SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended: September 30, 2003

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _______________ to _______________

Commission file number 1-11178

REVLON, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-3662955**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
237 Park Avenue, New York, New York	**10017**
(Address of principal executive offices)	(Zip Code)

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

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ____ No _X_

As of September 30, 2003, 38,121,785 shares of Class A Common Stock and 31,250,000 shares of Class B Common Stock were outstanding. 11,650,000 shares of Class A Common Stock and all of the shares of Class B Common Stock were held by REV Holdings LLC, an indirect wholly-owned subsidiary of Mafco Holdings Inc., and 14,590,347 shares of Class A Common Stock were held by MacAndrews & Forbes Holdings Inc., which is a direct wholly-owned subsidiary of Mafco Holdings Inc.

Total Pages – 34

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

	September 30, 2003	December 31, 2002
ASSETS		
Current assets:	(Unaudited)	
Cash and cash equivalents	$ 34.6	$ 85.8
Trade receivables, less allowances of $16.2 and $24.0, respectively	179.7	212.3
Inventories	158.8	128.1
Prepaid expenses and other	36.5	39.6
Total current assets	409.6	465.8
Property, plant and equipment, net	136.5	133.4
Other assets	166.0	154.4
Goodwill, net	186.1	185.9
Total assets	$ 898.2	$ 939.5
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings – third parties	$ 28.7	$ 25.0
Accounts payable	89.2	92.9
Accrued expenses and other	332.1	392.3
Total current liabilities	450.0	510.2
Long-term debt – third parties	1,729.0	1,726.0
Long-term debt – affiliates	127.3	24.1
Other long-term liabilities	316.6	320.0
Stockholders' deficiency:		
Preferred stock, par value $.01 per share; 20,000,000 shares authorized, 546 shares of Series A Preferred Stock issued and outstanding	54.6	54.6
Preferred stock, par value $.01 per share; 20,000,000 shares authorized, 4,333 shares of Series B Preferred Stock issued and outstanding	—	—
Class B Common Stock, par value $.01 per share; 200,000,000 shares authorized, 31,250,000 issued and outstanding	0.3	0.3
Class A Common Stock, par value $.01 per share; 350,000,000 shares authorized, 38,121,785 and 20,516,135 issued and outstanding, respectively	0.4	0.2

Capital deficiency	(147.7)	(201.3)
Accumulated deficit since June 24, 1992	(1,503.1)	(1,361.9)
Accumulated other comprehensive loss	(129.2)	(132.7)
Total stockholders' deficiency	(1,724.7)	(1,640.8)
Total liabilities and stockholders' deficiency	$ 898.2	$ 939.5

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Net sales	$ 316.5	$ 323.2	$ 930.8	$ 906.8
Cost of sales	127.1	121.6	363.8	350.4
Gross profit	189.4	201.6	567.0	556.4
Selling, general and administrative expenses	196.9	177.7	581.3	525.2
Restructuring costs	0.4	2.1	0.9	9.3
Operating (loss) income	(7.9)	21.8	(15.2)	21.9
Other expenses (income):				
Interest expense	44.3	40.1	128.5	118.4
Interest income	(0.9)	(0.8)	(3.1)	(2.6)
Amortization of debt issuance costs	2.2	2.0	6.6	5.8
Foreign currency (gains) losses, net	(0.8)	1.2	(3.2)	3.0
Miscellaneous, net	(0.3)	0.4	0.1	2.3
Other expenses, net	44.5	42.9	128.9	126.9
Loss before income taxes	(52.4)	(21.1)	(144.1)	(105.0)
Provision (benefit) for income taxes	2.3	1.0	(2.9)	2.1
Net loss	$ (54.7)	$ (22.1)	$ (141.2)	$ (107.1)
Basic and diluted loss per common share	$ (0.78)	$ (0.41)	$ (2.36)	$ (2.00)
Weighted average number of common shares outstanding:				
Basic and diluted	69,805,118	53,461,796	59,807,555	53,461,796

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' DEFICIENCY AND COMPREHENSIVE LOSS
(dollars in millions)

	Series A Preferred Stock	Common Stock	Capital Deficiency	Accumulated Deficit	Accumulated Other Comprehensive Loss (a)	Total Stockholders' Deficiency
Balance, January 1, 2002	$54.6	$0.5	$(201.3)	$(1,075.4)	$ (61.1)	$(1,282.7)
Comprehensive loss:						
Net loss				(107.1)		(107.1)
Currency translation adjustment					(10.4)	(10.4)
Total comprehensive loss						(117.5)
Balance, September 30, 2002	$54.6	$0.5	$(201.3)	$(1,182.5)	$ (71.5)	$(1,400.2)
Balance, January 1, 2003	$54.6	$0.5	$(201.3)	$(1,361.9)	$(132.7)	$(1,640.8)
Net proceeds from Rights Offering (See Note 9)		0.2	46.7			46.9
Reduction of liabilities assumed from indirect parent			6.9(b)			6.9
Comprehensive loss:						
Net loss				(141.2)		(141.2)
Currency translation adjustment					5.2	5.2
Net loss on foreign currency forward exchange contracts					(1.7)	(1.7)
Total comprehensive loss						(137.7)
Balance, September 30, 2003	$54.6	$0.7	$(147.7)	$(1,503.1)	$(129.2)	$(1,724.7)

(a) Accumulated other comprehensive loss includes net unrealized losses on revaluations of foreign currency forward exchange contracts of $1.3 and nil as of September 30, 2003 and 2002, respectively, net realized losses of $0.4 on foreign currency forward exchange contracts as of September 30, 2003, cumulative net translation losses of $13.9 and $25.4 as of September 30, 2003 and 2002, respectively, and adjustments for the minimum pension liability of $113.6 and $46.1 as of September 30, 2003 and 2002, respectively.

(b) During the second quarter of 2003, the Company resolved various tax audits, which resulted in a tax benefit of $13.9, of which $6.9 was recorded directly to capital deficiency since it relates to liabilities assumed by Revlon Consumer Products Corporation ("Products Corporation") in connection with the transfer agreements related to Products Corporation's formation in 1992.

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

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

	Nine Months Ended September 30,	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (141.2)	$ (107.1)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:		
Depreciation and amortization	80.4	88.0
Debt discount amortization	2.2	1.9
Loss on sale of assets, net	—	1.0
Change in assets and liabilities, net of acquisitions and dispositions:		
Decrease (increase) in trade receivables	38.6	(20.0)
Increase in inventories	(24.9)	(10.6)
Decrease (increase) in prepaid expenses and other current assets	1.5	(3.7)
(Decrease) increase in accounts payable	(6.2)	10.7
Decrease in accrued expenses and other current liabilities	(75.4)	(9.6)
Purchase of permanent displays	(56.8)	(53.5)
Other, net	(2.1)	(8.0)
Net cash used for operating activities	(183.9)	(110.9)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(19.7)	(9.4)
Sale of marketable securities	—	1.8
Net cash used for investing activities	(19.7)	(7.6)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in short-term borrowings – third parties	0.4	7.7
Proceeds from the issuance of long-term debt – third parties	187.3	94.6
Repayment of long-term debt – third parties	(186.7)	(23.5)
Proceeds from the issuance of long-term debt – affiliates	99.7	—
Net proceeds from the Rights Offering	46.9	—
Issuance of Series C preferred stock	50.0	—
Redemption of Series C preferred stock	(50.0)	—
Payment of financing costs	(3.4)	(0.3)
Net cash provided by financing activities	144.2	78.5
Effect of exchange rate changes on cash and cash equivalents	8.2	(4.1)
Net decrease in cash and cash equivalents	(51.2)	(44.1)
Cash and cash equivalents at beginning of period	85.8	103.3
Cash and cash equivalents at end of period	$ 34.6	$ 59.2
Supplemental schedule of cash flow information:		
Cash paid during the period for:		
Interest	$ 123.2	$ 118.6
Income taxes, net of refunds	4.3	2.4

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

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, Products Corporation. The Company is a directly and indirectly majority-owned subsidiary of MacAndrews & Forbes Holdings Inc. ("MacAndrews Holdings"), a corporation wholly owned indirectly through Mafco Holdings Inc. ("Mafco Holdings" and, together with MacAndrews Holdings, "MacAndrews & Forbes") by Ronald O. Perelman.

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

The Unaudited Consolidated Condensed Financial Statements include the accounts of the Company after elimination of all material intercompany balances and transactions. The Company has made a number of estimates and assumptions relating to the assets and liabilities, the disclosure of contingent assets and liabilities and the reporting of revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States. Actual results could differ from those estimates. The Unaudited Consolidated Condensed Financial Statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

(dollars in millions, except per share data)

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.

In August 2001, the Financial Accounting Standards Board ("FASB") issued Statement No. 143, "Accounting for Asset Retirement Obligations." Statement No. 143 requires recording the fair market value of an asset retirement obligation as a liability in the period in which a legal obligation associated with the retirement of tangible long-lived assets is incurred. This statement also requires recording the contra asset to the initial obligation as an increase to the carrying amount of the related long-lived asset and depreciation of that cost over the life of the asset. The liability is then increased at the end of each period to reflect the passage of time and changes in the initial fair value measurement. The Company adopted the provisions of Statement No. 143 effective January 1, 2003 and such adoption had no effect on its consolidated financial statements.

In July 2002, the FASB issued Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This statement nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." Statement No. 146 requires that a liability for the fair value of costs associated with an exit or disposal activity be recognized when the liability is incurred. The provisions of Statement No. 146 are effective for exit or disposal activities initiated after December 31, 2002 and thus became effective for the Company on January 1, 2003. The Company adopted the provisions of Statement No. 146 effective January 1, 2003 and such adoption had no effect on its consolidated financial statements.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." Interpretation No. 45 requires the guarantor to recognize a liability for the contingent and non-contingent component of a guarantee; which means (a) the guarantor has undertaken an obligation to stand ready to perform in the event that specified triggering events or conditions occur and (b) the guarantor has undertaken a contingent obligation to make future payments if such triggering events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The Company is required to recognize the liability even if it is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements. Interpretation No. 45 also requires additional disclosures related to guarantees that have certain specified

characteristics. The Company adopted the disclosure provisions of Interpretation No. 45 in its financial statements as of and for the year ended December 31, 2002. Additionally, the recognition and measurement provisions of Interpretation No. 45 are effective for all guarantees entered into or modified after December 31, 2002. The Company adopted the recognition and measurement provisions of Interpretation No. 45 effective January 1, 2003 and such adoption had no effect on its consolidated financial statements.

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to account for stock-based compensation plans using the intrinsic value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Accordingly, compensation cost for stock options issued to employees is measured as the excess, if any, of the quoted market price of the Company's Class A common stock at the date of the grant over the amount an employee must pay to acquire the stock. The following table illustrates the effect on net loss and net loss per basic and diluted common share as if the Company had applied the fair value method to its stock-based compensation under the disclosure provisions of Statement No. 123:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Net loss as reported	$(54.7)	$(22.1)	$(141.2)	$(107.1)
Add: Stock-based employee compensation included in reported net loss	0.5	0.4	1.5	1.1
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	(1.5)	(1.8)	(6.1)	(4.1)
Pro forma net loss	$(55.7)	$(23.5)	$(145.8)	$(110.1)
Basic and diluted loss per common share:				
As reported	$(0.78)	$(0.41)	$ (2.36)	$ (2.00)
Pro forma	$(0.80)	$(0.44)	$ (2.44)	$ (2.06)

The effects of applying SFAS No. 123 in this pro forma disclosure are not necessarily indicative of future amounts.

(2) Inventories

	September 30, 2003	December 31, 2002
Raw materials and supplies	$ 52.6	$ 36.7
Work-in-process	12.8	11.1
Finished goods	93.4	80.3
	$158.8	$128.1

(3) Other Assets

Included in other assets are trademarks, net, and patents, net. The amounts outstanding for these intangible assets at September 30, 2003 and December 31, 2002 were as follows: for trademarks, net, $7.4 and $7.4, respectively, and for patents, net, $4.1 and $4.7, respectively. Amortization expense for the third quarter and nine months ended September 30, 2003 and 2002 was $0.5 and $1.3, respectively, and $0.4 and $1.2, respectively. The Company's intangible assets other than goodwill continue to be subject to amortization, which is anticipated to be approximately $1.9 annually through December 31, 2008.

(dollars in millions, except per share data)

(4) Basic and Diluted Loss Per Common Share

The basic loss per common share has been computed based upon the weighted average number of shares of common stock outstanding during each of the periods presented. Diluted loss per common share has been computed based upon the weighted average number of shares of common stock outstanding. The Company's outstanding stock options and restricted shares represent the only potential dilutive common stock outstanding. The number of shares used in the calculation of basic and diluted loss per common share was the same in each period presented, as it does not include any incremental shares that would have been outstanding assuming the exercise of stock options and the vesting of the restricted shares because the effect of those incremental shares would have been antidilutive. As a result of the consummation of the Rights Offering on June 20, 2003 (as hereinafter defined) (See Note 9), the Company issued a total of 17,605,650 shares of its Class A common stock, with a par value of $0.01 per share ("Class A Common Stock"), increasing the number of outstanding shares of the Company's Class A Common Stock to 38,121,785 and the total number of shares of common stock outstanding, including the Company's existing 31,250,000 shares of Class B common stock, with a par value of $0.01 per share ("Class B Common Stock," together with the Class A Common Stock, the "Common Stock"), to 69,371,785, with MacAndrews & Forbes continuing to own approximately 83% of the Company's total Common Stock outstanding. Upon consummation of the Rights Offering, the fair value, based on NYSE closing price of the Company's Class A Common Stock was more than the subscription price. Accordingly, basic and diluted loss per common share have been restated for all prior periods presented to reflect the stock dividend of 1,262,328 shares of the Company's Class A Common Stock.

(5) Restructuring and Other Costs, Net

During the third quarter of 2000, the Company initiated a new restructuring program in line with the original restructuring plan developed in late 1998, designed to improve profitability by reducing personnel and consolidating manufacturing facilities. The 2000 restructuring program focused on the Company's plans to close its manufacturing operations in Phoenix, Arizona and Mississauga, Canada and to consolidate its cosmetics production into its plant in Oxford, North Carolina. The 2000 restructuring program also includes the remaining obligation for excess leased real estate in the Company's headquarters, consolidation costs associated with the Company closing its facility in New Zealand, and the elimination of several domestic and international executive and operational positions, each of which were effected to reduce and streamline corporate overhead costs. During the third quarter and nine months ended September 30, 2003 and 2002, the Company continued to implement the 2000 restructuring program, as well as other restructuring actions, and recorded charges of $0.1 and $0.1, respectively, and $2.1 and $9.3, respectively, principally for additional employee severance and other personnel benefits, primarily resulting from reductions in the Company's worldwide sales force, relocation and other costs related to the consolidation of the Company's worldwide operations.

In connection with the 2000 restructuring program, termination benefits for 2,457 employees were included in the Company's restructuring charges, and all such employees that were to be terminated had been terminated as of September 30, 2003.

Details of the activity associated with the 2000 restructuring program during the nine-month period ended September 30, 2003 are as follows:

	Balance As of 1/1/03	Expenses, Net	Utilized, Net		Balance As of 9/30/03
			Cash	Noncash	
Employee severance and other personnel benefits	$ 7.0	$ —	$(4.1)	$—	$2.9
Leases and equipment write-offs	3.9	—	(1.1)	—	2.8
Relocation	—	0.1	(0.1)	—	—
Other obligations	0.9	—	—	—	0.9
	$11.8	$0.1	$(5.3)	$—	$6.6

During the third quarter and nine months ended September 30, 2003, the Company recorded a separate charge of $0.3 and $0.8, respectively, principally for employee severance and other personnel benefits for 136 employees in certain Latin American and European operations, as to which 111 employees have been terminated as of September 30, 2003. The remaining balance of $0.2 at September 30, 2003 relating to the charges which were recorded during the nine-month period ended September 30, 2003 are expected to be paid by the first quarter of 2004.

(6) Geographic Information

The Company manages its business on the basis of one reportable operating segment. The Company's results of operations and the value of its foreign assets and liabilities may be adversely affected by, among other things, weak economic conditions, political uncertainties, military actions, adverse currency fluctuations and competitive activities.

Geographic areas:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2003	2002	2003	2002
Net sales:				
United States	$198.6	$221.1	$604.3	$614.2
Canada	13.5	10.9	37.5	31.2
United States and Canada	212.1	232.0	641.8	645.4
International.	104.4	91.2	289.0	261.4
	$316.5	$323.2	$930.8	$906.8

(dollars in millions, except per share data)

Long-lived assets:	September 30, 2003	December 31, 2002
United States	$401.6	$395.6
Canada	7.8	3.5
United States and Canada	409.4	399.1
International	79.2	74.6
	$488.6	$473.7

Classes of similar products:	Three Months Ended September 30,		Nine Months Ended September 30,	
Net sales:	2003	2002	2003	2002
Cosmetics, skin care and fragrances	$210.0	$212.4	$616.2	$581.3
Personal care	106.5	110.8	314.6	325.5
	$316.5	$323.2	$930.8	$906.8

(7) Derivative Financial Instruments

The Company uses derivative financial instruments, primarily foreign currency forward exchange contracts, to reduce the effects of fluctuations in foreign currency exchange rates. These contracts, which have been designated as cash flow hedges, were entered into primarily to hedge anticipated inventory purchases and certain intercompany payments denominated in foreign currencies, which have maturities of less than one year. Any unrecognized income (loss) related to these contracts are recorded in the Statement of Operations when the underlying transactions hedged are realized (e.g., when inventory is sold or intercompany transactions are settled). The Company enters into these contracts with a counterparty that is a major financial institution, and accordingly the Company believes that the risk of counterparty nonperformance is remote. The notional amount of the foreign currency forward exchange contracts outstanding at September 30, 2003 was $18.9. The fair value of the foreign currency forward exchange contracts outstanding at September 30, 2003 was $(1.3).

(8) Guarantor Financial Information

Products Corporation's 12% Senior Secured Notes due 2005 (the "12% Notes") are jointly and severally, fully and unconditionally guaranteed by the domestic subsidiaries of Products Corporation that guarantee Products Corporation's 2001 Credit Agreement (as hereinafter defined) (the "Guarantor Subsidiaries") (subsidiaries of Products Corporation that do not guarantee the 12% Notes are referred to as the "Non-Guarantor Subsidiaries"). The Supplemental Guarantor Condensed Consolidating Financial Data presented below presents the balance sheets, statements of operations and statements of cash flow data (i) for Products Corporation and the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on a consolidated basis (which is derived from Products Corporation's historical reported financial information); (ii) for Products Corporation as the "Parent Company," alone (accounting for its Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on an equity basis under which the investments are recorded by each entity owning a portion of another entity at cost, adjusted for the applicable share of the subsidiary's cumulative results of operations, capital contributions and distributions, and other equity changes); (iii) for the Guarantor Subsidiaries alone; and (iv) for the Non-Guarantor Subsidiaries alone. Additionally, Products Corporation's 12% Notes are fully and unconditionally guaranteed by Revlon, Inc. The unaudited and audited consolidating condensed balance sheets, unaudited consolidating condensed statements of operations and unaudited consolidating condensed statements of cash flow for Revlon, Inc. have not been included in the accompanying Supplemental Guarantor Condensed Consolidating Financial Data as such information is not materially different from those of Products Corporation.

Unaudited Consolidating Condensed Balance Sheets
As of September 30, 2003

ASSETS	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Current assets	$ 422.0	$ —	$ 208.9	$ 31.8	$181.3
Intercompany receivables	—	(1,922.4)	1,193.3	539.6	189.5
Investment in subsidiaries	—	267.7	(237.4)	(90.0)	59.7
Property, plant and equipment, net	136.5	—	115.5	2.7	18.3
Other assets.	152.2	—	121.5	5.4	25.3
Goodwill, net	186.1	—	156.6	2.1	27.4
Total assets.	$ 896.8	$(1,654.7)	$ 1,558.4	$ 491.6	$501.5
LIABILITIES AND STOCKHOLDER'S DEFICIENCY					
Current liabilities	$ 450.1	$ —	$ 300.3	$ 29.5	$120.3
Intercompany payables	—	(1,922.4)	831.2	723.1	368.1
Long-term debt	1,856.3	—	1,851.9	3.2	1.2
Other long-term liabilities	316.6	—	301.2	15.4	—
Total liabilities.	2,623.0	(1,922.4)	3,284.6	771.2	489.6
Stockholder's (deficiency) equity	(1,726.2)	267.7	(1,726.2)	(279.6)	11.9
Total liabilities and stockholder's (deficiency) equity	$ 896.8	$(1,654.7)	$ 1,558.4	$ 491.6	$501.5

(dollars in millions, except per share data)

Consolidating Condensed Balance Sheets
As of December 31, 2002

ASSETS	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Current assets	$ 476.7	$ —	$ 256.5	$ 35.8	$184.4
Intercompany receivables	—	(1,526.4)	850.7	471.5	204.2
Investment in subsidiaries	—	277.6	(228.1)	(107.8)	58.3
Property, plant and equipment, net	133.4	—	118.1	2.9	12.4
Other assets.	141.8	—	114.2	4.5	23.1
Goodwill, net	185.9	—	156.6	2.1	27.2
Total assets.	$ 937.8	$(1,248.8)	$ 1,268.0	$ 409.0	$509.6
LIABILITIES AND STOCKHOLDER'S DEFICIENCY					
Current liabilities	$ 509.9	$ —	$ 361.8	$ 30.9	$117.2
Intercompany payables	—	(1,526.4)	501.0	645.9	379.5
Long-term debt	1,750.1	—	1,742.9	6.5	0.7
Other long-term liabilities	320.0	—	304.5	15.5	—
Total liabilities.	2,580.0	(1,526.4)	2,910.2	698.8	497.4
Stockholder's (deficiency) equity	(1,642.2)	277.6	(1,642.2)	(289.8)	12.2
Total liabilities and stockholder's (deficiency) equity	$ 937.8	$(1,248.8)	$ 1,268.0	$ 409.0	$509.6

Unaudited Consolidating Condensed Statement of Operations
For the Quarter Ended September 30, 2003

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales	$316.5	$(28.4)	$194.0	$45.1	$105.8
Cost of sales	127.1	(28.4)	74.5	34.3	46.7
Gross profit	189.4	—	119.5	10.8	59.1
Selling, general and administrative expenses	196.6	—	137.4	10.5	48.7
Restructuring costs	0.4	—	0.3	—	0.1
Operating (loss) income	(7.6)	—	(18.2)	0.3	10.3
Other expenses (income):					
Interest expense, net	43.8	—	43.7	0.1	—
Miscellaneous, net.	1.1	—	0.5	(9.2)	9.8
Equity in earnings of subsidiaries.	—	1.5	(6.1)	5.7	(1.1)
Other expenses (income), net	44.9	1.5	38.1	(3.4)	8.7
(Loss) income before income taxes	(52.5)	(1.5)	(56.3)	3.7	1.6
Provision (benefit) for income taxes.	2.2	—	(1.6)	2.0	1.8
Net (loss) income	$(54.7)	$ (1.5)	$(54.7)	$ 1.7	$ (0.2)

Unaudited Consolidating Condensed Statement of Operations
For the Quarter Ended September 30, 2002

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales.	$323.2	$(38.0)	$216.8	$ 52.5	$ 91.9
Cost of sales	121.6	(38.0)	73.7	43.1	42.8
Gross profit	201.6	—	143.1	9.4	49.1
Selling, general and administrative expenses.	176.7	—	112.1	8.7	55.9
Restructuring costs	2.1	—	1.5	—	0.6
Operating income (loss)	22.8	—	29.5	0.7	(7.4)
Other expenses (income):					
Interest expense, net	39.7	—	39.3	0.1	0.3
Miscellaneous, net.	3.6	—	(3.6)	(16.1)	23.3
Equity in earnings of subsidiaries.	—	(26.9)	15.2	11.7	—
Other expenses (income), net	43.3	(26.9)	50.9	(4.3)	23.6
(Loss) income before income taxes	(20.5)	26.9	(21.4)	5.0	(31.0)
Provision for income taxes.	1.0	—	0.1	0.2	0.7
Net (loss) income	$(21.5)	$ 26.9	$(21.5)	$ 4.8	$(31.7)

Unaudited Consolidating Condensed Statement of Operations
For the Nine Months Ended September 30, 2003

Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor

					Subsidiaries
Net sales	$ 930.8	$(91.0)	$ 592.4	$133.4	$296.0
Cost of sales	363.8	(91.0)	213.4	107.2	134.2
Gross profit	567.0	—	379.0	26.2	161.8
Selling, general and administrative expenses.	580.4	—	404.1	30.0	146.3
Restructuring costs	0.9	—	0.1	0.1	0.7
Operating (loss) income	(14.3)	—	(25.2)	(3.9)	14.8
Other expenses (income):					
Interest expense, net	126.6	—	126.3	0.2	0.1
Miscellaneous, net	3.5	—	0.7	(29.7)	32.5
Equity in earnings of subsidiaries.	—	(17.3)	(5.0)	23.7	(1.4)
Other expenses (income), net	130.1	(17.3)	122.0	(5.8)	31.2
(Loss) income before income taxes	(144.4)	17.3	(147.2)	1.9	(16.4)
(Benefit) provision for income taxes.	(3.1)	—	(5.9)	2.3	0.5
Net loss	$(141.3)	$ 17.3	$(141.3)	$ (0.4)	$(16.9)

Unaudited Consolidating Condensed Statement of Operations
For the Nine Months Ended September 30, 2002

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales.	$ 906.8	$(98.5)	$ 601.5	$135.8	$268.0
Cost of sales	350.4	(98.5)	213.1	109.5	126.3
Gross profit	556.4	—	388.4	26.3	141.7
Selling, general and administrative expenses.	522.1	—	362.2	26.5	133.4
Restructuring costs	9.3	—	5.7	0.2	3.4
Operating income (loss)	25.0	—	20.5	(0.4)	4.9
Other expenses (income):					
Interest expense, net	116.8	—	116.1	0.2	0.5
Miscellaneous, net.	11.1	—	0.4	(22.5)	33.2
Equity in earnings of subsidiaries.	—	(68.8)	12.4	56.2	0.2
Other expenses, net	127.9	(68.8)	128.9	33.9	33.9
Loss before income taxes	(102.9)	68.8	(108.4)	(34.3)	(29.0)
Provision (benefit) for income taxes.	2.1	—	(3.4)	3.1	2.4
Net loss	$(105.0)	$ 68.8	$(105.0)	$(37.4)	$(31.4)

Unaudited Consolidating Condensed Statement of Cash Flow
For the Nine Months Ended September 30, 2003

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash used for operating activities	$(183.9)	$ —	$(169.8)	$ (2.6)	$(11.5)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures.	(19.7)	—	(17.6)	(0.3)	(1.8)
Net cash used for investing activities	(19.7)	—	(17.6)	(0.3)	(1.8)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net increase in short-term borrowings—third parties.	0.4	—	—	0.1	0.3
Proceeds from the issuance of long-term debt—third parties	187.3	—	179.3	7.2	0.8
Repayment of long-term debt—third parties	(186.7)	—	(175.7)	(10.6)	(0.4)
Proceeds from the issuance of long-term debt— affiliates	99.7	—	99.7	—	—
Capital contribution from direct parent	46.9	—	46.9	—	—
Payment of financing costs	(3.4)	—	(3.4)	—	—
Net cash provided by (used for) financing activities	144.2	—	146.8	(3.3)	0.7
Effect of exchange rate changes on cash and cash equivalents	8.2	—	0.2	—	8.0
Net decrease in cash and cash equivalents	(51.2)	—	(40.4)	(6.2)	(4.6)
Cash and cash equivalents at beginning of period	85.8	—	28.0	7.8	50.0
Cash and cash equivalents at end of period	$ 34.6	$ —	$ (12.4)	$ 1.6	$ 45.4

Unaudited Consolidating Condensed Statement of Cash Flow
For the Nine Months Ended September 30, 2002

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash used for operating activities	$(110.9)	$ —	$(90.9)	$(17.8)	$(2.2)

(dollars in millions, except per share data)

CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures.	(9.4)	—	(8.0)	—	(1.4)
Net proceeds from the sale of brand and certain assets	1.8	—	1.8	—	—
Net cash used for investing activities	(7.6)	—	(6.2)	—	(1.4)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net increase in short-term borrowings—third parties.	7.7	—	—	2.8	4.9
Proceeds from the issuance of long-term debt—third parties	94.6	—	79.5	10.9	4.2
Repayment of long-term debt—third parties	(23.5)	—	(19.5)	(2.9)	(1.1)
Payment of financing costs	(0.3)	—	(0.3)	—	—
Net cash provided by financing activities	78.5	—	59.7	10.8	8.0
Effect of exchange rate changes on cash and cash equivalents	(4.1)	—	(0.1)	0.2	(4.2)
Net (decrease) increase in cash and cash equivalents	(44.1)	—	(37.5)	(6.8)	0.2
Cash and cash equivalents at beginning of period	103.3	—	55.0	10.1	38.2
Cash and cash equivalents at end of period	$ 59.2	$ —	$ 17.5	$ 3.3	$38.4

(9) Rights Offering and Long-term Debt

In December 2002, the Company's principal stockholder, MacAndrews & Forbes, proposed providing the Company with up to $150 in cash in order to help fund a portion of the costs and expenses associated with implementing the stabilization and growth phase of the Company's plan and for general corporate purposes. The Company's Board of Directors appointed a special committee of independent directors to evaluate the proposal made by MacAndrews & Forbes. The special committee reviewed and considered the proposal and negotiated enhancements to the terms of the proposal. In February 2003, the enhanced proposal was recommended to the Company's Board of Directors by the special committee and approved by the Company's full board.

In connection with MacAndrews & Forbes' enhanced proposal, in February 2003 the Company entered into an investment agreement with MacAndrews Holdings (the "Investment Agreement") pursuant to which the Company undertook and, on June 20, 2003, completed, a $50 equity rights offering (the "Rights Offering") in which its stockholders purchased additional shares of the Company's Class A Common Stock. Pursuant to the Rights Offering, the Company distributed to each stockholder of record of its Common Stock, as of the close of business on May 12, 2003, the record date set by the Board of Directors, at no charge, one transferable subscription right for each 2.9403 shares of Common Stock owned. Each subscription right enabled the holder to purchase one share of Class A Common Stock at a subscription price equal to $2.84, representing 80% of the $3.55 closing price per share of the Company's Class A Common Stock on the New York Stock Exchange ("NYSE") on May 12, 2003, the record date of the Rights Offering.

Pursuant to the over-subscription privilege in the Rights Offering, each rights holder that exercised its basic subscription privilege in full could also subscribe for additional shares of Class A Common Stock

at the same subscription price per share, to the extent that other stockholders did not exercise their subscription rights in full. As a result of there being an insufficient number of shares available to fully satisfy the over-subscription privilege requests, the available shares were sold pro rata among subscription rights holders who exercised their over-subscription privilege, based on the number of shares each subscription rights holder subscribed for under the basic subscription privilege.

As a Revlon, Inc. stockholder, MacAndrews Holdings would have received its pro rata subscription rights in the Rights Offering and would also have been entitled to exercise an over-subscription privilege. However, MacAndrews Holdings agreed not to exercise either its basic or over-subscription privileges. Instead, MacAndrews Holdings agreed to purchase the shares of the Company's Class A Common Stock that it would otherwise have been entitled to acquire pursuant to its basic subscription privilege (equal to approximately 83% of the shares available for purchase under the Rights Offering, or approximately $41.5) in a private placement direct from the Company. In addition, if any shares remained following the exercise of the basic subscription privileges and the over-subscription privileges by other right holders, MacAndrews Holdings agreed to back-stop the Rights Offering by purchasing the remaining shares of Class A Common Stock offered but not purchased by other stockholders (approximately 17% of the shares offered in the Rights Offering, or an additional approximate $8.5), also in a private placement.

On June 20, 2003, the Company completed the Rights Offering and issued an additional 17,605,650 shares of its Class A Common Stock, including 3,015,303 shares subscribed for by the public and 14,590,347 shares issued to MacAndrews Holdings in a private placement (representing the number of shares of the Company's Class A Common Stock that MacAndrews Holdings would otherwise have been entitled to purchase pursuant to its basic subscription privilege, which was approximately 83% of the shares of the Company's Class A Common Stock offered in the Rights Offering). Because the Rights Offering was fully subscribed by the public as to its pro rata share of the offering, MacAndrews Holdings was not required to purchase any shares of the Company's Class A Common Stock in excess of its pro rata portion pursuant to its agreement to back-stop the Rights Offering.

In addition, in accordance with the enhanced proposal, MacAndrews Holdings also made available a $100 million term loan to Products Corporation (the "MacAndrews & Forbes $100 million term loan"). The Investment Agreement provided that if, prior to the consummation of the Rights Offering, Products Corporation had fully drawn the MacAndrews & Forbes $100 million term loan and the implementation of the stabilization and growth phase of the Company's plan caused it to require some or all of the $50 of funds that the Company would raise from the Rights Offering, MacAndrews Holdings would advance the Company these funds prior to closing the Rights Offering by purchasing up to $50 of newly-issued shares of the Company's Series C preferred stock, which would be redeemed with the proceeds the Company received from the Rights Offering (this investment in the Company's Series C preferred stock (which was non-voting, non-dividend paying and non-convertible) is referred to as the "$50 million Series C preferred stock investment"). During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews Holdings agreed to waive the condition that the MacAndrews & Forbes $100 million term loan be fully drawn before it would be required to purchase up to $50 of the Company's Series C preferred stock. During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews Holdings purchased $50 of the Company's Series C preferred stock, which was redeemed with the gross proceeds the Company received from the Rights Offering. The Company made a series of capital contributions of the proceeds from such issuances of Series C preferred stock to Products Corporation, which proceeds Products Corporation used to help fund a portion of the costs and expenses associated with implementing the stabilization and growth phase of its plan and for general corporate purposes. The MacAndrews & Forbes $100 million term loan has a final maturity date of December 1, 2005 and interest on such loan of

12.0% is not payable in cash, but will accrue and be added to the principal amount each quarter and be paid in full at final maturity.

Additionally, MacAndrews Holdings also agreed to provide Products Corporation with an additional $40 line of credit during 2003, which amount was originally to increase to $65 on January 1, 2004 (the "MacAndrews & Forbes $65 million line of credit") (the MacAndrews & Forbes $100 million term loan and the MacAndrews & Forbes $65 million line of credit, each as amended, are referred to as the "Mafco Loans" and the Rights Offering and the Mafco Loans are referred to as the "M&F Investments") and which will be available to Products Corporation through December 31, 2004, provided that the MacAndrews & Forbes $100 million term loan is fully drawn and MacAndrews Holdings has purchased an aggregate of $50 of the Company's Series C preferred stock (or if the Company had consummated the Rights Offering and redeemed any outstanding shares of Series C preferred stock). The MacAndrews & Forbes $65 million line of credit bears interest payable in cash at a rate of the lesser of (i) 12.0% and (ii) 0.25% less than the rate payable from time to time on Eurodollar loans under Products Corporation's Credit Agreement (which rate was 8.25% as of September 30, 2003).

In connection with the transactions with MacAndrews & Forbes described above, and as a result of Products Corporation's operating results for the fourth quarter of 2002 and the effect of the acceleration of the Company's implementation of the stabilization and growth phase of its plan, Products Corporation entered into an amendment in February 2003 of its Credit Agreement with its bank lenders and secured waivers of compliance with certain covenants under the Credit Agreement. In particular, EBITDA (as defined in the Credit Agreement) was $35.2 for the four consecutive fiscal quarters ended December 31, 2002, which was less than the minimum of $210 required under the EBITDA covenant of the Credit Agreement for that period and the Company's leverage ratio was 5.09:1.00, which was in excess of the maximum ratio of 1.4:1.00 permitted under the leverage ratio covenant of the Credit Agreement for that period. Accordingly, the Company sought and secured waivers of compliance with these covenants for the four quarters ended December 31, 2002 and, in light of the Company's expectation that the continued implementation of the stabilization and growth phase of the Company's plan would affect the ability of Products Corporation to comply with these covenants during 2003, the Company also secured an amendment to eliminate the EBITDA and leverage ratio covenants for the first three quarters of 2003 and a waiver of compliance with such covenants for the four quarters ending December 31, 2003 expiring on January 31, 2004.

The amendment to the Credit Agreement also included the substitution of a covenant requiring the Company to maintain a minimum of $20 of liquidity from all available sources at all times through January 31, 2004 and certain other amendments to allow for the M&F Investments and the implementation of the stabilization and growth phase of the Company's plan, including specific exceptions from the limitations under the indebtedness covenant to permit the MacAndrews & Forbes $100 million term loan and the MacAndrews & Forbes $65 million line of credit and to exclude the proceeds from the M&F Investments from the mandatory prepayment provisions of the Credit Agreement, and to increase the maximum limit on capital expenditures (as defined in the Credit Agreement) from $100 to $115 for 2003. The amendment also increased the applicable margin on loans under the Credit Agreement by 0.5%, the incremental cost of which to the Company, assuming the Credit Agreement is fully drawn, would be $1.1 from February 5, 2003 through the end of 2003.

The Company expects that operating revenues, cash on hand, and funds available for borrowing under the Credit Agreement, the Mafco Loans and the $25 million M&F Loan (as hereinafter defined) will be sufficient to enable the Company to cover its operating expenses, including cash requirements in connection with the Company's operations, the stabilization and growth phase of the Company's plan, cash requirements in connection with the Company's restructuring programs referred to above and the Company's debt service requirements for 2003. The U.S. mass-market color cosmetics category during the third quarter and the nine months ended September 30, 2003 has been softer than expected. Despite this softness in the U.S. mass-market color cosmetics category, based upon the Company's belief that its stabilization and growth plan is proving effective, the Company intends to continue to support its stabilization and growth plan, including for brand support. To help fund the costs and expenses of the

stabilization and growth plan, in July 2003, MacAndrews Holdings agreed to make available to Products Corporation in 2003 the full $65 under the MacAndrews & Forbes $65 million line of credit, $25 of which was scheduled to become available on January 1, 2004. Additionally, Products Corporation has received a commitment from MacAndrews & Forbes to provide, if necessary, from and after the fourth quarter of 2003 up to an additional $25 in working capital support (the "$25 million M&F Loan"), as well as an additional working capital loan of up to $100 for 2004 (the "2004 M&F Loan"). The $25 million M&F Loan and the 2004 M&F Loan are each subject to MacAndrews & Forbes and Products Corporation reaching agreement on terms that are expected to be substantially the same as the MacAndrews & Forbes $100 million term loan, as well as to approval by Products Corporation's Board of Directors. The 2004 M&F Loan is also subject to Products Corporation's receiving the consent of a majority of the lenders under Products Corporation's Credit Agreement, which Products Corporation expects to obtain in connection with the waiver or amendment it expects to obtain before January 31, 2004. As of November 12, 2003, Products Corporation had utilized $243.9 under the 2001 Credit Agreement, all of the MacAndrews & Forbes $100 million term loan, and $37.2 of the MacAndrews & Forbes $65 million line of credit. The Mafco Loans, the $25 million M&F Loan and the net proceeds from the Rights Offering are intended to help fund the stabilization and growth phase of the Company's plan and to decrease the risk that would otherwise exist if the Company were to fail to meet its debt and ongoing obligations as they became due in 2003. However, there can be no assurance that such funds will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company's anticipated level of revenue growth is not achieved because, for example, of decreased consumer spending in response to weak economic conditions or weakness in the cosmetics category, increased competition from the Company's competitors or the Company's marketing plans are not as successful as anticipated, or if the Company's expenses associated with implementation of the stabilization and growth phase of the Company's plan exceed the anticipated level of expenses, the Company's current sources of funds may be insufficient to meet the Company's cash requirements. Additionally, in the event of a decrease in demand for Products Corporation's products or reduced sales or lack of increases in demand and sales as a result of the stabilization and growth phase of the Company's plan, such development, if significant, could reduce Products Corporation's operating revenues and could adversely affect Products Corporation's ability to achieve certain financial covenants under the Credit Agreement and in such event the Company could be required to take measures, including reducing discretionary spending. If the Company is unable to satisfy such cash requirements from these sources, the Company could be required to adopt one or more alternatives, such as delaying the implementation of or revising aspects of the stabilization and growth phase of its plan, reducing or delaying purchases of wall displays or advertising or promotional expenses, reducing or delaying capital spending, delaying, reducing or revising restructuring programs, restructuring indebtedness, selling assets or operations, seeking additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties, selling additional equity securities of Revlon, Inc. or reducing other discretionary spending. The Company has substantial debt maturing in 2005, which will require refinancing, consisting of $246.3 (assuming the maximum amount is borrowed) under the Credit Agreement and $363.0 of 12% Notes, as well as any amounts borrowed under the Mafco Loans (the MacAndrews & Forbes $65 million line of credit is due December 31, 2004), the $25 million M&F Loan and the 2004 M&F Loan.

The Company expects that Products Corporation will need to seek a further amendment to the Credit Agreement or a waiver of the EBITDA and leverage ratio covenants under the Credit Agreement prior to the expiration of the existing waiver on January 31, 2004 because the Company does not expect that its operating results, including after giving effect to various actions under the stabilization and growth phase of the Company's plan, will allow Products Corporation to satisfy those covenants for the four consecutive fiscal quarters ending December 31, 2003. The minimum EBITDA required to be maintained by Products Corporation under the Credit Agreement is $230 for each of the four consecutive fiscal quarters ending on December 31, 2003 (which covenant was waived through January 31, 2004), March 31,

2004, June 30, 2004 and September 30, 2004 and $250 for any four consecutive fiscal quarters ending December 31, 2004 and thereafter and the leverage ratio covenant under the Credit Agreement will permit a maximum ratio of 1.10:1.00 for any four consecutive fiscal quarters ending on or after December 31, 2003 (which limit was waived through January 31, 2004 for the four fiscal quarters ending December 31, 2003). In addition, after giving effect to the amendment, the Credit Agreement also contains a $20 minimum liquidity covenant. While the Company expects that Products Corporation's bank lenders will consent to such amendment or waiver request and the amendment to permit Products Corporation to borrow under the 2004 M&F Loan, there can be no assurance that they will or that they will do so on terms that are favorable to the Company. If the Company is unable to obtain such amendment or waiver, it could be required to refinance the Credit Agreement or repay it with proceeds from the sale of assets or operations, or additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties or the sale of additional equity securities of Revlon, Inc. In the event that Products Corporation were unable to obtain such a waiver or amendment and Products Corporation were not able to refinance or repay the Credit Agreement, Products Corporation's inability to meet the financial covenants for the four consecutive fiscal quarters ending December 31, 2003 would constitute an event of default under Products Corporation's Credit Agreement, which would permit the bank lenders to accelerate the Credit Agreement, which in turn would constitute an event of default under the indentures governing Products Corporation's debt if the amount accelerated exceeds $25.0 and such default remains uncured within 10 days of notice from the trustee under the applicable indenture.

There can be no assurance that the Company would be able to take any of the actions referred to in the preceding two paragraphs because of a variety of commercial or market factors or constraints in the Company's debt instruments, including, for example, Products Corporation's inability to reach agreement with its bank lenders on refinancing terms that are acceptable to the Company before the waiver of its financial covenants expires on January 31, 2004, market conditions being unfavorable for an equity or debt offering, or that the transactions may not be permitted under the terms of the Company's various debt instruments then in effect, because of restrictions on the incurrence of debt, incurrence of liens, asset dispositions and related party transactions. In addition, such actions, if taken, may not enable the Company to satisfy its cash requirements if the actions do not generate a sufficient amount of additional capital.

Revlon, Inc., as a holding company, will be dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay its expenses and to pay any cash dividend or distribution on Revlon, Inc.'s Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. The terms of the Credit Agreement, the Mafco Loans, the $25 million M&F Loan, the 2004 M&F Loan, the 12% Notes, the 8 5/8% Notes, the 8 1/8% Notes and the 9% Notes (each of which is hereinafter defined) generally restrict Products Corporation from paying dividends or making distributions, except that Products Corporation is permitted to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting fees, regulatory fees such as Securities and Exchange Commission (the "Commission") filing fees and other miscellaneous expenses related to being a public holding company and, subject to certain limitations, to pay dividends or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Revlon, Inc. Amended and Restated 1996 Stock Plan (as may be amended and restated from time to time, the "Amended Stock Plan").

Overview

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

The Company has accelerated the implementation of the stabilization and growth phase of its three-part plan, which, following detailed evaluations and research, includes the following key actions and investments, among others: (i) increasing advertising and media spending and effectiveness; (ii) increasing the marketing effectiveness of the Company's wall displays, by among other things, reconfiguring wall displays at its existing retail customers, streamlining its product assortment and reconfiguring product placement on its wall displays and rolling out the new wall displays; (iii) selectively adjusting prices on certain SKUs; (iv) further strengthening the Company's new product development process; and (v) implementing a comprehensive program to develop and train the Company's employees.

Discussion of Critical Accounting Policies

For a discussion of the Company's critical accounting policies, see the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

Results of Operations

Net sales

Net sales were $316.5 and $323.2 for the third quarters of 2003 and 2002, respectively, a decrease of $6.7, or 2.1%, and a decrease of 5.3% after excluding the impact of currency fluctuations, and were $930.8 and $906.8 for the nine months ended September 30, 2003 and 2002, respectively, an increase of $24.0, or 2.6%, and an increase of 0.2% after excluding the impact of currency fluctuations.

United States and Canada. Net sales in the U.S. and Canada were $212.1 for the third quarter of 2003, compared with $232.0 for the third quarter of 2002, a decrease of $19.9, or 8.6%, and were $641.8 for the nine months ended September 30, 2003, compared with $645.4 for the nine months ended September 30, 2002, a decrease of $3.6, or 0.6%. The decrease in the third quarter of 2003 was due to lower sales volume of $11.0, primarily due to the favorable impact in the third quarter of 2002 from shipments tied to the Company's fourth quarter 2002 promotional event, the impact in the third quarter of 2002 of approximately $11.5 in prepayment of certain licensing revenues, partially offset by lower sales returns, allowances and discounts of $2.7 in the third quarter of 2003 (which includes the impact of the stabilization and growth phase of the Company's plan). The decrease in the nine months ended September 30, 2003 was due to the favorable impact in the nine months ended September 30, 2002 of approximately $11.5 in prepayment of certain licensing revenues in and a decrease in other licensing revenues of $2.4 in the third quarter of 2003, partially offset by higher sales of $7.5 for the nine months ended September 30, 2003 and lower sales returns, allowances and discounts of $2.8 (which includes the impact of the stabilization and growth phase of the Company's plan).

International. Net sales in the Company's international operations were $104.4 for the third quarter of 2003, compared with $91.2 for the third quarter of 2002, an increase of $13.2, or 14.5%, and an increase of 4.9% excluding the impact of currency fluctuations, and were $289.0 for the nine months ended September 30, 2003, compared with $261.4 for the nine months ended September 30, 2002, an increase of $27.6, or 10.6%, and an increase of 3.4% excluding the impact of currency fluctuations.

Sales in the Company's international operations are divided by the Company into three geographic regions. In Europe, which is comprised of Europe and the Middle East, net sales increased by $3.6, or

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12.9%, to $31.5 for the third quarter of 2003, as compared with the third quarter of 2002. The increase in the European region is primarily due to increases in sales volume in the U.K., Italy and France (which factor the Company estimates contributed to an approximate 7.5% increase in net sales for the region) and the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 7.2% increase in net sales for the region), which was partially offset by lower sales volume in certain distributor markets in Russia and Central and Eastern Europe (which factor the Company estimates contributed to an approximate 3.4% reduction in net sales for the region).

In Latin America, which is comprised of Mexico, Central America and South America, net sales increased by $1.8, or 8.0%, to $24.3 for the third quarter of 2003, as compared with the third quarter of 2002. The increase in the Latin American region is primarily due to increased sales volume in Venezuela, Argentina and certain distributor markets (which factor the Company estimates contributed to an approximate 11.9% increase in net sales for the region), which was partially offset by decreased sales volume in Brazil and Mexico (which factor the Company estimates contributed to an approximate 4.7% reduction in net sales for the region).

In the Far East and Africa, net sales increased by $7.8, or 19.1%, to $48.6 for the third quarter of 2003, as compared with the third quarter of 2002. The increase in the Far East and Africa region is due to the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 15.9% increase in net sales for the region) and increased sales volume in China and Japan (which factor the Company estimates contributed to an approximate 3.9% increase in net sales for the region).

In Europe, net sales increased by $9.6, or 12.0%, to $89.9 for the nine months ended September 30, 2003, as compared with the nine months ended September 30, 2002. The increase in the European region is primarily due to the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 12.0% increase in net sales for the region) and increased sales volume in the U.K. (which factor the Company estimates contributed to an approximate 4.2% increase in net sales for the region). Such factors were partially offset by lower sales volume in certain distributor markets in Russia and Central and Eastern Europe (which factor the Company estimates contributed to an approximate 4.6% reduction in net sales for the region).

In Latin America, net sales decreased by $5.0, or 7.0%, to $66.1 for the nine months ended September 30, 2003, as compared with the nine months ended September 30, 2002. The decrease in the Latin American region is primarily due to the impact of adverse currency fluctuations (which factor the Company estimates contributed to an approximate 11.8% reduction in net sales for the region), decreased sales volume in Brazil and Mexico (which factor the Company estimates contributed to an approximate 9.8% reduction in net sales for the region), which was partially offset by increased sales volume in Venezuela, Argentina and certain distributor markets (which factor the Company estimates contributed to an approximate 13.1% increase in net sales for the region).

In the Far East and Africa, net sales increased by $23.0, or 20.9%, to $133.0 for the nine months ended September 30, 2003, as compared with the nine months ended September 30, 2002. The increase in the Far East and Africa region is due to the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 15.6% increase in net sales for the region) and increased sales volume in South Africa, Japan and certain distributor markets (which factor the Company estimates contributed to an approximate 5.4% increase in net sales for the region).

Net sales in the Company's international operations may be adversely affected by, among other things, weak economic conditions, political uncertainties, military actions, adverse currency fluctuations, and competitive activities.

Gross profit

Gross profit was $189.4 for the third quarter of 2003, compared with $201.6 for the third quarter of 2002, and was $567.0 for the nine months ended September 30, 2003, compared with $556.4 for the nine months ended September 30, 2002. As a percentage of net sales, gross profit margins were 59.8% for the third quarter of 2003, compared with 62.4% for the third quarter of 2002, and were 60.9% for the nine months ended September 30, 2003, compared with 61.4% for the nine months ended September 30, 2002. The $12.2 decrease in gross profit in the third quarter of 2003, as compared to the third quarter of 2002, was primarily due to the benefit in the third quarter of 2002 of approximately $11.5 in prepayment of certain licensing revenues, higher cost of goods sold of $5.5 in the 2003 period due to unfavorable product mix and lower production volumes in the 2003 period and a decrease in other revenue of $0.3 in the 2003 period, partially offset by lower sales returns, allowances and discounts of $4.7 in the 2003 period (which includes the impact of the stabilization and growth phase of the Company's plan). The $10.6 increase in gross profit in the nine months ended September 30, 2003, as compared to the comparable 2002 period, is primarily due to higher sales of $36.2 in the 2003 period and lower sales returns, allowances and discounts of $1.9 in the 2003 period (which includes the impact of the stabilization and growth phase of the Company's plan), partially offset by higher cost of goods sold of $13.4 in the 2003 period due to unfavorable product mix and lower production volumes in the 2003 period, a decrease in other revenue of $2.6 in the 2003 period and the benefit in the nine months ended September 30, 2002 of approximately $11.5 in prepayment of certain licensing revenues.

SG&A expenses

SG&A expenses were $196.9 for the third quarter of 2003, compared with $177.7 for the third quarter of 2002, and were $581.3 for the nine months ended September 30, 2003, compared with $525.2 for the nine months ended September 30, 2002. The increase in SG&A expenses for the third quarter 2003, as compared to the third quarter 2002, is due primarily to higher brand support of $11.1 principally related to the stabilization and growth phase of the Company's plan, higher personnel-related expenses and professional fees of $7.2 (including expenses related to the stabilization and growth phase of the Company's plan), and rent expense of $2.7, partially offset by lower depreciation and amortization of $5.0. The increase in SG&A expenses for the nine months ended September 30, 2003, as compared to the nine months ended September 30, 2002, is due primarily to higher brand support of $37.5 principally related to the stabilization and growth phase of the Company's plan, higher personnel-related expenses and professional fees of $18.6 (including expenses related to the stabilization and growth phase of the Company's plan), rent expense of $2.6, partially offset by lower depreciation and amortization of $9.0.

Restructuring costs

During the third quarter of 2000, the Company initiated a new restructuring program in line with the original restructuring plan developed in late 1998, designed to improve profitability by reducing personnel and consolidating manufacturing facilities. The 2000 restructuring program focused on the Company's plans to close its manufacturing operations in Phoenix, Arizona and Mississauga, Canada and to consolidate its cosmetics production into its plant in Oxford, North Carolina. The 2000 restructuring program also includes the remaining obligation for excess leased real estate in the Company's headquarters, consolidation costs associated with the Company closing its facility in New Zealand, and the elimination of several domestic and international executive and operational positions, each of which were effected to reduce and streamline corporate overhead costs. During the third quarter and nine months ended September 30, 2003 and 2002, the Company continued to implement the 2000 restructuring program, as well as other restructuring actions, and recorded charges of $0.1 and $0.1, respectively, and $2.1 and $9.3, respectively, principally for additional employee severance and other personnel benefits, primarily resulting from reductions in the Company's worldwide sales force, relocation and other costs related to the consolidation of the Company's worldwide operations.

During the third quarter and nine months ended September 30, 2003, the Company recorded a separate charge of $0.3 and $0.8, respectively, principally for employee severance and other personnel benefits in certain Latin American and European operations.

The Company anticipates annualized savings of approximately $1 relating to the restructuring charges recorded during the nine months ended September 30, 2003.

Other expenses (income)

Interest expense was $44.3 for the third quarter of 2003, compared with $40.1 for the third quarter of 2002, and $128.5 for the nine months ended September 30, 2003, as compared to $118.4 for the nine months ended September 30, 2002. The increase in interest expense for the third quarter and nine months ended September 30, 2003, as compared to the third quarter and nine months ended September 30, 2002, is primarily due to higher interest rates under the Credit Agreement as a result of the amendment to the Credit Agreement in February 2003 and higher overall borrowings during the third quarter and nine months ended September 30, 2003, including amounts borrowed under the Credit Agreement and the Mafco Loans.

Provision (benefit) for income taxes

The provision (benefit) for income taxes was $2.3 for the third quarter of 2003, compared with $1.0 for the third quarter of 2002, and $(2.9) for the nine months ended September 30, 2003, as compared to $2.1 for the nine months ended September 30, 2002. The increase in the provision for income taxes in the third quarter of 2003 as compared to the third quarter of 2002 is due to higher taxable income in certain markets outside the United States. The benefit for income taxes for the nine months ended September 30, 2003 was attributable to the resolution of various tax audits.

Financial Condition, Liquidity and Capital Resources

Net cash used for operating activities was $183.9 and $110.9 for the nine months ended September 30, 2003 and 2002, respectively. The increase in net cash used for operating activities for the nine months ended September 30, 2003, compared to the nine months ended September 30, 2002, resulted primarily from a higher net loss, higher inventory and decreases in accounts payable and accrued expenses and other current liabilities, partially offset by a decrease in trade receivables.

Net cash used for investing activities was $19.7 and $7.6 for the nine months ended September 30, 2003 and 2002, respectively. Net cash used for investing activities for the nine months ended September 30, 2003 consisted of capital expenditures. Net cash used for investing activities for the nine months ended September 30, 2002 consisted of capital expenditures, partially offset by the sale of marketable securities.

Net cash provided by financing activities was $144.2 and $78.5 for the nine months ended September 30, 2003 and 2002, respectively. Net cash provided by financing activities for the nine months ended September 30, 2003 included cash drawn under the Credit Agreement and the Mafco Loans and net proceeds from the Rights Offering, partially offset by the repayment of borrowings under the Credit Agreement and payment of financing costs. Net cash provided by financing activities for the nine months ended September 30, 2002 included cash drawn under the Credit Agreement, partially offset by the repayment of borrowings under the Credit Agreement.

On November 30, 2001, Products Corporation entered into a credit agreement (the "2001 Credit Agreement") with a syndicate of lenders, whose individual members change from time to time, which agreement amended and restated the credit agreement entered into by Products Corporation in May 1997 (as amended, the "1997 Credit Agreement"; the 2001 Credit Agreement and the 1997 Credit Agreement are sometimes referred to as the "Credit Agreement"), and which matures on May 30, 2005. As of

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September 30, 2003, the 2001 Credit Agreement provided up to $248.7, which is comprised of a $116.6 term loan facility (the "Term Loan Facility") and a $132.1 multi-currency revolving credit facility (the "Multi-Currency Facility"). As of November 12, 2003, Products Corporation had utilized $243.9 under the 2001 Credit Agreement and had approximately $49 of available liquidity from all available sources.

In connection with the transactions with MacAndrews & Forbes described in Note 9 to the Unaudited Consolidated Condensed Financial Statements, and as a result of Products Corporation's operating results for the fourth quarter of 2002 and the effect of the acceleration of the Company's implementation of the stabilization and growth phase of its plan, Products Corporation entered into an amendment in February 2003 of its Credit Agreement with its bank lenders and secured waivers of compliance with certain covenants under the Credit Agreement. In particular, EBITDA (as defined in the Credit Agreement) was $35.2 for the four consecutive fiscal quarters ended December 31, 2002, which was less than the minimum of $210 required under the EBITDA covenant of the Credit Agreement for that period and the Company's leverage ratio was 5.09:1.00, which was in excess of the maximum ratio of 1.4:1.00 permitted under the leverage ratio covenant of the Credit Agreement for that period. Accordingly, the Company sought and secured waivers of compliance with these covenants for the four quarters ended December 31, 2002 and, in light of the Company's expectation that the continued implementation of the stabilization and growth phase of the Company's plan would affect the ability of Products Corporation to comply with these covenants during 2003, the Company also secured an amendment to eliminate the EBITDA and leverage ratio covenants for the first three quarters of 2003 and a waiver of compliance with such covenants for the four quarters ending December 31, 2003 expiring on January 31, 2004.

The amendment to the Credit Agreement also included the substitution of a covenant requiring the Company to maintain a minimum of $20 of liquidity from all available sources at all times through January 31, 2004 and certain other amendments to allow for the M&F Investments and the implementation of the stabilization and growth phase of the Company's plan, including specific exceptions from the limitations under the indebtedness covenant to permit the MacAndrews & Forbes $100 million term loan and the MacAndrews & Forbes $65 million line of credit and to exclude the proceeds from the M&F Investments from the mandatory prepayment provisions of the Credit Agreement, and to increase the maximum limit on capital expenditures (as defined in the Credit Agreement) from $100 to $115 for 2003. The amendment also increased the applicable margin on loans under the Credit Agreement by 0.5%, the incremental cost of which to the Company, assuming the Credit Agreement is fully drawn, would be $1.1 from February 5, 2003 through the end of 2003.

As discussed in Note 9 to the Unaudited Consolidated Condensed Financial Statements, pursuant to the Investment Agreement MacAndrews Holdings agreed, among other things, (i) to purchase such shares of Revlon, Inc.'s Class A Common Stock represented by its pro rata share of the rights distributed in the Rights Offering (approximately 83% of the shares available for purchase under the Rights Offering, or approximately $41.5) and to back-stop the Rights Offering by purchasing the remaining shares, if any, of Class A Common Stock offered to, but not purchased by, other stockholders (approximately 17% of the shares offered in the Rights Offering, or an additional approximate $8.5), (ii) to provide Products Corporation with the MacAndrews & Forbes $100 million term loan (the terms and conditions of which the parties agreed to on February 5, 2003), (iii) if, prior to the consummation of the Rights Offering, Products Corporation had fully drawn the MacAndrews & Forbes $100 million term loan and the implementation of the stabilization and growth phase of the Company's plan caused it to require some or all of the $50 of funds that the Company would raise from the Rights Offering, MacAndrews Holdings would advance the Company these funds prior to closing the Rights Offering by making the $50 million Series C preferred stock investment, which would be redeemed with the proceeds the Company receives from the Rights Offering, and (iv) to provide Products Corporation with the MacAndrews & Forbes $65 million line of credit (in July 2003, MacAndrews Holdings agreed to make available to Products Corporation in 2003 the full $65 under the MacAndrews & Forbes $65 million line of credit, $25 of which

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was scheduled to become available on January 1, 2004), provided that the MacAndrews & Forbes $100 million term loan is fully drawn and MacAndrews Holdings had made the $50 million Series C preferred stock investment (or the Company had consummated the Rights Offering and redeemed any outstanding shares of Series C preferred stock). During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews Holdings agreed to waive the condition that the MacAndrews & Forbes $100 million term loan be fully drawn before it would be required to purchase up to $50 of the Company's Series C preferred stock. During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews Holdings purchased $50 of the Company's Series C preferred stock, which was redeemed with the gross proceeds the Company received from the Rights Offering. The Company made a series of capital contributions of the proceeds from such issuances of Series C preferred stock to Products Corporation, which proceeds Products Corporation used to help fund a portion of the costs and expenses associated with implementing the stabilization and growth phase of its plan and for general corporate purposes.

The Company's principal sources of funds are expected to be operating revenues, cash on hand, funds available for borrowing under the Credit Agreement, the Mafco Loans, the $25 million M&F Loan and the 2004 M&F Loan. The Credit Agreement, the Mafco Loans, the $25 million M&F Loan, the 2004 M&F Loan, Products Corporation's 12% Notes, Products Corporation's 8 5/8% Notes due 2008 (the "8 5/8% Notes"), Products Corporation's 8 1/8% Notes due 2006 (the "8 1/8% Notes") and Products Corporation's 9% Notes due 2006 (the "9% Notes") contain certain provisions that by their terms limit Products Corporation's and/or its subsidiaries' ability to, among other things, incur additional debt.

The Company's principal uses of funds are expected to be the payment of operating expenses, including expenses in connection with the stabilization and growth phase of the Company's plan, purchases of permanent wall displays, capital expenditure requirements, including costs in connection with the ERP System (as hereinafter defined), payments in connection with the Company's restructuring programs referred to herein and debt service payments and costs, including capital expenditures, associated with relocating the Company's corporate offices in October 2003 due to the expiration of the lease for its former offices.

The Company has undertaken a number of programs to efficiently manage its cash and working capital including, among other things, programs to carefully manage and reduce inventory levels, centralized purchasing to secure discounts and efficiencies in procurement, and providing additional discounts to U.S. customers for more timely payment of receivables.

The Company estimates that charges related to the implementation of the stabilization and growth phase of the Company's plan for 2002, 2003 and 2004 will not exceed $160. The Company recorded charges of approximately $104 in 2002 and approximately $31 in the nine months ended September 30, 2003 related to the implementation of the stabilization and growth phase of its plan. The Company currently estimates that cash payments related to the foregoing charges that it has previously recorded with respect to the stabilization and growth phase of its plan will be approximately $105 during 2003 and 2004 of which the Company has paid approximately $60 through the nine months ended September 30, 2003.

The Company developed a new design for its wall displays (which the Company is continuing to refine as part of the stabilization and growth phase of its plan) and began installing them at certain customers' retail stores during 2002, which it continued during 2003. The Company is also reconfiguring existing wall displays at its retail customers on an accelerated basis. Accordingly, the Company has accelerated the amortization of its existing wall displays. The Company estimates that purchases of wall displays for 2003 will be approximately $75 to $80.

The Company estimates that capital expenditures for 2003 will be approximately $30 to $35. The Company estimates that cash payments related to the restructuring programs referred to in Note 5 to the Unaudited Consolidated Condensed Financial Statements and executive separation costs will be $10 to $15 in 2003.

The Company has evaluated its management information systems and determined, among other things, to upgrade to an Enterprise Resource Planning ("ERP") System. As a result of this decision, certain existing information systems are being amortized on an accelerated basis. Based upon the estimated time required to implement an ERP System and related IT actions, the Company expects that it will record additional amortization charges for its current information system in 2003 through 2005. The additional amortization recorded for the nine months ended September 30, 2003 was $3.5. The Company expects that the additional amortization for the balance of 2003 will be approximately $1.1.

The Company expects that operating revenues, cash on hand, and funds available for borrowing under the Credit Agreement, the Mafco Loans and the $25 million M&F Loan will be sufficient to enable the Company to cover its operating expenses, including cash requirements in connection with the Company's operations, the stabilization and growth phase of the Company's plan, cash requirements in connection with the Company's restructuring programs referred to above and the Company's debt service requirements for 2003. The U.S. mass-market color cosmetics category during the third quarter and the nine months ended September 30, 2003 has been softer than expected. Despite this softness in the U.S. mass-market color cosmetics category, based upon the Company's belief that its stabilization and growth plan is proving effective, the Company intends to continue to support its stabilization and growth plan, including for brand support. To help fund the costs and expenses of the stabilization and growth plan, in July 2003, MacAndrews Holdings agreed to make available to Products Corporation in 2003 the full $65 under the MacAndrews & Forbes $65 million line of credit, $25 of which was scheduled to become available on January 1, 2004. Additionally, Products Corporation has received a commitment from MacAndrews & Forbes to provide, if necessary, from and after the fourth quarter of 2003 the $25 million M&F Loan, as well as the 2004 M&F Loan for 2004. The $25 million M&F Loan and the 2004 M&F Loan are each subject to MacAndrews & Forbes and Products Corporation reaching agreement on terms that are expected to be substantially the same as the MacAndrews & Forbes $100 million term loan, as well as to approval by Products Corporation's Board of Directors. The 2004 M&F Loan is also subject to Products Corporation's receiving the consent of a majority of the lenders under Products Corporation's Credit Agreement, which Products Corporation expects to obtain in connection with the waiver or amendment it expects to obtain before January 31, 2004. As of November 12, 2003, Products Corporation had utilized $243.9 under the 2001 Credit Agreement, all of the MacAndrews & Forbes $100 million term loan, and $37.2 of the MacAndrews & Forbes $65 million line of credit. The Mafco Loans, the $25 million M&F Loan and the net proceeds from the Rights Offering are intended to help fund the stabilization and growth phase of the Company's plan and to decrease the risk that would otherwise exist if the Company were to fail to meet its debt and ongoing obligations as they became due in 2003. However, there can be no assurance that such funds will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company's anticipated level of revenue growth is not achieved because, for example, of decreased consumer spending in response to weak economic conditions or weakness in the cosmetics category, increased competition from the Company's competitors or the Company's marketing plans are not as successful as anticipated, or if the Company's expenses associated with implementation of the stabilization and growth phase of the Company's plan exceed the anticipated level of expenses, the Company's current sources of funds may be insufficient to meet the Company's cash requirements. Additionally, in the event of a decrease in demand for Products Corporation's products or reduced sales or lack of increases in demand and sales as a result of the stabilization and growth phase of the Company's plan, such development, if significant, could reduce Products Corporation's operating revenues and could adversely affect Products Corporation's ability to achieve certain financial covenants under the Credit Agreement and in such event the Company could be required to take measures, including reducing discretionary spending. If the Company is unable to satisfy such cash requirements from these sources, the Company could be required to adopt one or more alternatives, such as delaying the implementation of or revising aspects of the stabilization and growth phase of its plan, reducing or delaying purchases of wall displays or advertising or promotional expenses, reducing or delaying capital spending, delaying, reducing or revising restructuring programs, restructuring indebtedness, selling assets or operations, seeking additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties, selling additional equity securities of Revlon, Inc. or reducing other discretionary spending. The Company has substantial debt maturing in 2005, which will require refinancing, consisting of $246.3 (assuming the maximum amount is borrowed) under the Credit Agreement and $363.0 of 12% Notes, as well as any amounts borrowed under the Mafco Loans (the MacAndrews & Forbes $65 million line of credit is due December 31, 2004), the $25 million M&F Loan and the 2004 M&F Loan.

The Company expects that Products Corporation will need to seek a further amendment to the Credit Agreement or a waiver of the EBITDA and leverage ratio covenants under the Credit Agreement prior to the expiration of the existing waiver on January 31, 2004 because the Company does not expect that its operating results, including after giving effect to various actions under the stabilization and growth phase of the Company's plan, will allow Products Corporation to satisfy those covenants for the four consecutive fiscal quarters ending December 31, 2003. The minimum EBITDA required to be maintained by Products Corporation under the Credit Agreement is $230 for each of the four consecutive fiscal quarters ending on December 31, 2003 (which covenant was waived through January 31, 2004), March 31, 2004, June 30, 2004 and September 30, 2004 and $250 for any four consecutive fiscal quarters ending December 31, 2004 and thereafter and the leverage ratio covenant under the Credit Agreement will permit a maximum ratio of 1.10:1.00 for any four consecutive fiscal quarters ending on or after December 31, 2003 (which limit was waived through January 31, 2004 for the four fiscal quarters ending December 31, 2003). In addition, after giving effect to the amendment, the Credit Agreement also contains a $20 minimum liquidity covenant. While the Company expects that Products Corporation's bank lenders will consent to such amendment or waiver request and the amendment to permit Products Corporation to borrow under the 2004 M&F Loan, there can be no assurance that they will or that they will do so on terms that are favorable to the Company. If the Company is unable to obtain such amendment or waiver, it could be required to refinance the Credit Agreement or repay it with proceeds from the sale of assets or operations, or additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties or the sale of additional equity securities of Revlon, Inc. In the event that Products Corporation were unable to obtain such a waiver or amendment and Products Corporation were not able to refinance or repay the Credit Agreement, Products Corporation's inability to meet the financial covenants for the four consecutive fiscal quarters ending December 31, 2003 would constitute an event of default under Products Corporation's Credit Agreement, which would permit the bank lenders to accelerate the Credit Agreement, which in turn would constitute an event of default under the indentures governing Products Corporation's debt if the amount accelerated exceeds $25.0 and such default remains uncured within 10 days of notice from the trustee under the applicable indenture.

There can be no assurance that the Company would be able to take any of the actions referred to in the preceding two paragraphs because of a variety of commercial or market factors or constraints in the Company's debt instruments, including, for example, Products Corporation's inability to reach agreement with its bank lenders on refinancing terms that are acceptable to the Company before the waiver of its financial covenants expires on January 31, 2004, market conditions being unfavorable for an equity or debt offering, or that the transactions may not be permitted under the terms of the Company's various debt instruments then in effect, because of restrictions on the incurrence of debt, incurrence of liens, asset dispositions and related party transactions. In addition, such actions, if taken, may not enable the Company to satisfy its cash requirements if the actions do not generate a sufficient amount of additional capital.

Revlon, Inc., as a holding company, will be dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay its expenses and to pay any cash dividend or distribution on Revlon, Inc.'s Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. The terms of the Credit Agreement, the Mafco Loans, the $25 million M&F Loan, the 2004 M&F Loan, the 12% Notes, the 8 5/8% Notes, the 8 5/8% Notes and the 9% Notes generally restrict Products Corporation from paying dividends or making distributions, except that Products Corporation is permitted to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting fees, regulatory fees such as Commission filing fees and other miscellaneous expenses related to being a public holding company and, subject to certain limitations, to pay dividends or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Amended Stock Plan.

Pursuant to a tax sharing agreement, Revlon, Inc. may be required to make tax sharing payments to Mafco Holdings as if Revlon, Inc. were filing separate income tax returns, except that no payments are required by Revlon, Inc. if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making any tax sharing payments other than in respect of state and local income taxes. Revlon, Inc. currently anticipates that, as a result of net operating tax losses and prohibitions under the Credit Agreement, no cash federal tax payments or cash payments in lieu of federal taxes pursuant to the tax sharing agreement will be required for 2003.

As a result of dealing with suppliers and vendors in a number of foreign countries, Products Corporation enters into foreign currency forward exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. There were foreign currency forward exchange contracts with a notional amount of $18.9 outstanding at September 30, 2003. The fair value of foreign currency forward exchange contracts outstanding at September 30, 2003 was $(1.3).

Disclosures about Contractual Obligations and Commercial Commitments

There have been no material changes outside the ordinary course of the Company's business to the Company's total contractual cash obligations which are set forth in the table included in the Company's Annual

Report on Form 10-K for the year ended December 31, 2002, except that during the second quarter of 2003 Products Corporation entered into 11-year operating leases for its corporate offices in New York City (as Products Corporation's former lease expired in 2003), which have minimum lease payments in the aggregate of approximately $115 over the 11-year term, and as of September 30, 2003 Products Corporation had borrowings of $99.7 (which excludes accrued interest of $3.5), under the MacAndrews & Forbes $100 million term loan.

Off-Balance Sheet Transactions

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

Effect of New Accounting Standard

In April 2003, the FASB announced it will require all companies to expense the fair value of employee equity-based awards. The FASB announced that it plans to issue an exposure draft in the first quarter of 2004 that could become effective in 2005. Until a new statement is issued, the provisions of APB Opinion No. 25 and SFAS No. 123 will remain in effect. The Company will evaluate the impact of any new statement regarding employee equity-based awards when a new statement is issued.

In September 2003, the FASB released an exposure draft of its proposed standard on employer's pension and other post-retirement benefit disclosures that could become effective in 2004. Until a new statement is issued, the provisions of SFAS No. 132 will remain in effect. The Company will evaluate the impact of any new statement regarding employer's pension and other post-retirement benefit disclosures when a new statement is issued.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company has exposure to market risk both as a result of changing interest rates and movements in foreign currency exchange rates. The Company's policy is to manage market risk through a combination of fixed and floating rate debt, the use of derivative financial instruments and foreign exchange forward and option contracts. The Company does not hold or issue financial instruments for trading purposes. The qualitative and quantitative information presented in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2002 ("Item 7A") describes significant aspects of the Company's financial instrument programs that have material market risk as of December 31, 2002. The following table presents the information required by Item 7A as of September 30, 2003:

	Expected maturity date for the year ended December 31,							Fair Value Sept. 30, 2003
	2003	2004	2005	2006	2007	Thereafter	Total	
Debt				(dollars in millions)				
Short-term variable rate (various currencies)	$28.7						$ 28.7	$ 28.7
Average interest rate (a)	3.8%							
Long-term fixed rate - third party ($US)			$355.5	$499.8		$649.9	1,505.2	1,069.3
Average interest rate			12.0%	8.6%		8.6%		
Long-term variable rate - third party ($US)			219.5*				219.5	219.5
Average interest rate (a)			6.4%					
Long-term variable rate - third party (various currencies)			4.3*				4.3	4.3
Average interest rate (a)			8.7%					
Long-term fixed rate - affiliates ($US)			103.2**				103.2	78.7
Average interest rate			12.0%					
Total debt (b)	$28.7	$—	$682.5	$499.8	$—	$649.9	$1,860.9	$1,400.5

	Average Contractual Rate $/FC	Original US Dollar Notional Amount	Contract Value Sept. 30, 2003	Fair Value Sept. 30, 2003
Forward Contracts				
Buy Euros/Sell USD	1.0609	$ 3.4	$ 3.7	$ 0.3
Sell British Pounds/Buy USD	1.5449	1.9	1.8	(0.1)
Sell Australian Dollars/Buy USD	0.5789	4.3	3.6	(0.7)
Sell Canadian Dollars/Buy USD	0.6647	5.6	5.0	(0.6)
Sell South African Rand/Buy USD	0.1137	1.1	0.8	(0.3)
Buy Australian Dollars/Sell New Zealand Dollars	1.0926	1.6	1.7	0.1
Buy British Pounds/Sell Euros	0.6825	1.0	1.0	—
Total forward contracts		$ 18.9	$ 17.6	$ (1.3)

(a) Weighted average variable rates are based upon implied forward rates from the yield curves at September 30, 2003.

(b) Excludes affiliate debt of $24.1, for which fair value is not readily determinable.

* Represents Products Corporation's Credit Agreement which matures in May 2005.

** Represents borrowings under MacAndrews & Forbes $100 million term loan, which matures in December 2005, of which fair value was determined based on the market rates of Products Corporation's 8 1/8% and 9% Notes, which have similar credit attributes.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the

Exchange Act) as of the end of the fiscal period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting information required to be disclosed by the Company in the reports it files or submits under the Exchange Act within the time periods specified in the Commission's rules and forms.

(b) Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, as well as other public documents and statements of the Company, contain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectations and estimates (whether qualitative or quantitative) as to:

(i) the Company's plans to update its retail presence and improve the marketing effectiveness of its retail wall displays by installing newly-reconfigured wall displays and reconfiguring existing wall displays at its retail customers (and its estimates of the costs of such wall displays, the effects of such plans on the accelerated amortization of existing wall displays and the estimated amount of such amortization);

(ii) the Company's plans to increase its advertising and media spending and improve the effectiveness of its advertising;

(iii) the Company's plans to introduce new products and further strengthen its new product development process;

(iv) the Company's plans to streamline its product assortment and reconfigure product placement on its wall displays and selectively adjust prices on certain of its products;

(v) the Company's plans to implement comprehensive programs to develop and train its employees;

(vi) the Company's future financial performance, including the Company's belief that its stabilization and growth plan is proving effective;

(vii) the effect on sales of political and/or economic conditions, political uncertainties, military actions, adverse currency fluctuations and competitive activities;

(viii) the Company's plans to accelerate the implementation of the stabilization and growth phase of its plan and the charges and the cash costs resulting from implementing such plan and the timing of such costs, as well as the Company's expectations as to improved revenues over the long term as a result of such phase of its plan and the Company's plans to continue to fund brand support;

(ix) restructuring activities, restructuring costs, the timing of restructuring payments and annual savings and other benefits from such activities;

(x) operating revenues, cash on hand and availability of borrowings under the Mafco Loans, the $25 million M&F Loan and Products Corporation's Credit Agreement being sufficient to satisfy the Company's cash requirements in 2003, and the availability of funds from Products Corporation's 2004 M&F Loan, restructuring indebtedness, selling assets or operations, capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third

parties and the sale of additional shares of Revlon, Inc. and the terms on which the $25 million M&F Loan and the 2004 M&F Loan would be extended;

(xi) the Company's uses of funds, including amounts required for the payment of operating expenses, including expenses in connection with the stabilization and growth phase of the Company's plan, such as the purchase and reconfiguration of wall displays and increases in advertising and media, capital expenditure requirements, including charges and costs in connection with the ERP System, payments in connection with the Company's restructuring programs and debt service payments, and its estimates of operating expenses, working capital expenses, wall display costs, capital expenditures, restructuring costs and debt service payments (including payments required under Products Corporation's debt instruments);

(xii) matters concerning the Company's market-risk sensitive instruments;

(xiii) the effects of the Company's adoption of certain accounting principles;

(xiv) Products Corporation obtaining a further waiver or amendment of various provisions of its Credit Agreement, including the EBITDA and leverage ratio covenants, or refinancing or repaying such debt before January 31, 2004 in the event such waiver or amendment is not obtained and Products Corporation receiving the consent of a majority of the lenders under its Credit Agreement in connection with the 2004 M&F Loan; and

(xv) the Company's plan to refinance Products Corporation's debt maturing in 2005.

Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as "believes," "expects," "estimates," "projects," "forecast," "may," "will," "should," "seeks," "plans," "scheduled to," "anticipates" or "intends" or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategy or intentions. Forward-looking statements speak only as of the date they are made, and except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors are advised, however, to consult any additional disclosures the Company makes in its Quarterly Reports on Form 10-Q filed in 2003, its current Annual Report on Form 10-K and Current Reports on Form 8-K filed with the Commission in 2003 (which, among other places, can be found on the Commission's website at http://www.sec.gov, as well as on the Company's website at www.revloninc.com). The information available from time to time on such websites shall not be deemed incorporated by reference into this Quarterly Report on Form 10-Q. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. In addition to factors that may be described in the Company's filings with the Commission, including this filing, the following factors, among others, could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by the Company:

(i) difficulties or delays or unanticipated costs associated with improving the marketing effectiveness of the Company's wall displays;

(ii) difficulties or delays in, or unanticipated costs associated with, developing and/or presenting the Company's increased advertising programs and/or improving the effectiveness of its advertising;

(iii) difficulties or delays in, or unanticipated costs associated with, developing and introducing new products or failure of the Company's customers to accept new product offerings and/or in further strengthening the Company's new product development process;

(iv) difficulties or delays in, or unanticipated costs associated with, implementing the Company's plans to streamline its product assortment and reconfigure product placement on its wall displays and selectively adjust prices on certain of its products;

(v) difficulties or delays in, or unanticipated costs associated with, implementing comprehensive programs to train the Company's employees;

(vi) unanticipated circumstances or results affecting the Company's financial performance, including decreased consumer spending in response to weak economic conditions or weakness in the category, changes in consumer preferences, such as reduced consumer demand for the Company's color cosmetics and other current products, and actions by the Company's competitors, including business combinations, technological breakthroughs, new products offerings, promotional spending and marketing and promotional successes, including increases in market share;

(vii) the effects of and changes in political and/or economic conditions, including inflation, monetary conditions and military actions, and in trade, monetary, fiscal and tax policies in international markets;

(viii) unanticipated costs or difficulties or delays in completing projects associated with the stabilization and growth phase of the Company's plan or lower than expected revenues over the long term as a result of such plan;

(ix) difficulties, delays or unanticipated costs or less than expected savings and other benefits resulting from the Company's restructuring activities;

(x) lower than expected operating revenues, the inability to secure capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties, or the unavailability of funds under Products Corporation's Credit Agreement, the Mafco Loans, the $25 million M&F Loan or the 2004 M&F Loan;

(xi) higher than expected operating expenses, sales returns, working capital expenses, wall display costs, capital expenditures, restructuring costs or debt service payments;

(xii) interest rate or foreign exchange rate changes affecting the Company and its market sensitive financial instruments;

(xiii) unanticipated effects of the Company's adoption of certain new accounting standards;

(xiv) difficulties, delays or inability to obtain a further waiver or amendment of the EBITDA and leverage ratio covenants under the Credit Agreement or refinancing or repaying such debt on or before January 31, 2004 in the event such waiver or amendment is not obtained or Products Corporation receiving the consent of a majority of the lenders under its Credit Agreement in connection with the 2004 M&F Loan; and

(xv) difficulties, delays or the inability of the Company to refinance Products Corporation's debt maturing in 2005.

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

Disclosure Concerning Website Access to Company Reports

The Company's corporate website address is www.revloninc.com. The Company makes available, free of charge, on such website its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Commission.

PART II — OTHER INFORMATION

Item 4. **Submission of Matters to a Vote of Security Holders**— None

Item 6. **Exhibits and Reports on Form 8-K.**

(a) Exhibits

10.5	Employment Agreement, dated as of August 18, 2003, between Products Corporation and Thomas E. McGuire.
10.8	Amendment, dated as of August 18, 2003, to the amended and restated Employment Agreement, dated as of May 9, 2000, as amended June 18, 2001, between Products Corporation and Douglas H. Greeff.
31.1	Section 302 CEO certification. Filed herewith.
31.2	Section 302 CFO certification. Filed herewith.
32.1	Section 906 CEO certification. Furnished herewith.
32.2	Section 906 CFO certification. Furnished herewith.

(b) Reports on Form 8-K

On July 31, 2003, the Company filed with the Commission a current report on Form 8-K furnishing as Item 12 of Form 8-K, "Results of Operations and Financial Condition" a copy of the Company's press release announcing its earnings for the fiscal quarter ended June 30, 2003.

On October 30, 2003, the Company filed with the Commission a current report on Form 8-K furnishing as Item 12 of Form 8-K, "Results of Operations and Financial Condition" a copy of the Company's press release announcing its earnings for the fiscal quarter ended September 30, 2003.

REVLON, INC. AND SUBSIDIARIES

S I G N A T U R E S

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

Dated: November 13, 2003

REVLON, INC.
Registrant

By: /s/ Thomas E. McGuire	By: /s/ John F. Matsen
Thomas E. McGuire Executive Vice President and Chief Financial Officer	John F. Matsen Senior Vice President and Corporate Controller

EMPLOYMENT AGREEMENT, dated as of August 18, 2003 between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("RCPC" and, together with its parent Revlon, Inc. and its subsidiaries, the "Company"), and Thomas E. McGuire (the "Executive").

RCPC wishes to employ the Executive and the Executive wishes to accept employment with the Company on the terms and conditions set forth in this Agreement.

Accordingly, RCPC and the Executive hereby agree as follows:

Employment, Duties and Acceptance.

1.1 Employment, Duties. RCPC hereby employs the Executive for the Term (as defined in Section 2.1) to render exclusive and full-time services to the Company in the capacity of chief financial officer of the Company and of Revlon, Inc. with responsibility for all financial operations of the Company and Revlon, Inc., including, without limitation, treasury, accounting, investor relations, internal audit, tax and information technology functions, and to perform such other duties and responsibilities consistent with such position (including service as a director of the Company and of Revlon, Inc. or director or officer of any subsidiary of the Company if elected) as may be assigned to you from time to time by the Chief Executive Officer of Revlon, Inc. (the "CEO"). The Executive's title shall be Chief Financial Officer and Executive Vice President, or such other title of at least equivalent level consistent with the Executive's duties from time to time as may be assigned to the Executive by the CEO. The Executive shall report directly to the CEO, or his designee. Executive shall be a member of RCPC's Operating Committee.

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. The Executive may manage his personal investments and assets and may participate in professional, civic, and charitable activities including without limitation participation on AICPA national committee, continuing professional education (CPE) for CPA, and attending to administrative requirements to maintain registration and good standing of Human Capital Formation, LLC, (solely owned by Executive) as long as they do not involve the initiation or continuation of any business activities, provided in each case such activities do not interfere in any significant way with Executive's performance of his duties hereunder.

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

1.4 Performance Warranty. As an inducement for the Company to enter into this Agreement, you hereby represent that you are not a party to any contract, agreement or understanding which prevents, prohibits or limits you in any way from entering into and fully performing your obligations under this Agreement and any duties and responsibilities that may be assigned to you hereunder.

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 August 18, 2003 or such earlier date mutually agreeable to the Executive and RCPC (the "Effective Date") and shall end on August 17, 2006. During any period that the Executive's employment shall continue following the end of the Term, the Executive shall be deemed an employee at will, provided, however, that the Executive shall be eligible for severance on the terms and subject to the conditions of the Revlon Executive Severance Policy as in effect from time to time (the "Executive Severance Policy"), provided that the Severance Period for the Executive under the Executive Severance Policy shall be no less than 24 months.

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

3. Compensation; Benefits.

3.1 Salary. The Company agrees to pay the Executive during the Term a base salary, payable bi-weekly, at the annual rate of not less than $500,000 (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. The Executive will be considered for merit review in connection with the Executive's performance evaluations, which are performed in accordance with the Company's salary administration policies and procedures. In the event that RCPC, in its sole discretion, from time to time determines to increase the Base Salary, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of this Agreement and shall not thereafter be decreased.

3.2 Bonus.

(a) The Executive shall be eligible to participate in the Revlon Executive Bonus Plan as in effect from time to time, or such plan or plans, if any, as may succeed it (the "Bonus Plan") with maximum bonus eligibility for 2003, 2004, 2005 and 2006 of 70% of Base Salary for significantly over-achieving performance objectives set by the Compensation Committee or its designee and target bonus eligibility of 45% of Base Salary for achieving performance objectives set by the Compensation Committee or its designee (and 100% for significant overachievement and 75% for achieving performance objectives after 2006), subject to the terms and conditions of such Bonus Plan. For the 2003 bonus year, the CEO and the Executive shall meet to establish goals and performance objectives for bonus eligibility. In the event that the Executive's employment shall terminate pursuant to Section 4.4 during any calendar year, the Executive's bonus with respect to the year during which such termination occurs shall be prorated for the actual number of days of active employment during such year and such bonus as prorated shall be payable (i) if and to the extent bonuses are payable to executives under the Bonus Plan for that year based upon achievement of the objectives set for that year and not including any discretionary bonus amounts which may otherwise be payable to other executives despite non-achievement of bonus objectives for such year and (ii) on the date bonuses would otherwise be payable to executives under the Bonus Plan. Notwithstanding anything herein or contained in the Bonus Plan to the contrary, in the event that the Executive's employment shall terminate pursuant to Section 4.4 during any calendar year, the Executive shall be entitled to receive his bonus (if not already paid) with respect to the year immediately preceding the year of termination (if bonuses with respect to such year are payable to other executives based upon achievement of bonus objectives and not based upon discretionary amounts which may be paid to other executives despite non-achievement of bonus objectives) as and when such

bonuses would otherwise be payable to executives under the Bonus Plan, despite the fact that Executive may not be actively employed on such date of payment.

(b) Within one year of the Executive's start date, the Company will provide a retention incentive to Executive of $600,000 gross, less applicable taxes and withholdings (the "Retention Incentive"). Should Executive's employment with the Company's terminate for Cause pursuant to Section 4.3 or should Executive terminate his employment for a reason other than "Good Reason" under Section 4.4, but in no other circumstances, Executive shall be required to repay the Company that portion of the Retention Incentive equal to the product of (i) the Retention Incentive multiplied by (ii) a fraction the numerator of which shall equal 48 minus the number of full months that have elapsed between the date of commencement of Executive's employment by the Company and the date of termination and the denominator of which shall equal 48 and the Company shall be entitled to offset any amounts not so repaid against any other amounts due to the Executive from the Company.

3.3 Stock-Based Compensation.

(a) Stock Options. As promptly as practicable after the Effective Date the Executive shall be recommended to the Compensation Committee or other committee of the Board administering the Revlon, Inc. Fourth Amended and Restated 1996 Stock Plan or any plan that may replace it, as from time to time in effect (the "Stock Plan") to receive a non-qualified stock option grant of 100,000 shares of Revlon Class A Common Stock at an exercise price equal to the market price of Revlon Class A Common Stock on the date of grant, with vesting and terms as set forth on Schedule A. Subject to Executive's continued employment, the Executive shall be recommended to the Compensation Committee to receive in each of 2004 and 2005 a non-qualified stock option grant of 25,000 shares of common stock in accordance with the terms of the Stock Plan, with vesting and terms as set forth on Schedule A.

(b) Restricted Stock. As promptly as practicable after the Effective Date, the Executive shall be recommended to the Compensation Committee to receive 50,000 shares of restricted Revlon Class A common stock with vesting and terms as set forth on Schedule A.

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

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

3.6 Fringe Benefits. During the Term, the Executive shall be entitled to participate in those qualified and non-qualified defined benefit, defined contribution, group life insurance, medical, dental, disability and other benefit plans and programs of the Company as from time to time in effect (or their successors) generally made available to other executives of the Executive's level and in such other plans and programs and in such perquisites as may be generally made available to senior executives of the Company of the Executive's level generally. Further, during the Term, the Executive will be eligible (a) to participate in Revlon's Executive Financial Counseling and Tax Preparation Program, as from time to time in effect, (b) to receive a car allowance at the rate of $15,000 per annum, which is intended to cover lease, insurance, operating and maintenance costs under the car allowance program as in effect from time to time, and (c) to participate in a special rate for personal training sessions at a strength and

conditioning center located on 55th Street in NYC on a basis consistent with other executives at Executive's level, as such program is in effect from time to time.

3.7 Relocation Assistance.

(a) The Executive shall be eligible for relocation benefits in accordance with the terms and conditions of the RCPC's Relocation Policy, as from time to time in effect, and at a minimum as in effect on July 21, 2003 (a copy of the Relocation Policy is attached as Schedule B). Approval is granted as an exception to that policy to exceed the $500,000 fair market value limitation for disposition of present residence, up to $950,000. Relocation must be substantially completed within 12 months of the Executive's start date which shall mean that Executive shall have sold his home in the Atlanta area and shall be in the process of moving to the New York metropolitan area with such move completed within 14 months of Executive's start date. The Company agrees that it will provide reasonable corporate housing for Executive for a period of up to 12 months from Executive's start date, and will reimburse Executive for reasonable temporary living expenses incurred during the first 90 days immediately following the Executive's start date, upon submission of appropriate documentation in accordance with the Company's applicable expense reimbursement and related policies and procedures as in effect from time to time.

(b) The Company agrees to reimburse the Executive for the reasonable commuting expenses (coach airfare and taxis) incurred by him for up to one trip per week by the Executive or one member of his family to and from Atlanta, Georgia and the New York metropolitan area during the first 12 months immediately following the Executive's start date, subject to the terms and conditions of the Company's applicable expense reimbursement and related policies and procedures, as in effect from time to time.

(c) In the event that on or prior to August 17, 2006, (i) the Executive's employment is terminated pursuant to Section 4.4 and (ii) the Executive sells his residence in the New York metropolitan area, then the Company will reimburse the Executive for the difference between the sales commissions in connection with the sale of the Executive's residence in Georgia and the sale of his residence in the New York metropolitan area, with such reimbursement not to exceed $40,000. The Company will make such payment upon the Executive's submission of reasonable documentation of such sales commission expenses.

3.8 Agreement Preparation Fees. Upon execution of this Agreement by Executive and commencement of employment, RCPC shall promptly reimburse the Executive for reasonable and documented attorneys' fees and expenses incurred by the Executive in connection with the review, negotiation and preparation of this Agreement up to a maximum of $2,500.

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, other than (i) for accrued, but unpaid, Base Salary as of such date and (ii) pursuant to life insurance provided under Section 3.6.

4.2 Disability. If during the Term the Executive shall become physically or mentally disabled, whether totally or partially, such that the Executive is unable to perform the Executive's services hereunder for (i) a period of six consecutive months or (ii) shorter periods aggregating six months during any twelve month period, RCPC may at any time after the last day of the six consecutive months of disability or the day on which the shorter periods of disability shall have equaled an aggregate

of six months, by written notice to the Executive (but before the Executive has returned to active service following such disability), terminate the Term and no further amounts or benefits shall be payable hereunder other than (i) for accrued, but unpaid, Base Salary as of such date and (ii) pursuant to disability insurance provided under Section 3.6.

4.3 Cause. RCPC may at any time by written notice to the Executive terminate the Term for "Cause" and, upon such termination, the Executive shall be entitled to receive no further amounts or benefits hereunder, except for accrued, but unpaid, salary as of such date and as required by law. As used herein the term "Cause" shall mean gross neglect by the Executive of the Executive's duties hereunder, conviction of the Executive of any felony, conviction of the Executive of any lesser crime or offense involving the property of the Company or any of its affiliates, 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 (specifically including, without limitation, Section 1.4), any breach of the Revlon Code of Business Conduct, or the Employee's Agreement as to Confidentiality and Non Competition. The Executive shall not be deemed to have been terminated for Cause unless (i) reasonable notice has been delivered to him setting forth the reasons for the Company's intention to terminate for Cause, and (ii) a period of ten (10) days has elapsed since delivery of such notice during which Executive was afforded an opportunity to cure, if capable of remedy, the reasons for the Company's intention to terminate for Cause.

4.4 Company Breach; Other Termination. The Executive shall be entitled to terminate the Term and the Executive's employment upon 60 days' prior written notice (if during such period RCPC fails to cure any such breach) in the event that (i) RCPC materially breaches its obligations by the Compensation Committee (or other appropriate Committee) of the Board of Directors of Revlon, Inc. failing to fully implement the recommendations of management regarding stock options and restricted stock pursuant to Section 3.3; (ii) RCPC or the Company materially breaches its obligations under Section 3.1, 3.2, 3.6 and/or 3.7 of this Employment Agreement; or (iii) there shall occur a material adverse change in the position, title, duties, responsibilities or reporting structure of the Executive pursuant to Section 1.1. Such termination of the Executive's employment and the Term pursuant to (i), (ii) or (iii) shall be deemed a termination for "Good Reason". In addition, RCPC shall be entitled to terminate the Term and the Executive's employment at any time and without prior notice (otherwise than pursuant to the provisions of Section 4.2 or 4.3). In consideration of the Executive's covenant in Section 5.2, upon termination under this Section 4.4 by the Executive, or in the event RCPC so terminates the Term otherwise than pursuant to the provisions of Section 4.2 or 4.3, RCPC agrees, and the Company's sole obligation arising from such termination shall be (at the Executive's election by written notice within 10 days after such termination), for RCPC either

(i) to make payments in lieu of Base Salary in the amounts prescribed by Section 3.1, to pay the Executive the portion, if any, of any annual bonus contemplated by Section 3.2, to pay amounts due under Section 3.7(c) (if applicable), and to continue the Executive's participation in the medical, dental and group life insurance plans of the Company in which the Executive was entitled to participate pursuant to Section 3.6 (in each case less amounts required by law to be withheld) through August 17, 2006 (such period shall be referred to in this Subsection (i) as the "Severance Period"), provided that (1) such benefit continuation is subject to the terms of such plans, (2) life insurance continuation is subject to a limit of two years, (3) the Executive shall cease to be covered by medical and/or dental plans of the Company at such time as the Executive becomes covered by like plans of another company, (4) any bonus payments required pursuant to this Section 4.4(i) shall be payable as and when bonuses would otherwise be payable to executives under the Bonus Plan as then in effect, and (5) the Executive shall, as a condition, execute such release, confidentiality, non-competition and other covenants as would be required in order for the Executive to receive payments and benefits under the Executive Severance Policy referred to in clause (ii) below, or

(ii) to make the payments and provide the benefits prescribed by the Executive Severance Policy of the Company as in effect from time to time, upon the Executive's compliance with the terms and conditions thereof, provided that the Severance Period for this Subsection (ii) for the Executive shall be no less than 24 months, and to pay amounts due under Section 3.7(c), if applicable.

Any cash compensation paid or payable or any non-cash compensation paid or payable in lieu of cash compensation to the Executive from other employment or a consultancy during the Severance Period shall reduce the payments required pursuant to clause (i) above or shall be governed by the terms of the Executive Severance Policy in the case of clause (ii) above.

4.5 Litigation Expenses. If RCPC and the Executive become involved in any action, suit or proceeding relating to the alleged breach of this Agreement by RCPC or the Executive, or any dispute as to whether a termination of the Executive's employment is with or without Cause, then if and to the extent that a final, non-appealable, judgment in such action, suit or proceeding is rendered in favor of the Executive, RCPC shall reimburse the Executive for all expenses (including reasonable attorneys' fees) incurred by the Executive in connection with such action, suit or proceeding or the portion thereof adjudicated in favor of the Executive.

5. Protection of Confidential Information; Non-Competition.

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

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

5.1.2 to deliver promptly to the Company on termination of the Executive's employment with the Company, or at any time that RCPC may so request, all memoranda, notes, records, reports, manuals, drawings, blueprints and other documents (and all copies thereof) relating to the Company's business and all property associated therewith, which the Executive may then possess or have under the Executive's control, including, without limitation, computer disks or data (including, data retained on any computer), and any home-office equipment or computers purchased or provided by Revlon or other materials

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

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

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

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

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

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

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

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

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

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

6. Inventions and Patents.

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

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

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

7. Intellectual Property.

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

8. Revlon Code of Business Conduct / Code of Ethics for Senior Financial Officers.

In consideration of the Company's execution of this Agreement, you agree in all respects to fully comply with the terms of the Revlon Code of Business Conduct, annexed at Schedule C, and the Code of Ethics for Senior Financial Officers, annexed at Schedule D, whether or not you are a signatory thereof, with the same effect as if the same were set forth herein in full.

9. Indemnification.

Subject to the terms, conditions and limitations of its by laws and applicable Delaware law, RCPC will defend, and will advance to Executive the costs, including without limitation reasonable attorneys' fees incurred by Executive in defending any such action, suit or proceeding subject to Executive providing any undertaking then required by law or the Company's by-laws relating to such advancement, and shall indemnify the Executive, to the maximum extent permitted by applicable law and the Company's by-laws, 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 or government entity 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.

10. 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) provided that all notices to the Company shall be sent simultaneously by fax and email, 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: Robert K. Kretzman, Senior Vice President
and General Counsel
Fax: 212-527-5693
Email: robert.kretzman@revlon.com

If to the Executive, to the Executive's principal residence as reflected in the records of the Company with a copy by fax and e-mail to:

Daniel D. Zegura, Esq.
Rogers & Hardin LLP
229 Peachtree Street NE
Suite 2700
Atlanta, Georgia 30303
Fax: 404-525-2224
Email: ddz@rh-law.com

11. General.

11.1 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.

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

11.3 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 any offer letter or term sheets. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

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

11.5 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.

11.6 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.

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

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

REVLON CONSUMER PRODUCTS CORPORATION

By /s/ HERBERT J. VALLIER

Herbert J. Vallier
Executive Vice President, Human Resources

/s/ THOMAS E. MCGUIRE

Thomas E. McGuire

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT (the "Amendment"), dated as of August 18, 2003, to the amended and restated employment agreement, dated as of May 9, 2000 (the "Employment Agreement"), as amended by the letter agreement dated as of June 18, 2001 (the "Letter Amendment") (the Employment Agreement, as amended by the Letter Amendment, shall be referred to as the "Agreement") between REVLON CONSUMER PRODUCTS CORPORATION ("RCPC" and together with its parent Revlon, Inc. and its subsidiaries, the "Company") and Douglas H. Greeff (the "Executive").

RCPC wishes to continue the employment of the Executive with the Company, and the Executive wishes to accept continued employment with the Company on the terms and conditions set forth in the Agreement, as amended by this Amendment (capitalized terms used herein without definition being used with the meanings ascribed to them in the Agreement). Accordingly, RCPC and the Executive hereby amend the Agreement, effective as of August 18, 2003, as follows:

1. Employment, Duties. Section 1.1 of the Agreement is hereby amended to read in its entirety:

> "1.1 Employment, Duties. RCPC hereby employs the Executive for the Term (as defined in Section 2.1), to render exclusive and full-time services to the Company as the executive responsible for RCPC's strategic financing and to perform such other duties consistent with such position as may be assigned by the Chief Executive Officer of Revlon, Inc. (the "CEO"). The Executive's title shall be Executive Vice President, Strategic Finance, or such other titles of at least equivalent level and consistent with the Executive's duties from time to time as may be assigned to the Executive by the CEO. The Executive shall report to the CEO. The Executive shall continue to be a member of RCPC's Operating Committee. The Executive's primary duties shall include working on the Company's longer term financings including, without limitation, the Company's current bank credit agreement and the Company's other indebtedness (the "Refinancing")."

2. Term. Section 2 of the Agreement is hereby amended to read in its entirety:

> "2. <u>Term of Employment; Certain Post-Term Benefits.</u>
>
> 2.1 The Term. The Term of the Executive's employment under this Agreement (the "Term") shall commence on May 9, 2000 (the "Effective Date") and shall end on December 31, 2006. If the Executive's employment continues from and after December 31, 2006, the Executive shall be deemed an employee at will, provided, however, that the Executive shall be eligible for severance on terms no less favorable than those of the Revlon Executive Severance Policy as in effect on the date of this Agreement upon the Executive's compliance with the terms thereof, provided that the Executive shall be eligible for severance under the Revlon Executive Severance Policy and the period of severance pay and benefits as and to the extent provided under such Policy shall be 24 months, subject to the terms and conditions of the Revlon Executive Severance Policy. For the avoidance of doubt, the Executive shall be eligible for the severance pay and benefits described in the preceding sentence, if his employment ends at the end of the Term as a result of the Company's decision not to continue such employment for a reason that would not preclude him from receiving severance pay under the Revlon Executive Severance Policy.
>
> 2.2 Special Curtailment. The Term shall end earlier than the date provided in Section 2.1, if sooner terminated pursuant to Section 4."

3. Special Refinancing Bonus. Section 3.2.1 of the Agreement is hereby added to the Agreement, as follows:

> "3.2.1 Special Refinancing Bonus. Provided the Executive remains continuously employed by the Company through the completion of the Refinancing (for purposes of this Section 3.2.1., the determination of whether and when the Refinancing has been completed shall be in the reasonable judgment of the CEO), or in the event that the Executive's employment shall be terminated (i) by the Company for any reason other than Cause pursuant to Section 4.3 or (ii) by the Executive on account of Good Reason pursuant to Section 4.4, upon the completion of the Refinancing the Executive shall receive a Special Refinancing Bonus of not less than $1,000,000, with the opportunity for a greater incentive for achievement of extraordinary results, in all cases the amount of any such greater incentive shall be determined in the sole discretion of the CEO based upon the Executive's performance of the Executive's primary duties, as described in Section 1.1, including the extent to which the Executive has had a direct material impact on the completion of the Refinancing, subject to the approval by the Compensation Committee of the Board of Directors. Such Special Refinancing Bonus award shall be payable, less applicable withholdings and deductions, by no later than sixty (60) days after the completion of the Refinancing. It is understood and agreed that this Special Refinancing Bonus is in addition to any entitlement or eligibility Executive may have under this Agreement or otherwise for any payment of any other bonus compensation, including, without limitation, under Section 3.2 of this Agreement or the Revlon Executive Bonus Plan, as such Plan is in effect from time to time."

4. Stock Options. Section 3.3 of the Agreement is hereby amended to read in its entirety:

"3.3 Stock Options. The Executive shall be granted (i) on the Effective Date an option to purchase 100,000 shares of Revlon common stock (ii) subject to the Executive's continued employment not later than February 15, 2001, an option to purchase 50,000 shares of Revlon common stock, and (iii) subject to the Executive's continued employment not later than February 15, 2002, an option to purchase 50,000 shares of Revlon common stock, each with a term of 10 years from the date of grant and an option exercise price equal to the market price of Revlon common stock on the date of grant and otherwise on terms (other than number of shares covered) substantially the same as other senior executives of the Company generally. Subject to the Executive's continued employment with the Company, the options so recommended shall vest and become and remain exercisable as to 25% of the shares subject thereto on each of the first through fourth anniversaries of the date of grant or, if more advantageous to the Executive, on terms no less favorable than options granted to RCPC's senior most executives generally.

If prior to the end of the Term, the Company shall terminate the Executive other than for Cause pursuant to Section 4.3, or the Executive shall terminate his employment on account of Good Reason pursuant to Section 4.4, or if at or after the expiration of the Term, the Company terminates the Executive for a reason that would not preclude him from receiving severance pay under the Revlon Executive Severance Policy, the options so recommended in the first sentence of this Section 3.3, as well as the option to purchase 25,000 shares of Revlon common stock granted to the Executive on September 17, 2002 (which vests and becomes and remains exercisable as to 33% of the shares subject thereto on each of the first through third anniversaries of the date of grant), shall vest and be exercisable in accordance with the terms of the Revlon Inc. Amended and Restated 1996 Stock Plan or any plan that may replace it, as if the Executive had "retired" with the Company's consent within the meaning of such plan. For purposes of clarification and for the avoidance of doubt, treating options as if Executive had "retired" shall mean that each option held by the Executive as of the date of such termination shall continue to vest in accordance with its terms and provisions of this Agreement and shall remain exercisable for one year following the later to occur of (i) the date that such option becomes fully vested and exercisable or (ii) the date of such termination."

5. Fringe Benefits. The final two sentences of subsection (v)(a) of Section 3.6 of the Agreement are hereby amended to read as follows:

"Only a percentage (the "Accrued Percentage") of the amount otherwise payable commencing with the Executive's retirement on or after February 1, 2018, pursuant to this Section 3.6(v)(a) shall be paid if the Executive's employment shall terminate prior to February 1, 2011, as follows: the Accrued Percentage for terminations on or after January 31, 2001 and prior to January 31, 2002, shall be 9.09% and thereafter, 9.09% additional to accrue as of each December 31st on which the Executive is still employed with the result that the benefit shall be 100% accrued on and after December 31, 2010. In addition, commencing with the Executive's retirement on or after February 1, 2011 but prior to February 1, 2018, the Executive shall be entitled to receive the applicable Accrued Percentage of the amount payable pursuant to this Section 3.6(v)(a) subject to actuarial reduction for such early commencement."

6. Company Breach; Other Termination. Subsections (i) and (ii) of Section 4.4 of the Agreement are hereby amended to read in their entirety:

"(i) to make payments in lieu of Base Salary in the amounts prescribed by Section 3.1, to pay the Executive the guaranteed portion of any annual bonus contemplated by Section 3.2 and to continue the Executive's participation in the benefits provided for in subsections (i), (ii) and (iii) of Section 3.6 (except, in the case of subsection (i), the use of the limousine service) (in each case less amounts required by law to be withheld) through December 31, 2006, provided that (1) such benefit continuation is subject to the terms of such plans, (2) group life insurance continuation is subject to a limit of two years pursuant to the terms thereof, (3) the Executive shall cease to be covered by medical and/or dental plans of the Company at such time as the Executive becomes covered by like plans of another company, (4) the Executive shall, as a condition, execute such release, confidentiality, non-competition and other covenants as would be required in order for the Executive to receive payments and benefits under the

Revlon Executive Severance Policy as in effect on the date of this Agreement and (5) any cash compensation paid or payable or any non-cash compensation paid or payable in lieu of cash compensation earned by the Executive from other employment or consultancy during such period shall reduce the payments provided for herein payable with respect to such other employment or consultancy (it being understood that the Executive shall have no obligation to repay to the Company any amounts previously paid to the Executive hereunder by the Company as a result of any compensation earned by Executive after the date of such payment), 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 (except that the provision on Paragraph IIIC(ii) establishing a limit of six months of payments shall not be applicable to the Executive) upon the Executive's compliance with the terms thereof, provided, however, that the Executive shall be eligible for severance pay and benefits (as and to the extent provided under the Executive Severance Policy) pursuant to this Subsection 4.4 (ii) for a period of 24 months."

7. Conflict. Except as expressly modified by this Amendment, all provisions of the Agreement shall continue in full force and effect. In the event of any conflict between the terms of this Amendment and the provisions of the Agreement or any other plan, policy, contract, arrangement or agreement between Executive and the Company, the terms of this Amendment shall be controlling.

As part of this Amendment, RCPC also agrees that it will promptly reimburse the Executive for reasonable and documented attorneys' fees and expenses incurred by the Executive in connection with the review, negotiation and preparation of this Amendment up to a maximum of $5,000.

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

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ JACK L. STAHL

Jack L. Stahl
President and Chief Executive Officer

/s/ DOUGLAS H. GREEFF

DOUGLAS H. GREEFF

Exhibit 31.1

CERTIFICATIONS

I, Jack L. Stahl, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   (b) [Intentionally omitted per SEC's transition rules in SEC Release Nos. 33-8238 and 34-47986];

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 13, 2003

/s/ Jack L. Stahl

Jack L. Stahl
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Thomas E. McGuire, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   (b) [Intentionally omitted per SEC's transition rules in SEC Release Nos. 33-8238 and 34-47986];

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 13, 2003

/s/ Thomas E. McGuire
Thomas E. McGuire
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack L. Stahl, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jack L. Stahl
Jack L. Stahl
Chief Executive Officer
November 13, 2003

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas E. McGuire, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Thomas E. McGuire
Thomas E. McGuire
Chief Financial Officer
November 13, 2003