANTEE

/s/ E. Scott Beattie

Date: November 3, 2016

SCHEDULE 1 TO RESTRICTED STOCK UNIT AGREEMENTChange of Control

A “Change of Control” shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

any Person, other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this definition a Person will be deemed to have “beneficial ownership” of all shares that any such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company; provided, that under such circumstances the Permitted Holders do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of the Company (for the purposes of this clause (i) and clause (iii), such other Person will be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other Person beneficially owns, directly or indirectly, more than 50% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of such parent corporation);

during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Company was approved by a vote of 66-2/3% of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Company then in office;

the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets to an entity in which any Person, other than one or more Permitted Holders is or becomes the Beneficial Owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this definition a Person will be deemed to have “beneficial ownership” of all shares that any Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of securities of such entity representing 50% or more of the combined voting power of such entity’s Voting Stock, and the Permitted Holders “beneficially own” (as so defined) directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of such entity than such other Person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of such entity; or

a “Change of Control” shall have occurred under, and as defined in, the indenture governing Revlon Consumer Products Corporation’s 8 5/8% Senior Subordinated Notes Due 2008 or any other Subordinated Obligations of Revlon Consumer Products Corporation so long as such 8 5/8% Senior Subordinated Notes Due 2008 or Subordinated Obligations are outstanding.

Notwithstanding the foregoing, a “Change of Control” shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same combined voting power of the Voting Stock in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

“Capital Stock” of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into or exchangeable for such equity.

“Company” means Revlon, Inc. together with its subsidiaries, including, without limitation, Revlon Consumer Products Corporation.

“8 5/8% Senior Subordinated Notes Due 2008” means Revlon Consumer Products Corporation’s 8 5/8% Senior Subordinated Notes due 2008 and any notes exchanged therefor.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

“Permitted Holders” means Ronald O. Perelman (or in the event of his incompetence or death, his estate, heirs, executor, administrator, committee or other personal representative (collectively, “heirs”)) or any Person controlled, directly or indirectly, by Ronald O. Perelman or his heirs.

“Person” shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

“Preferred Stock,” as applied to the Capital Stock of the Company, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of the Company, over shares of Capital Stock of any other class of the Company.

“Subordinated Obligations” has the meaning ascribed thereto in the indenture for Revlon Consumer Products Corporation’s 9½% Senior Notes due 2011.

“Voting Stock” means all classes of Capital Stock of the Company then outstanding and normally entitled to vote in the election of Directors.

Notice of Grant of Restricted Stock Units

Revlon, Inc.
 ID: 13-3662955
 One New York Plaza
 New York, New York 10004

New York, NY 10017

Name: E. Scott Beattie

ID:

You have been granted restricted stock units of Revlon, Inc. Class A Common Stock as follows:

Restricted Stock Unit Grant No.	
Date of Grant	November 3, 2016
Number of Restricted Stock Units	93,458

The vesting schedule of the restricted shares of stock granted hereunder is as follows:

Except as otherwise provided in your Restricted Stock Unit Agreement (as defined below), One-third (1/3) of the total restricted stock units granted hereunder shall vest on November 3, 2017, one-third (1/3) of the total restricted stock units granted hereunder shall vest on November 3, 2018 and the remainder of the total restricted stock units granted hereunder shall vest on November 3, 2019.

This grant is made under, and governed by, the terms and conditions of the Fourth Amended and Restated Revlon, Inc. Stock Plan and your restricted stock unit agreement dated November 3, 2016 (the "Restricted Stock Unit Agreement"), of which this Notice forms a part.

Under the Company's Confidentiality of Information and Securities Trading Policy (the "Trading Policy"), employees and Directors of the Company, including Grantees of restricted stock, may be restricted from selling shares of restricted stock after the restrictions lapse and during certain "restricted periods." As of the date of this Agreement, the "restricted periods" commence on the first day of each fiscal quarter of the Company (i.e., April 1, July 1, October 1 and January 1) and continue until two business days after the public release of the Company's earnings for the prior quarter (under the Trading Policy, these periods may change from time to time, and the Company may impose other restricted trading periods due to special circumstances).

*** SCHEDULE 2 TO RESTRICTED STOCK UNIT AGREEMENT ***

/s/ Michael T. Sheehan

For Revlon, Inc.

November 3, 2016

Date

/s/ E. Scott Beattie

Grantee

November 3, 2016

Date

CERTIFICATIONS

I, Fabian Garcia, 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: November 4, 2016

/s/ Fabian T. Garcia

Fabian T. Garcia

President and Chief Executive Officer

CERTIFICATIONS

I, Juan Figuero, 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: November 4, 2016

/s/ Juan R. Figuero

Juan R. Figuero

Executive Vice President and Chief Financial 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 September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fabian Garcia, 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/ Fabian T. Garcia
Fabian T. Garcia
Chief Executive Officer

November 4, 2016

**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 September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Juan Figueroe, 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/ Juan R. Figueroe

Juan R. Figueroe

Executive Vice President and Chief Financial Officer

November 4, 2016