

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

-----  
 FORM 10-Q

(Mark One)

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

For the quarterly period ended: March 31, 1997

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 33-99558

REVLON, INC.

(Exact name of registrant as specified in its charter)

DELAWARE  
 (State or other jurisdiction of  
 incorporation or organization)

13-3662955  
 (I.R.S. Employer  
 Identification No.)

625 MADISON AVENUE, NEW YORK, NEW YORK  
 (Address of principal executive offices)

10022  
 (Zip Code)

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

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

As of March 31, 1997 19,878,725 shares of Class A Common Stock and 31,250,000 shares of Class B Common Stock were outstanding. 11,250,000 shares of Class A Common Stock and all the shares of Class B Common Stock were held by Revlon Worldwide Corporation, an indirectly wholly owned subsidiary of Mafco Holdings, Inc.

Total Pages - 12

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

ASSETS	MARCH 31, 1997	DECEMBER 31, 1996
	-----	-----
	(Unaudited)	
Current assets:		
Cash and cash equivalents.....	\$ 35.6	\$ 38.6
Trade receivables, less allowances of \$22.3 and \$24.9, respectively.....	394.5	426.3
Inventories.....	305.9	281.0
Prepaid expenses and other.....	80.5	74.5
	-----	-----
Total current assets.....	816.5	820.4

Property, plant and equipment, net.....	374.0	381.1
Other assets.....	141.6	139.2
Intangible assets related to businesses acquired, net.....	279.7	280.6
	=====	=====
Total assets.....	\$ 1,611.8	\$ 1,621.3
	=====	=====

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current liabilities:		
Short-term borrowings - third parties.....	\$ 23.4	\$ 27.1
Current portion of long-term debt - third parties.....	8.4	8.8
Accounts payable.....	146.8	161.9
Accrued expenses and other.....	321.4	365.2
	-----	-----
Total current liabilities.....	500.0	563.0
Long-term debt - third parties .....	1,404.2	1,321.8
Long-term debt - affiliates.....	30.4	30.4
Other long-term liabilities.....	202.4	202.8
Stockholders' deficiency:		
Preferred stock, par value \$.01 per share; 20,000,000 shares authorized, 546 Series A Preferred Stock issued and outstanding.....	54.6	54.6
Class A Common Stock, par value \$.01 per share; 350,000,000 shares authorized, 19,878,725 and 19,875,000, respectively, issued and outstanding.....	0.2	0.2
Class B Common Stock, par value \$.01 per share; 200,000,000 shares authorized, 31,250,000 issued and outstanding.....	0.3	0.3
Capital deficiency.....	(233.1)	(233.2)
Accumulated deficit since June 24, 1992.....	(325.9)	(300.4)
Adjustment for minimum pension liability.....	(12.4)	(12.4)
Currency translation adjustment.....	(8.9)	(5.8)
	-----	-----
Total stockholders' deficiency.....	(525.2)	(496.7)
	-----	-----
Total liabilities and stockholders' deficiency.....	\$ 1,611.8	\$ 1,621.3
	=====	=====

See Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS  
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED	
	MARCH 31,	
	1997	1996
	-----	-----
Net sales.....	\$ 492.5	\$ 464.3
Cost of sales.....	166.2	152.9
	-----	-----
Gross profit.....	326.3	311.4
Selling, general and administrative expenses.....	303.8	295.1
Business consolidation costs.....	5.4	-
	-----	-----
Operating income .....	17.1	16.3
	-----	-----
Other expenses (income):		
Interest expense.....	33.3	34.3
Interest and net investment income.....	(0.7)	(1.0)
Amortization of debt issuance costs.....	2.0	2.5
Foreign currency losses, net.....	1.8	2.1
Miscellaneous, net.....	0.7	0.5
	-----	-----
Other expenses, net.....	37.1	38.4
	-----	-----
Loss before income taxes.....	(20.0)	(22.1)

Provision for income taxes.....	5.5	7.0
Loss before extraordinary item.....	(25.5)	(29.1)
Extraordinary item - early extinguishment of debt.....	--	(6.6)
Net loss.....	\$ (25.5)	\$ (35.7)
Loss per common share:		
Loss before extraordinary item .....	\$ (0.50)	\$ (0.64)
Extraordinary item .....	--	(0.15)
Net loss .....	\$ (0.50)	\$ (0.79)
Weighted average common shares outstanding.....	51,125,673	45,375,000

See Notes to Unaudited Consolidated Condensed Financial Statements.

3

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

	THREE MONTHS ENDED	
	MARCH 31,	
	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss.....	\$ (25.5)	\$ (35.7)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:		
Depreciation and amortization.....	24.6	22.1
Extraordinary item.....	-	6.6
Business consolidation costs.....	5.4	-
Change in assets and liabilities:		
Decrease in trade receivables.....	26.0	3.7
Increase in inventories.....	(27.9)	(36.4)
Increase in prepaid expenses and other current assets.....	(7.9)	(9.8)
Decrease in accounts payable.....	(12.4)	(8.7)
Decrease in accrued expenses and other current liabilities.....	(44.9)	(31.3)
Other, net.....	(17.5)	(10.9)
Net cash used for operating activities.....	(80.1)	(100.4)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures.....	(8.0)	(11.8)
Other, net.....	-	(0.3)
Net cash used for investing activities.....	(8.0)	(12.1)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (decrease) increase in short-term borrowings - third parties .....	(2.4)	0.4
Proceeds from the issuance of long-term debt - third parties.....	138.2	140.3
Repayment of long-term debt - third parties.....	(50.4)	(222.5)
Net proceeds from issuance of common stock.....	0.1	187.8
Proceeds from the issuance of debt - affiliates.....	33.9	19.4
Repayment of debt - affiliates.....	(33.9)	(19.4)
Payment of debt issuance costs.....	-	(10.9)
Net cash provided by financing activities.....	85.5	95.1
Effect of exchange rate changes on cash and cash equivalents.....	(0.4)	(0.5)
Net decrease in cash and cash equivalents.....	(3.0)	(17.9)
Cash and cash equivalents at beginning of period.....	38.6	36.3

Cash and cash equivalents at end of period.....	\$ 35.6	\$ 18.4
	=====	=====
Supplemental schedule of cash flow information:		
Cash paid during the period for:		
Interest .....	\$ 39.6	\$ 43.7
Income taxes, net of refunds.....	2.9	5.0

See Notes to Unaudited Consolidated Condensed Financial Statements.

4

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

(1) BASIS OF PRESENTATION

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

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

The Unaudited Consolidated Condensed Financial Statements include the accounts of the Company after elimination of all material intercompany balances and transactions. Further, the Company has made a number of estimates and assumptions relating to the assets and liabilities, the disclosure of contingent assets and liabilities and the reporting of revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

The results of operations and financial position, including working capital, for interim periods are not necessarily indicative of those to be expected for a full year, due, in part, to seasonal fluctuations which are normal for the Company's business.

The Company matches advertising and promotion expenses with sales revenues for interim reporting purposes. Advertising and promotion expenses estimated for a full year are charged to earnings for interim reporting purposes in proportion to the relationship that net sales for such period bear to estimated full year net sales. As a result, in the first quarter of 1997 and 1996, disbursements and commitments for advertising and promotion exceeded advertising and promotion expenses by \$22.2 and \$14.9, respectively, and such amounts were deferred.

(2) INVENTORIES

	March 31, 1997	December 31, 1996
	-----	-----
Raw materials and supplies	\$ 94.2	\$ 76.6
Work-in-process	21.4	19.4
Finished goods	190.3	185.0
	-----	-----
	\$ 305.9	\$ 218.0
	=====	=====

5

REVLON, INC. AND SUBSIDIARIES  
NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL  
STATEMENTS

(3) INITIAL PUBLIC OFFERING

On March 5, 1996, the Company completed an initial public offering (the "Offering") in which it issued and sold 8,625,000 shares of its Class A Common Stock for \$24.00 per share. The proceeds, net of underwriter's discount and related fees and expenses, of \$187.8 were used to repay borrowings outstanding under the credit agreement in effect at that time (the "Former Credit Agreement") and to pay fees and expenses related to the credit agreement which became effective on March 5, 1996 (the "Credit Agreement").

(4) NET LOSS PER SHARE

The net loss per share has been computed based upon the weighted average of 42,500,000 shares of common stock outstanding prior to the Offering and 51,125,000 shares of common stock outstanding after the Offering. The effect of stock options has not been included as it is anti-dilutive.

In March 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which establishes new standards for computing and presenting earnings per share. SFAS No. 128 will be effective for interim and annual financial statements after December 15, 1997. The Company believes that the adoption of SFAS No. 128 will not have a material impact on the Company's reported earnings per share.

(5) EXTRAORDINARY ITEM

The extraordinary item in the first quarter of 1996 resulted from the write-off of deferred financing costs associated with the extinguishment of the Former Credit Agreement prior to maturity with the net proceeds from the Offering and Credit Agreement.

(6) BUSINESS CONSOLIDATIONS

In the first quarter of 1997 the Company incurred business consolidation costs of approximately \$5.4 in connection with the implementation of its business strategy to rationalize factory operations. These costs primarily included severance and other related costs in certain International operations. As of March 31, 1997 substantially all of the costs were included in accrued expenses and other.

(7) MERGER OF SUBSIDIARY

On April 25, 1997, Prestige Fragrance & Cosmetics, Inc., a wholly owned subsidiary of Products Corporation ("PFC"), and The Cosmetic Center, Inc. ("Cosmetic Center") completed the merger of PFC with and into Cosmetic Center, with Cosmetic Center surviving the merger (the "Merger"). In the Merger, Products Corporation received in exchange for all of the capital stock of PFC newly issued Class C common stock of Cosmetic Center constituting approximately 85% of the outstanding common stock. Accordingly, the Merger will be accounted for as a reverse acquisition using the purchase method of accounting and PFC will be considered the acquiring entity for accounting purposes, even though Cosmetic Center is the surviving legal entity.

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

OVERVIEW

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

The Company presents its business geographically as its United States operation, which comprises the Company's business in the United States, and its International operation, which comprises its business outside of the United States.

RESULTS OF OPERATIONS

The following table sets forth the Company's net sales by operation for the first quarters of 1997 and 1996, respectively:

	Quarter Ended March 31,	
	1997	1996
Net sales:		
United States.....	\$ 282.5	\$ 259.6
International.....	210.0	204.7
	\$ 492.5	\$ 464.3

The following sets forth certain statements of operations data as a percentage of net sales for the first quarters of 1997 and 1996, respectively:

	Quarter Ended March 31,	
	1997	1996
Cost of sales.....	33.7%	32.9%
Gross profit.....	66.3	67.1
Selling, general and administrative expenses.....	61.7	63.6
Business consolidation costs.....	1.1	-
Operating income.....	3.5	3.5

Net sales

Net sales were \$492.5 and \$464.3 for the first quarter of 1997 and 1996, respectively, an increase of \$28.2, or 6.1%, primarily as a result of successful new product introductions worldwide, increased demand in the United States, increased distribution internationally into the expanding self-select distribution channel and the further development of new international markets.

United States. The United States operation's net sales increased to \$282.5 for the first quarter of 1997 from \$259.6 for the first quarter of 1996, an increase of \$22.9, or 8.8%. Net sales improved for the first quarter of 1997 primarily as a result of continued consumer acceptance of new product offerings and general improvement in consumer demand for the Company's color cosmetics in the United States, partially offset by overall softness in the fragrance industry and lower sales of one of the Company's prestige brands. The Company improved the dollar share of its Revlon branded cosmetics in the color cosmetics business in the United States self-select distribution channel to 21.9% in the first quarter of 1997 from 21.6% in the first quarter of 1996, continuing as the number one brand in market share. Market share, which is subject to a number of conditions, can vary from quarter to quarter as a result of such things as timing of new product introductions and advertising and promotional spending. New product introductions (including, in 1997, certain products launched during 1996) generated incremental net sales in the first quarter of 1997, principally

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

as a result of launches of products in the COLORSTAY collection, including COLORSTAY foundation, lip makeup, eye makeup, and blush, launches of products in the ALMAY AMAZING collection, including lip makeup, eye makeup, face makeup and concealer and launches of REVLON AGE DEFYING line extensions, STREETWEAR nail enamel and NEW COMPLEXION face makeup.

International. The International operation's net sales increased to \$210.0 for the first quarter of 1997 from \$204.7 for the first quarter of 1996, an increase of \$5.3, or 2.6% on a reported basis or 6.3% on a constant U.S. dollar basis. Net sales improved principally as a result of successful new product introductions, including the continued roll-out of the COLORSTAY cosmetics collection and REVLON AGE DEFYING makeup, increased distribution into the expanding self-select distribution channel, the further development of new international markets, partially offset, on a reported basis, by the unfavorable effect on sales of a stronger U.S. dollar against certain foreign currencies, primarily the Spanish peseta, and several other European currencies, the South African rand and the Japanese yen and partially offset by sales lost in exiting the unprofitable demonstrator-assisted channel in Japan. The International operation's sales are divided into the following geographic areas: Europe, which is comprised of Europe, the Middle East and Africa (in which net sales increased by 0.2% to \$95.4 for the first quarter of 1997 as compared to the first quarter of 1996 ); the Western Hemisphere, which is comprised of Canada, Mexico, Central America, South America and Puerto Rico (in which net sales increased by 12.0% to \$74.7 for the first quarter of 1997 as compared to the first quarter of 1996 ); and the Far East (in which net sales decreased by 6.8% to \$39.9 for the first quarter of 1997 as compared to the first quarter of 1996 ). Excluding in both periods the effect of the Company's strategy of exiting the demonstrator-assisted distribution channel in Japan, Far East net sales for the first quarter of 1997 would have been at the same level as those in the first quarter of 1996.

The Company's operations in Brazil are significant and, along with operations in certain other countries, have been subject to, and may continue to be subject to, significant political and economic uncertainties. In Brazil, net sales, operating income and income before taxes were \$34.4, \$6.8 and \$4.4, respectively, for the first quarter of 1997 compared to \$31.6, \$7.3 and \$6.0, respectively, for the first quarter of 1996. In Mexico, operating results for the first quarter of 1997 and 1996 were adversely affected by the continued weakness of the Mexican economy. Effective January 1997, Mexico is considered a hyperinflationary economy. In Venezuela, operating results for the first quarter of 1997 and 1996 were adversely affected by high inflation and in the 1996 period by a currency devaluation.

#### Cost of sales

As a percentage of net sales, cost of sales was 33.7% for the first quarter of 1997 compared to 32.9% for the first quarter of 1996, respectively. The increase in cost of sales as a percentage of net sales is due primarily to changes in product mix involving an increase in sales of the Company's higher cost enhanced performance technology-based products, an increase in export sales, increased sales of lower margin products (such as those products sold in Brazil), the effect of weaker local currencies on the cost of imported purchases and competitive pressures on the Company's toiletries business in certain international markets. This was partially offset by the benefits of improved overhead absorption against higher production volumes and more efficient global production and purchasing. The aforementioned increases in sales that negatively impacted cost of sales as a percentage of net sales were, however, more profitable to the Company's overall operating results.

#### Selling, general & administrative ("SG&A") expenses

As a percentage of net sales, SG&A expenses were 61.7% for the first quarter of 1997, an improvement from 63.6% for the first quarter of 1996. SG&A expenses other than advertising expense, as a percentage of net sales, improved to 45.4% for the first quarter of 1997 compared with 47.3% for the first quarter of 1996 primarily as a result of reduced general and administrative expenses, improved productivity and lower distribution costs in the first quarter of 1997 compared with the first quarter of 1996. In accordance with its business strategy, the Company increased advertising and consumer-directed promotion in the first quarter of 1997 compared with the first quarter of 1996 to support growth in existing product lines, new product launches and increased distribution in the self-select distribution channel in many of the Company's markets in the International operation. Advertising expense increased by 5.9% to \$80.2, or 16.3% of net sales, for the first quarter of 1997 compared to \$75.7, or 16.3% of net sales, for the first quarter of 1996.

RESULTS OF OPERATIONS  
(DOLLARS IN MILLIONS)

Business consolidation costs

In the first quarter of 1997 the Company incurred business consolidation costs of approximately \$5.4 in connection with the implementation of its business strategy to rationalize factory operations. These costs primarily included severance and other related costs in certain International operations. These business consolidations are intended to lower the Company's operating costs and increase efficiency in the future. Facilities relating to such operations are held for sale, and the Company believes it may realize a gain based upon current estimated market values.

Operating income

As a result of the foregoing, operating income increased by \$0.8, or 4.9%, to \$17.1 for the first quarter of 1997 from \$16.3 for the first quarter of 1996.

Other expenses/income

Interest expense was \$33.3 for the first quarter of 1997 compared to \$34.3 for the first quarter of 1996. The reduction in interest expense is attributable to lower average outstanding borrowings under the Credit Agreement and lower interest rates under the Credit Agreement than under the Former Credit Agreement.

Foreign currency losses, net, were \$1.8 for the first quarter of 1997 compared to \$2.1 for the first quarter of 1996. The reduction in the foreign currency loss in the first quarter of 1997 as compared to the first quarter of 1996 was due to a stable Venezuelan bolivar versus the devaluation which occurred in the first quarter of 1996, partially offset by the relatively greater strengthening of the U.S. dollar and U.K. pound against most foreign currencies.

Provision for income taxes

The provision for income taxes was \$5.5 and \$7.0 for the first quarter of 1997 and the first quarter of 1996, respectively. The decrease was primarily attributable to the implementation of tax planning involving the utilization of net operating loss carryforwards in certain International operations, partially offset by higher taxable income in certain International operations.

Extraordinary item

The extraordinary item in the first quarter of 1996 resulted from the write-off of deferred financing costs associated with the extinguishment of the Former Credit Agreement prior to maturity with the net proceeds from the Offering and Credit Agreement.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash used for operating activities was \$80.1 and \$100.4 for the first quarter of 1997 and 1996, respectively. The decrease in net cash used for operating activities for the first quarter of 1997 compared with the first quarter of 1996 resulted primarily from higher operating income, lower taxes paid, net of refunds and improved working capital management.

Net cash used for investing activities was \$8.0 and \$12.1 for the first quarter of 1997 and 1996, respectively. Net cash used for investing activities for the first quarter of 1997 and 1996, respectively, consisted primarily of capital expenditures.

Net cash provided by financing activities was \$85.5 and \$95.1 for the first quarter of 1997 and 1996, respectively. Net cash provided by financing activities for 1997 included cash drawn under the Credit Agreement, partially offset by the repayment of approximately \$4.6 under the Company's yen-denominated credit agreement (the "Yen Credit Agreement"). Net cash provided by financing activities for 1996 included the net proceeds from the Offering, cash drawn under the Former Credit Agreement and under the Credit Agreement, partially offset by the

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

repayment of borrowings under the Former Credit Agreement, the payment of fees and expenses related to the Credit Agreement and repayment of approximately \$5.2 under the Yen Credit Agreement.

The Credit Agreement is comprised of four senior secured facilities: a \$130.0 term loan facility, a \$220.0 multi-currency facility, a \$200.0 revolving acquisition facility and a \$50.0 special standby letter of credit facility. As of March 31, 1997 Products Corporation had approximately \$129.0 outstanding under the term loan facility, \$112.6 outstanding under the multi-currency facility, \$37.0 outstanding under the revolving acquisition facility and \$34.5 outstanding under the special standby letter of credit facility. In January 1997, the Credit Agreement was amended to, among other things, permit the merger of PFC into Cosmetic Center and generally to exclude Cosmetic Center (as the survivor of the merger) from the definition of "subsidiary" under the Credit Agreement. In accordance with scheduled reductions, the term loan facility was reduced by \$1.0 on January 31, 1997.

A subsidiary of Products Corporation is the borrower under the Yen Credit Agreement, which had a principal balance of approximately [yen]4.3 billion as of March 31, 1997 (approximately \$34.9 U.S. dollar equivalent as of March 31, 1997) and is currently due on December 31, 1997. Products Corporation is currently negotiating an extension of the term of the Yen Credit Agreement. In the event that such extension is not obtained, the Company is able and intends to refinance the Yen Credit Agreement under the Credit Agreement. Accordingly, the Company's obligation under the Yen Credit Agreement has been classified as long-term as of March 31, 1997. In accordance with the terms of the Yen Credit Agreement, approximately [yen]539 million (approximately \$5.2 U.S. dollar equivalent) was paid in January 1996 and approximately [yen]539 million (approximately \$4.6 U.S. dollar equivalent) was paid in January 1997.

The \$61.0 aggregate principal amount of Products Corporation's 10 7/8% Sinking Fund Debentures due 2010 previously purchased on the open market by Products Corporation (which was not previously used for sinking fund payments) and no longer outstanding will be used to meet future sinking fund requirements of such issue. \$9.0 aggregate principal amount of previously purchased debentures will be used for the sinking fund payment due July 15, 1997.

Products Corporation borrows funds from its affiliates from time to time to supplement its working capital borrowings at interest rates more favorable to Products Corporation than interest rates under the Credit Agreement. No such borrowings were outstanding as of March 31, 1997.

The Company's principal sources of funds are expected to be cash flow generated from operations and borrowings under the Credit Agreement and other existing working capital lines. The Company's principal uses of funds are expected to be the payment of operating expenses, working capital and capital expenditure requirements and debt service payments.

The Company estimates that capital expenditures for 1997 will be approximately \$60, including approximately \$10 for upgrades to the Company's management information systems. Pursuant to a tax sharing agreement, Revlon, Inc. may be required to make tax sharing payments to Mafco Holdings Inc. as if Revlon, Inc. were filing separate income tax returns, except that no payments are required by Revlon, Inc. if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making any cash tax sharing payments other than in respect of state and local income taxes. Revlon, Inc. anticipates that, as a result of net operating tax losses and prohibitions under the Credit Agreement, no federal tax payments or payments in lieu of taxes pursuant to the tax sharing agreement will be required for 1997.

RESULTS OF OPERATIONS  
(DOLLARS IN MILLIONS)

As of March 31, 1997, Products Corporation was party to a series of interest rate swap agreements (which expire at various dates through December 2001) totaling a notional amount of \$225.0 in which Products Corporation agreed to pay on such notional amount a variable interest rate equal to the six month London Inter-Bank Offered Rate (6.00% per annum at April 21, 1997) to its counterparties and the counterparties agreed to pay on such notional amounts fixed interest rates averaging approximately 6.03% per annum. Products Corporation entered into these agreements in 1993 and 1994 (and in the first quarter of 1996 extended a portion equal to a notional amount of \$125.0 through December 2001) to convert the interest rate on \$225.0 of fixed-rate indebtedness to a variable rate. If Products Corporation had terminated these agreements, which Products Corporation considers to be held for other than trading purposes, on March 31, 1997, a loss of approximately \$6.5 would have been realized. Certain other swap agreements were terminated in 1993 for a gain of \$14.0. The amortization of the realized gain on these agreements for the first quarter of 1997 was approximately \$0.8. The remaining unamortized gain, which is being amortized over the original lives of the agreements, is \$2.3 as of March 31, 1997. Although cash flow from the presently outstanding agreements was slightly positive for the first quarter of 1997, future positive or negative cash flows from these agreements will depend upon the trend of short-term interest rates during the remaining lives of such agreements. Based on current interest rate levels, Products Corporation expects to have a slightly negative cash flow from these agreements in 1997, although no assurances can be given that short-term interest rates will not rise above current levels. In the event of nonperformance by the counterparties at any time during the remaining lives of the agreements, Products Corporation could lose some or all of any possible future positive cash flows from these agreements. However, Products Corporation does not anticipate nonperformance by such counterparties, although no assurances can be given.

Products Corporation enters into forward foreign exchange contracts from time to time to hedge certain cash flows denominated in foreign currencies. At March 31, 1997, Products Corporation had forward foreign exchange contracts denominated in various currencies, predominantly the U.K. pound, of approximately \$67.5 (U.S. dollar equivalent). If Products Corporation had terminated these contracts on March 31, 1997, no material gain or loss would have been realized.

Based upon the Company's current level of operations and anticipated growth in net sales and earnings as a result of its business strategy, the Company expects that cash flows from operations and funds from currently available credit facilities and refinancings of existing indebtedness will be sufficient to enable the Company to meet its anticipated cash requirements for the foreseeable future on a consolidated basis, including for debt service. If the Company is unable to satisfy such cash requirements, the Company could be required to adopt one or more alternatives, such as reducing or delaying capital expenditures, restructuring indebtedness, selling assets or operations, seeking capital contributions or loans from affiliates of the Company or issuing additional shares of capital stock of the Company. Revlon, Inc., as a holding company, will be dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay its expenses and to pay any cash dividends or distributions on the Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. The terms of the Credit Agreement, the Senior Subordinated Notes, the 1999 Senior Notes and the Senior Notes generally restrict Products Corporation from paying dividends or making distributions, except that Products Corporation is permitted to pay dividends and make distributions to the Company, among other things, to enable the Company to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting, regulatory fees such as Commission filing fees and other miscellaneous expenses related to being a public holding company and to pay dividends or make distributions up to \$5.0 per annum in certain circumstances to finance the purchase by the Company of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Revlon, Inc. 1996 Stock Plan. However, there can be no assurance that cash flow from operations and funds from existing credit facilities and refinancing of existing indebtedness will be sufficient to meet the Company's cash requirements on a consolidated basis.

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q for the quarter ended March 31, 1997 as well as other public documents of the Company contain forward-looking statements which involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectation and estimates as to future financial performance, including growth in net sales

11

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

and earnings, cash flows from operations, improved results from business consolidations, the possibility of gains from dispositions of facilities held for sale, capital expenditures and the availability of funds from refinancings of indebtedness. Readers are urged to consider statements which use the terms "believes," "no reason to believe," "expects," "plans," "intends," "estimates," "anticipated" or "anticipates" to be uncertain and forward-looking. In addition to factors that may be described in the Company's Commission filings, including this filing, the following factors, among others, could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by the Company: (i) difficulties or delays in developing and introducing new products or failure of customers to accept new product offerings; (ii) changes in consumer preferences, including reduced consumer demand for the Company's color cosmetics and other current products; (iii) difficulties or delays in the Company's continued expansion into the self-select distribution channel and development of new markets; (iv) unanticipated costs or difficulties or delays in completing projects associated with the Company's strategy to improve operating efficiencies, including information system upgrades; (v) the inability to refinance indebtedness; (vi) effects of and changes in economic conditions, including inflation and monetary conditions, and in trade, monetary, fiscal and tax policies in countries outside of the U.S. in which the Company operates, including Brazil; (vii) actions by competitors, including business combinations, technological breakthroughs, new product offerings and marketing and promotional successes; (viii) difficulties or delays in realizing improved results from business consolidations and in realizing gains from the sale of certain facilities held for sale; and (ix) combinations among significant customers or the loss, insolvency or failure to pay its debts by a significant customer or customers.

EFFECT OF NEW ACCOUNTING STANDARD

In March 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings Per Share," which establishes new standards for computing and presenting earnings per share. SFAS No. 128 will be effective for interim and annual financial statements after December 15, 1997. The Company believes that the adoption of SFAS No. 128 will not have a material impact on the Company's reported earnings per share.

PART II - OTHER INFORMATION

(a) EXHIBITS

Exhibit No.  
- -----

- 4.8 First Amendment and Consent, dated as of March 10, 1997, with respect to the Yen Credit Agreement.  
10.10 Employment Agreement, dated as of January 1, 1997, between Products Corporation and George Fellows.

(b) REPORTS ON FORM 8-K - None

S I G N A T U R E S

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

REVLON, INC.  
-----

Registrant

By: /s/ William J. Fox

By: /s/ Lawrence E. Kreider

-----  
William J. Fox  
Senior Executive Vice President  
and Chief Financial Officer

-----  
Lawrence E. Kreider  
Senior Vice President,  
Controller and Chief  
Accounting Officer

Dated: April 30, 1997

PACIFIC FINANCE & DEVELOPMENT CORP.

FIRST AMENDMENT AND CONSENT TO  
SECOND AMENDED AND RESTATED CREDIT AGREEMENT  
AND CONSUMER PRODUCTS PLEDGE AGREEMENT

This FIRST AMENDMENT AND CONSENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT AND CONSUMER PRODUCTS PLEDGE AGREEMENT (this "AMENDMENT") is dated as of March 10, 1997 and entered into by and between PACIFIC FINANCE AND DEVELOPMENT CORP., a California corporation ("BORROWER") and THE LONG-TERM CREDIT BANK OF JAPAN, LTD., acting through its Los Angeles Agency ("BANK"), and is made with reference to that certain Second Amended and Restated Credit Agreement dated as of December 22, 1994 (said Credit Agreement being the "CREDIT AGREEMENT", the terms defined therein being used herein as therein defined), between Borrower and the Bank and (ii) that certain Pledge and Security Agreement dated as of March 2, 1995 (the "CONSUMER PRODUCTS PLEDGE AGREEMENT") executed by REVLON CONSUMER PRODUCTS CORPORATION ("CONSUMER PRODUCTS") in favor of the Bank.

RECITALS

A. Consumer Products has informed the Bank that Prestige Fragrance & Cosmetics, Inc. ("PFC"), its wholly owned Subsidiary, intends to merge with and into The Cosmetic Center, Inc. ("COSMETIC CENTER") and that, as a result of such merger, (i) Cosmetics Center shall be the surviving corporation and (ii) Consumer Products will own between 74% and 84% of the issued and outstanding capital stock of Cosmetic Center.

B. In connection with the merger of PFC with and into Cosmetic Center (the "MERGER"), Consumer Products, the subsidiaries party thereto, the financial institutions party thereto (the "CONSUMER PRODUCTS LENDERS"), the arranger named therein, the co-agents named therein, Citibank, N.A., as documentation agent, and The Chase Manhattan Bank (formerly known as Chemical Bank) are entering into that certain First Amendment and Consent Number 1 dated as of January 9, 1997 (the "CONSUMER PRODUCTS FIRST AMENDMENT") pursuant to which, among other things, the Consumer Products Lenders consent to the Merger.

C. Borrower, Consumer Products and PFC have asked the Bank to, among other things, (i) amend the Credit Agreement as provided herein and (ii) consent to the Merger and,

1

subject to the terms and conditions provided herein, the Bank has agreed to such amendments and consent.

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

SECTION 1. AMENDMENTS TO THE CREDIT AGREEMENT

1.1 AMENDMENTS TO ARTICLE I: DEFINITIONS; INTERPRETATION

A. The definition of "PFC" contained in Section 1.01 of the Credit Agreement is hereby amended by adding the following at the end of such definition:

"; provided that on and after the PFC Merger Date, all references to "PFC" in this Agreement and the Operative Agreements shall be references to Cosmetic Center."

B. The definition of "PFC PLEDGED STOCK" contained in Section 1.01 of the Credit Agreement is hereby amended by adding the following at the end of such definition:

"; provided that on and after the PFC Merger Date, all references to "PFC Pledged Stock" in this Agreement and the Operative Agreements shall be references to the capital stock of Cosmetics Center pledged pursuant to the

Consumer Products Pledge Agreement."

C. Section 1.01 of the Credit Agreement is hereby amended by inserting the following definition in alphabetical order:

" `COSMETIC CENTER' means The Cosmetic Center, Inc."

" `PFC MERGER DATE' means the date that the merger of PFC with and into Cosmetic Center is consummated."

#### 1.2 AMENDMENTS TO ARTICLE VII: DEFAULTS

A. Section 7.01(t) of the Credit Agreement is hereby amended by adding the following at the end thereof:

"; provided that on and after the PFC Merger Date, it shall only be an Event of Default pursuant to this clause (t) if Consumer Products shall cease to own more than 50% of the total voting power of outstanding capital stock of Cosmetic Center."

2

#### SECTION 2. AMENDMENTS TO CONSUMER PRODUCTS PLEDGE AGREEMENT

Section 4(j) of the Consumer Products Pledge Agreement is hereby amended by deleting the phrase "100% of the issue and outstanding common stock of the Issuer" therefrom and substituting "shares of capital stock of the Issuer representing more than 50% of the total voting power of the outstanding capital stock of the Issuer" therefor.

#### SECTION 3. RELEASE

The Bank hereby agrees that, upon the consummation of the Merger, the PFC Guarantee shall be automatically released and of no further force or effect.

#### SECTION 4. CONSENT AND ACKNOWLEDGMENT

The Bank hereby:

(a) consents to the Merger and, in connection with the Merger, the delivery by The Chase Manhattan Bank ("CHASE"), as successor to Chemical Bank, of the stock of PFC held by Chase pursuant to that certain letter agreement dated as of January 24, 1996 among Chase, the Bank, Consumer Products and PFC; provided that (i) concurrently with the Merger, Consumer Products shall execute a Pledge Amendment substantially in the form of Annex A hereto in order to reflect the conversion of the stock of PFC into the capital stock of Cosmetics Center by operation of the Merger, and (ii) Chase and the other parties thereto shall execute and deliver to the Bank an Amendment to the Intercreditor Agreement substantially in the form of Annex B hereto;

(b) consents to the amendment of the New Consumer Products Credit Agreement pursuant to the Consumer Products First Amendment and to all revisions to the definition of "INTEREST COVERAGE RATIO" contained in Section 1.01 of the Credit Agreement effected by the Consumer Products First Amendment;

(c) consents to notwithstanding the provisions of Section 6 of the Consumer Products Pledge Agreement, the exercise by Consumer Products of its rights with respect to the PFC Pledged Stock in order to effect the Merger; and

(d) acknowledges and agrees that the Merger shall not constitute a Net Proceeds Event; provided that no Net Proceeds are derived from the Merger.

Without limiting the generality of the provisions of subsection 8.03 of the Credit Agreement, the consents set forth in this Section 4 shall be limited precisely as written and is provided solely for the purpose of permitting the Merger without violating the provisions of the Credit Agreement or the Consumer Products Pledge Agreement and this Amendment and Consent does not constitute, nor should it be construed as, a waiver of compliance by

Borrower or Consumer Products with respect to the Credit Agreement or the Consumer Products Pledge Agreement in any other instance.

SECTION 5. REPRESENTATIONS AND WARRANTIES

A. In order to induce the Bank to enter into this Consent, the Borrower, by its execution of a counterpart of this Consent, represents and warrants that after giving effect to this Consent (a) no Event of Default or Potential Event of Default exists under the Credit Agreement, (b) all representations and warranties contained in the Credit Agreement and the documents executed pursuant thereto are true, correct and complete in all material respects on and as of the date hereof except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true, correct and complete in all material respects on and as of such earlier date, and (c) the Borrower has performed all agreements to be performed on its part as set forth in the Credit Agreement and the other Operative Agreements.

B. In order to induce the Bank to enter into this Consent, Consumer Products, by its execution of a counterpart of this Consent, represents and warrants that, upon the delivery of the Pledge Amendment substantially in the form of Annex A and the pledge of the Cosmetics Center Stock pursuant thereto, each of the representations and warranties contained in Section 4 of the Consumer Products Pledge Agreement, as amended by this Amendment (as so amended, the "AMENDED CONSUMER PRODUCTS PLEDGE AGREEMENT") shall be true, correct and complete as of the date of such delivery and pledge.

SECTION 6. MISCELLANEOUS

A. This Consent may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

B. This Amendment shall become effective as of the date hereof upon the execution of counterparts hereof by the Borrower, Consumer Products, PFC and the Bank and receipt by the Bank of written or telephonic notification of such execution and authorization of delivery thereof.

C. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

D. Each of the Borrower and Consumer Products hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement, the Consumer Products Pledge

Agreement and this Amendment and consents to the amendments of the Credit Agreement and the Consumer Products Pledge Agreement effected pursuant to this Amendment. Each of the Borrower and Consumer Products hereby confirms that each Operative Agreement to which it is a party or otherwise bound and all collateral encumbered thereby will continue to guaranty or secure, as the case may be, to the fullest extent possible the payment and performance of all "Obligations," "Guaranteed Obligations" and "Secured Obligations," as the case may be (in each case as such terms are defined in the applicable Operative Agreement), including without limitation the payment and performance of all such "Obligations," "Guaranteed Obligations" or "Secured Obligations," as the case may be, in respect of the Obligations of the Borrower now or hereafter existing under or in respect of the Credit Agreement, as amended by this Amendment.

E. On and after the date hereof and the satisfaction of the conditions contained in Section 6.B of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Credit Documents to "the Credit Agreement", "thereunder", "thereof" or words of like

import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby and each such reference in the Consumer Products Pledge Agreement shall mean and be a reference to the Amended Consumer Products Credit Agreement. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Bank under any of the Operative Agreements, nor constitute a waiver of any provisions of any of the Operative Agreements. Except as expressly amended herein, all of the provisions and covenants of the Credit Agreement and the other Operative Agreements are and shall continue to remain in full force and effect in accordance with the terms thereof and are hereby in all respects ratified and confirmed.

[Remainder of page intentionally left blank]

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

PACIFIC FINANCE &  
DEVELOPMENT CORP.

By: /s/ Steven Berns

-----  
Title: Vice President

THE LONG-TERM CREDIT BANK OF  
JAPAN, LTD., ACTING THROUGH ITS  
LOS ANGELES AGENCY

By: /s/ Paul Clifford

-----  
Title: Deputy General Manager

REVLON CONSUMER PRODUCTS  
CORPORATION

By: /s/ Steven Berns

-----  
Title: Vice President

ACKNOWLEDGED AND AGREED TO:

PRESTIGE FRAGRANCE & COSMETICS, INC.

By: /s/ Steven Berns

-----  
Title: Vice President

ANNEX A

PLEDGE AMENDMENT

This Pledge Amendment, dated \_\_\_\_\_, 1997 is delivered with respect to that certain Pledge and Security Agreement dated as of March 2, 1995; (the "PLEDGE AGREEMENT"; capitalized terms defined therein being used herein as therein defined) made by the undersigned in favor of The Long-Term Credit Bank of Japan, Ltd., acting through its Los Angeles Agency. The undersigned hereby agrees that this Pledge Amendment may be attached to the Pledge Agreement and that the capital stock listed on this Pledge Amendment shall be deemed to be part of the Pledged Shares and shall secure all Secured Obligations.

REVLON CONSUMER PRODUCTS CORPORATION

By: \_\_\_\_\_

Title:

Stock Issuer	Class of Stock	Stock Certificate Nos.	Par Value	Number of Shares
-----------------	----------------	---------------------------	-----------	---------------------

A-1

ANNEX B

AMENDED AND RESTATED INTERCREDITOR AGREEMENT

B-1

[CHASE LOGO]

THE CHASE MANHATTAN BANK  
270 Park Avenue  
New York, New York 10017-2070

March \_\_\_\_\_, 1997

The Long-Term Credit Bank  
of Japan, Ltd., Los Angeles Agency  
444 South Flower Street  
Los Angeles, California 90071-2938

- and -

Revlon Consumer Products Corporation  
625 Madison Avenue  
New York, New York 10022

- and -

The Cosmetic Center, Inc. (as  
successor by merger to Prestige Fragrance  
& Cosmetics, Inc.)  
c/o Revlon Consumer Products Corporation  
625 Madison Avenue  
New York, New York 10022

Ladies and Gentlemen:

Reference is made to:

- (i) Amended and Restated Credit Agreement, dated as of January 24, 1996 (as amended, supplemented or otherwise modified from time to time, the "RCPC Credit Agreement"), among Revlon Consumer Products Corporation ("RCPC"), the Borrowing Subsidiaries from time to time parties thereto, the financial institutions from time to time parties thereto (the "Lenders"), the Co-Agents named therein, Citibank, N.A., as documentation agent, the Arranger named therein, and Chemical Bank, as administrative agent (in such capacity, the "Administrative Agent");

- (ii) Amended and Restated Collateral Agency Agreement (Bank Obligations), dated as of January 24, 1996 (as amended, supplemented or otherwise

modified from time to time, the "Collateral Agency Agreement"), between RCPC and the Administrative Agent, on behalf of the holders of the Bank Obligations;

- (iii) the Amended and Restated Company Pledge Agreement (Domestic), dated as of January 24, 1996 (as amended, supplemented or otherwise modified from time to time, the "Company Pledge Agreement"), made by RCPC in favor of the Collateral Agent with respect to the capital stock of, among other issuers, The Cosmetics Center, Inc. (as successor by merger to Prestige Fragrance & Cosmetics, Inc.; "CCI");
- (iv) the Second Amended and Restated Credit Agreement, dated as of December 22, 1994 (as amended, supplemented or otherwise modified from time to time, the "Yen Credit Agreement"), between Pacific Finance & Development Corp. and The Long-Term Credit Bank of Japan, Ltd. ("LTCB");
- (v) the Guarantee Agreement, dated as of July 15, 1992 (as amended, supplemented or otherwise modified from time to time, the "Consumer Products Guarantee"), between RCPC and LTCB;
- (vi) the Guarantee Amendment and Acknowledgment, dated as of December 22, 1994 (the "Guarantor Acknowledgment"), between RCPC and LTCB; and
- (vii) the Pledge and Security Agreement, dated as of March 2, 1995 (as amended, supplemented or otherwise modified from time to time, the "CCI Pledge Agreement"), made by RCPC in favor of LTCB.

This letter agreement (this "Agreement") amends and restates, in its entirety, the intercreditor agreement contemplated by the Guarantor Acknowledgment.

This letter shall confirm our agreement that:

- (a) the Lien granted to (or for the benefit of) the Lenders in the capital stock of CCI pursuant to the Company Pledge Agreement (the "Pledged Stock") shall be subordinated to the Lien granted pursuant to the CCI Pledge Agreement to secure the obligations of RCPC in respect of the Consumer Products Guarantee; provided that such subordination shall apply only to obligations in an amount equal to the Shortfall Amount; provided, further, that, until the Company Pledge Agreement is terminated in accordance with its terms, the Administrative Agent shall promptly notify LTCB of any "Event of Default" under (and as defined in) the RCPC Credit Agreement and, without the prior written consent of LTCB, the Collateral Agent shall not exercise any rights (other than any such rights which must be exercised in order to preserve the rights and interests of the Administrative Agent and the Collateral Agent in the Pledged Stock in the event of a bankruptcy proceeding of RCPC or CCI) with respect to the Pledged Stock for a period of 90 days after the occurrence of any such Event of Default (the "Agent Standstill Period"), during

3

which period LTCB shall have the exclusive right to foreclose upon and sell the Pledged Stock;

- (b) The interest of LTCB in the Pledged Stock granted pursuant to the CCI Pledge Agreement shall (except for the priority contemplated by clause (a) above) be subordinated to the interest of the Administrative Agent and the Lenders in the Pledged Stock pursuant to the Company Pledge Agreement (Domestic), in each case on substantially the terms provided for in that certain letter agreement, dated as of July 15, 1992, between RCPC and LTCB.
- (c) The Collateral Agent shall at all times (subject to clause (e) below) hold the certificates evidencing the Pledged Stock on its own behalf and as bailee of LTCB. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Pledged Stock in its possession, under Section 9-207 of the Code or otherwise, shall be to deal with it in the same manner as the Collateral Agent deals with similar securities and property for its own account.
- (d) In the event that LTCB may so request in writing, the Collateral Agent

promptly shall deliver the certificate evidencing the Pledged Stock to LTCB; provided, however, that:

(i) the Administrative Agent shall have no obligation to deliver such certificate to LTCB at any time during the period of 90 consecutive days (such period, the "LTCB Standstill Period") following the last day of the Agent Standstill Period (during which time the Administrative Agent shall have the exclusive right to foreclose upon and sell the Pledged Stock, but LTCB shall retain all other rights it has with respect to the Pledged Stock, including, without limitation, all rights which must be exercised in order to preserve the rights and interests of LTCB in the Pledged Stock in the event of a bankruptcy proceeding of RCPC or CCI), but rather shall continue to hold such certificate as bailee of LTCB and shall apply any proceeds received therefrom in accordance with the provisions of the Collateral Agency Agreement and this Agreement; and

(ii) in the event that the Administrative Agent previously has delivered the certificate evidencing the Pledged Stock to LTCB, LTCB shall promptly return such certificate to the Administrative Agent during the LTCB Standstill Period in order to permit the Administrative Agent to exercise any rights available to it hereunder.

From and after the delivery to LTCB of the certificate evidencing the Pledged Stock, LTCB shall hold such Pledged Stock on its own behalf and as bailee for the Collateral Agent and, promptly upon payment in full of any Shortfall Amount (or the determination that there is no Shortfall Amount and that no Shortfall Amount can exist at any relevant time in the future), LTCB shall deliver to the Collateral Agent the certificate evidencing the Pledged Stock or any proceeds (net of any amounts applied to pay the Shortfall

4

Amount and the costs and expenses incurred by LTCB in connection with the realization upon the Pledged Stock) received on account thereof.

(e) LTCB hereby agrees that, at any time when a Notice of an Actionable Event remains outstanding, the Administrative Agent (or the Lenders) shall have the right to purchase for cash from LTCB (without representation or warranty by, or recourse against, LTCB) the portion of the amounts outstanding under the Yen Credit Agreement equal to the Shortfall Amount at par and, in connection therewith, LTCB shall assign to the Administrative Agent the first priority security interest held by LTCB in the Pledged Stock. Upon any such purchase, the Yen Credit Agreement shall be deemed to be bifurcated into two separate and distinct loans, such that:

(i) LTCB shall have no rights or interests in the loan which is held by the Administrative Agent (or the Lenders, as the case may be) or, except as expressly set forth in this paragraph with respect to LTCB's obligation to assign its first priority security interest in the Pledged Stock, any obligation to the Administrative Agent or the Lenders; and

(ii) the Administrative Agent (or the Lenders, as the case may be) shall have no rights or interests in the loan which is held by LTCB or in any collateral security (including, without limitation, any mortgaged real property, but other than the Pledged Stock) therefor or, except as expressly set forth in this paragraph with respect to the obligation to pay the consideration for the purchase of such loan, any obligation to LTCB.

This letter agreement shall terminate without any act by or notice to any person (natural or otherwise) on the date upon which all amounts outstanding under the Yen Credit Agreement or the RCPC Credit Agreement have been indefeasibly paid in full.

This Agreement shall be binding upon and inure only to the benefit of the parties hereto and their successors and assigns. In no event shall this Agreement inure to the benefit of any other person (natural or

otherwise), it being the express intent of the parties to this letter agreement that there be no third party beneficiaries of the agreements contained herein.

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Administrative Agent.

THIS LETTER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

If you are in agreement with the foregoing, please sign the enclosed copy of this letter agreement where indicated below and return it to us.

Very truly yours,

THE CHASE MANHATTAN BANK  
(formerly known as Chemical Bank),  
as Administrative Agent and as  
Collateral Agent

By: \_\_\_\_\_  
Title:

ACKNOWLEDGED AND AGREED as of  
the date first set forth above  
- - - - -

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.,  
Los Angeles Agency

By: \_\_\_\_\_  
Title:

REVLON CONSUMER PRODUCTS CORPORATION

By: \_\_\_\_\_  
Title:

THE COSMETICS CENTER, INC.

By: \_\_\_\_\_  
Title:

## EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of January 1, 1997, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation (the "Company"), and GEORGE FELLOWS (the "Executive").

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

Accordingly, the Company and the Executive hereby agree as follows:

### Employment, Duties and Acceptance.

1.1 Employment, Duties. The Company hereby employs the Executive for the Term (as defined in Section 2.1), to render exclusive and full-time services to the Company, initially in his present capacity as chief operating officer of the Company and, upon the effectiveness of his election as such, which the Company promptly shall recommend to the Board of Directors of the Company or a committee thereof, in the capacity of chief executive officer of the Company, and to perform such other duties consistent with such position (including service as a director or officer of any affiliate of the Company, if elected) as may be assigned by the Board of Directors of the Company. The Executive's title shall be President and Chief Operating Officer prior to the effectiveness of his election as chief executive officer, and thereafter shall be President and Chief Executive Officer, or such other titles of at least equivalent level consistent with the Executive's duties from time to time as may be assigned to the Executive by the Board of Directors.

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

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

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

2.1 The Term. The term of the Executive's employment under this Agreement (the "Term") shall commence on the date hereof (the "Effective Date") and shall end on such date as is provided pursuant to Section 2.2.

2.2 End-of-Term Provisions. At any time on or after the fourth anniversary of the Effective Date the Company shall have the right to give written notice of non-renewal of the Term. In the event the Company gives such notice of non-renewal, the Term automatically shall be extended so that it ends twelve months after the last day of the month in which the Company gives such notice. If the Company shall not theretofore have given such notice, from and after the fifth anniversary of the Effective Date unless and until the Company gives written notice of non-renewal as provided in this Section 2.2, the Term automatically shall be extended day-by-day; upon the giving of such notice by the Company, the Term automatically shall be extended so that it ends twelve months after the last day of the month in which the Company gives such notice. Non-extension of the Term shall not be deemed to be a breach of this Agreement by the Company for purposes of Section 4.4, provided, however, that during any period that the Executive's employment shall continue following termination of the Term, the executive shall be eligible for severance on terms no less favorable than those of the Revlon Executive Severance Plan as in effect on the date of this Agreement (other than the provision in Paragraph IIIC(ii) establishing a limit of six months of payment which shall not be applicable to the Executive) upon the Executive's compliance with the terms thereof.

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

3. Compensation; Benefits.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive during the Term a base salary, payable semi-monthly in arrears, at the annual rate of not less than \$1,250,000 during 1997, \$1,350,000 during 1998, \$1,450,000 during 1999, \$1,550,000 during 2000 and \$1,700,000 during the balance of the Term (the "Base Salary"). All payments of Base Salary or other compensation hereunder shall be less such deductions or withholdings as are required by applicable law and regulations. In the event that the Company, in its sole discretion, from time to time determines to increase the Base Salary, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of this Agreement.

2

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, the Executive shall receive an annual bonus of up to 100% of the Executive's Base Salary at the rate in effect during the calendar year in which bonus is earned, based upon achievement of objectives set annually not later than February 28 of such year by the Compensation Committee of the Board of Directors of the Company.

3.3 Stock Options. The Executive shall be recommended to the Compensation Committee or other committee of the Board administering the 1996 Revlon Stock Plan or any plan that may replace it, as from time to time in effect, to receive an option not later than February 28 of each year of the Term, commencing in 1997, each such option to cover a minimum of 170,000 shares of Revlon common stock, have a term of 10 years and have an option exercise price equal to the market price of the Revlon common stock on the date of grant and otherwise to be on terms (other than number of shares covered) substantially the same as other senior executives of the Company generally.

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

3.5 Vacation. During each year of the Term, the Executive shall be entitled to a vacation period or periods of four weeks taken in accordance with the vacation policy of the Company as in effect from time to time.

3.6 Fringe Benefits.

(i) During the Term, the Executive shall be entitled to participate in those qualified and non-qualified defined benefit, defined contribution, group insurance, medical, dental, disability and other benefit plans of the Company as from time to time in effect made available to senior executives of the Company generally and in the Company's Executive Medical Plan providing for reimbursement of medical and dental benefits not payable under plans generally available. In addition, during the Term the Executive shall be entitled to the use of a Company-provided automobile in accordance with the Company's executive automobile policy and guidelines as from time to time in effect, and shall be entitled to the use of an assigned Company-provided chauffeured automobile during the business week for personal and business use and at other times as required for business purposes, and shall be grossed up for the tax effects of such use. Further, during the Term the Executive shall be reimbursed for the initiation fees, dues, assessments and like fees for membership in one country club of the Executive's choice, and shall be entitled to the use of Company-provided private aircraft, as available, for the business and personal travel of himself and his immediate family members.

(ii) During the Term, the Company agrees to make available to the Executive additional life insurance coverage with a death benefit of three times the Executive's Base Salary from time to time, subject to the insurer's satisfaction with the results of any required medical examination, to which the Executive hereby agrees to submit, and shall reimburse the Executive for the premium expense related thereto and gross the Executive up for the tax payable with respect to such reimbursement. Such coverage shall be provided pursuant to the Company's optional supplemental term insurance program, if available, or if not, the Executive may select a plan of the Executive's choice and may designate the beneficiary of such plan.

(iii) During the Term the Company shall maintain an individual policy of disability insurance, naming the Executive as the insured and the Executive or a designee as the beneficiary, with a benefit equal to (A) fifty percent of the sum of the Executive's Base Salary in effect on the date of disability plus the Executive's most recent annual bonus pursuant to Section 3.2 less (B) the long-term disability benefit payable under the Company's group disability program as in effect from time to time (irrespective of whether the Executive has elected to participate in such long-term disability program), and upon the Executive's retirement in accordance with the requirements of the Company's former supplemental employees' retirement plan the Company shall provide to the Executive a death benefit equal to two times the Executive's final Base Salary (which benefit may be provided from insurance or from the Company's unsegregated general funds, as the Company may elect).

(iv) If the Executive remains continuously employed with the Company or an affiliate of the Company from the date hereof until age 60, then upon the Executive's retirement from the Company or its affiliate at or after age 60 the Company shall provide or cause its affiliate to provide to the Executive a supplemental payment in such amount, if any, as is required to increase the Executive's annual pension benefit payable commencing at such retirement from all qualified and non-qualified retirement plans of the Company and any affiliates of the Company in which the Executive participates, calculated on a straight life annuity basis, to \$500,000 (it being agreed that, should the Company or its affiliates so elect, it may satisfy its obligation hereunder (A) by paying to the Executive \$500,000 per year from the effective date of the Executive's retirement through such later age as the Company may elect and paying to the Executive thereafter such amount, if any, as would be required to increase the Executive's annual pension benefit commencing at such age to \$500,000, as if the Executive had elected to defer commencement of retirement benefits under the plans in which he participates to such age, irrespective of whether the Executive in fact makes such an election or (B) by granting to the Executive additional credited service, modified final average compensation or other enhanced benefits under the qualified and/or non-qualified retirement plans in which the Executive participates, or (C) by a combination of the foregoing alternative methodologies). If prior to age 60 the Executive's employment with the Company or any affiliate of the Company by which he is employed is terminated by such employer

otherwise than for "cause" (as defined in Section 4.3) or "good reason" (as defined in the Revlon Executive Severance Policy referred to in Section 4.4) or the Executive retires with the written consent of the Company or any such affiliate, then the Company shall provide or cause its affiliate to provide to the Executive commencing at age 60, in lieu of the supplemental payment above provided for, a reduced annual straight life annuity payment in an amount equal to the product of multiplying \$28,540 by the number of anniversaries, as of the date of termination of employment, of the Executive's fifty-third birthday (but in no event more than the supplemental payment provided for by the preceding sentence upon retirement at age 60), it being agreed that, should the Company or its affiliate so elect, it may satisfy such obligation by any of the alternative methodologies provided above. Payments pursuant to this clause (iv) shall be made quarterly or at such more frequent intervals as the Company may elect. The Company's obligation under this clause (iv) shall be an unsecured, unfunded and unaccrued contingent general obligation of the Company to be satisfied from its unsegregated general funds, provided that the Company shall have the right, if it so elects, to defease its obligation hereunder by the purchase and delivery to the Executive of an annuity on his life in the amount provided for above or to fund its obligation hereunder through the purchase of insurance or other instruments, and the Executive

agrees to comply with the reasonable requests of the Company should the Company elect to do so, including by submitting to medical examination.

#### 4. Termination.

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

4.2 Disability. If during the Term the Executive shall become physically or mentally disabled, whether totally or partially, such that the Executive is unable to perform the Executive's services hereunder for (i) a period of six consecutive months or (ii) shorter periods aggregating six months during any twelve month period, the Company may at any time after the last day of the six consecutive months of disability or the day on which the shorter periods of disability shall have equaled an aggregate of six months, by written notice to the Executive (but before the Executive has returned to active service following such disability), terminate the Term and no further amounts or benefits shall be payable hereunder, except that the Executive shall be entitled to receive until the first to occur of (x) the Executive ceasing to be disabled or (y) the Executive's attaining the age of 65, continued coverage for the Executive under the Company paid group life insurance plan (including supplemental coverage under Section 3.6) and for the Executive and his spouse and children, if any, under the Company's group medical (including executive medical) plan, to the extent permitted by such plans and to the extent such benefits continue to be provided to the Company's senior executives generally.

5

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

4.4 Company Breach; Other Termination. In the event of the breach of any material provision of this Agreement by the Company or the failure of the Compensation Committee (or other appropriate Committee of the Company's Board of Directors) to fully implement the Company's recommendations pursuant to Sections 1.1 and 3.3, the Executive shall be entitled to terminate the Term upon 60 days' prior written notice to the Company. In addition, the Company shall be entitled to terminate the Term at any time and without prior notice otherwise than pursuant to the provisions of Section 2.2, 4.2 or 4.3. Upon such termination by the Executive, or in the event the Company so terminates the Term otherwise than pursuant to the provisions of Section 2.2, 4.2 or 4.3, the Company's sole obligation shall be (at the Executive's election by written notice within 10 days after such termination) either (i) to make payments in the amounts prescribed by Section 3.1 (less amounts required by law to be withheld) and to continue the Executive's participation in the group life insurance and in the basic and Executive medical plans of the Company, in each case through the date on which the Term would have expired pursuant to Section 2.2 if the Company had given notice of non-renewal on the date of termination of employment, provided that any compensation earned by the Executive from other employment or a consultancy during such period shall reduce the payments provided for herein, and provided further that the Executive shall cease to be covered by medical and/or dental plans of the Company at such time as he becomes covered by like plans of another company, or (ii) to make the payments and provide the benefits prescribed by the Executive Severance Policy of the Company as in effect on the date of this Agreement (other than the provision in Paragraph IIIC(ii) establishing a limit of six months of payments, which shall not be applicable to the Executive), upon the Executive's compliance with the terms thereof.

4.5 Litigation Expenses. If the Company and the Executive become involved in any action, suit or proceeding relating to the alleged breach of this Agreement by the Company or the Executive, then if and to the

extent that a final judgment in such action, suit or proceeding is rendered in favor of the Executive, the Company shall reimburse the Executive for all expenses (including reasonable attorneys' fees) incurred by the Executive in connection with such action, suit or proceeding or the portion thereof adjudicated in favor of the Executive. Such costs shall be paid to the Executive promptly upon

6

presentation of expense statements or other supporting information evidencing the incurrence of such expenses.

5. Protection of Confidential Information; Non-Competition.

5.1 The Executive acknowledges that the Executive's work for the Company will bring the Executive into close contact with many confidential affairs of the Company not readily available to the public, including trade secrets and confidential marketing, sales, product development and other data and plans which it would be impracticable for the Company to effectively protect and preserve in the absence of this Section 5 and the disclosure or misappropriation of which could materially adversely affect the Company. Accordingly, the Executive agrees:

5.1.1 Except in the course of performing the Executive's duties provided for in Section 1.1, not at any time, whether during or after the Executive's employment with the Company, to divulge to any other entity or person any confidential information acquired by the Executive concerning the Company's or its affiliates' financial affairs or business processes or methods or their research, development or marketing programs or plans, any other of its or their trade secrets, any information regarding personal matters of any directors, officers, employees or agents of the Company or its affiliates or their respective family members, or any information concerning the circumstances of the Executive's employment and any termination of the Executive's employment with the Company or any information regarding discussions related to any of the foregoing. The foregoing prohibitions shall include, without limitation, directly or indirectly publishing (or causing, participating in, assisting or providing any statement, opinion or information in connection with the publication of) any diary, memoir, letter, story, photograph, interview, article, essay, account or description (whether fictionalized or not) concerning any of the foregoing, publication being deemed to include any presentation or reproduction of any written, verbal or visual material in any communication medium, including any book, magazine, newspaper, theatrical production or movie, or television or radio programming or commercial. In the event that the Executive is requested or required to make disclosure of information subject to this Section 5.1.1 under any court order, subpoena or other judicial process, the Executive will promptly notify the Company, take all reasonable steps requested by the Company to defend against the compulsory disclosure and permit the Company to control with counsel of its choice any proceeding relating to the compulsory disclosure. The Executive acknowledges that all information the disclosure of which is prohibited by this section is of a confidential and proprietary character and of great value to the Company.

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

7

5.2 The Executive shall in all respects fully comply with the terms of the Employee Agreement as to Confidentiality and Non-Competition referred to in such Executive Severance Plan (whether or not the Executive is a signatory thereof) with the same effect as of the same were set forth herein in full.

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

5.3.1 The right and remedy to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages and disgorgement of profits will not provide an adequate remedy to the Company; and

5.3.2 The right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits (collectively "Benefits") derived or received by the Executive as the result of any transactions constituting a breach of any of the provisions of Sections 5.1 or 5.2 hereof, and the Executive hereby agrees to account for and pay over such Benefits to the Company. In addition, if the Executive attempts or threatens to commit a breach of any of the provisions of Sections 5.1 or 5.2, the Executive consents to the Company obtaining a preliminary and a permanent injunction in any court having equity jurisdiction against the Executive committing the attempted or threatened breach. Each of the rights and remedies enumerated above shall be independent of the other, and shall be severally enforceable, and all of such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

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

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

5.6 The parties hereto intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 5.1, 5.2 and 5.3 upon the courts of any state within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold such covenants wholly unenforceable by reason of the breadth of

8

such covenants or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other states within the geographical scope of such covenants as to breaches of such covenants in such other respective jurisdictions, the above covenants as they relate to each state being for this purpose severable into diverse and independent covenants.

5.7 Any termination of the Term or this Agreement shall have no effect on the continuing operation of this Section 5.

## 6. Inventions and Patents.

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

6.2 If any Invention is described in a patent application or

is disclosed to third parties, directly or indirectly, by the Executive within two years after the termination of the Executive's employment by the Company, it is to be presumed that the Invention was conceived or made during the Term.

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

7. Intellectual Property.

Notwithstanding and without limitation of Section 6, the Company shall be the sole owner of all the products and proceeds of the Executive's services hereunder, including, but not limited to, all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs and other intellectual properties that the Executive may acquire, obtain, develop or create in connection with or during the Term, free and clear of any claims by the Executive (or anyone claiming under the Executive) of any kind or

9

character whatsoever (other than the Executive's right to receive payments hereunder). The Executive shall, at the request of the Company, execute such assignments, certificates or other instruments as the Company may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its right, title or interest in or to any such properties.

8. Indemnification.

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

9. Notices.

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

If to the Company, to:

Revlon Consumer Products Corporation  
625 Madison Avenue  
New York, New York 10022  
Attention: Wade H. Nichols III  
Senior Vice President and  
General Counsel

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

10. General.

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

10

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

10.3 This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof, including without limitation the Employment Agreement among the parties dated as of January 1, 1996. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

10.4 This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive. The Company may assign its rights, together with its obligations, hereunder (i) to any affiliate or (ii) to third parties in connection with any sale, transfer or other disposition of all or substantially all of any business or assets in which the Executive's services are then substantially involved; in any event the obligations of the Company hereunder shall be binding on its successors or assigns, whether by merger, consolidation or acquisition of all or substantially all of such business or assets.

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

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

11. Subsidiaries and Affiliates.

11.1 As used herein, the term "subsidiary" shall mean any corporation or other business entity controlled directly or indirectly by the corporation or other business

11

entity in question, and the term "affiliate" shall mean and include any corporation or other business entity directly or indirectly controlling, controlled by or under common control with the corporation or other business entity in question.

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

REVLON CONSUMER PRODUCTS CORPORATION

By: JERRY W. LEVIN  
-----  
Jerry W. Levin

GEORGE FELLOWS  
-----  
George Fellows

12

<ARTICLE> 5  
<MULTIPLIER> 1,000

<PERIOD-TYPE>	3-MOS	
<FISCAL-YEAR-END>		DEC-31-1997
<PERIOD-START>		JAN-01-1997
<PERIOD-END>		MAR-31-1997
<CASH>		35,600
<SECURITIES>		0
<RECEIVABLES>		416,800
<ALLOWANCES>		22,300
<INVENTORY>		305,900
<CURRENT-ASSETS>		816,500
<PP&E>		577,900
<DEPRECIATION>		203,900
<TOTAL-ASSETS>		1,611,800
<CURRENT-LIABILITIES>		500,000
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		54,600
<COMMON>		500
<OTHER-SE>		(580,300)
<TOTAL-LIABILITY-AND-EQUITY>		1,611,800
<SALES>		492,500
<TOTAL-REVENUES>		492,500
<CGS>		166,200
<TOTAL-COSTS>		166,200
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		1,800
<INTEREST-EXPENSE>		33,300
<INCOME-PRETAX>		(20,000)
<INCOME-TAX>		5,500
<INCOME-CONTINUING>		(25,500)
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		(25,500)
<EPS-PRIMARY>		(0.50)
<EPS-DILUTED>		0