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

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of the**
**Securities Exchange Act of 1934**

Date of Report: November 30, 2006
(Date of Earliest Event Reported): (November 30, 2006)

Revlon, Inc.
(Exact Name of Registrant as Specified in its Charter)

| Delaware | 1-11178 | 13-3662955 |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| 237 Park Avenue<br>New York, New York | 10017 |
|---|---|
| (Address of Principal Executive Offices) | (Zip Code) |

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

None
(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01. Regulation FD Disclosure.**

**I. Launch of Credit Agreement Refinancing**

On November 30, 2006, Revlon Consumer Products Corporation (‘‘RCPC’’), the wholly-owned operating subsidiary of Revlon, Inc. (‘‘Revlon’’ and, together with RCPC, the ‘‘Company’’), launched the proposed refinancing of its existing bank credit agreement. As previously disclosed, the proposed refinancing is expected to consist of RCPC (i) replacing its existing $800 million term loan with a new 5-year $840 million term loan facility (the ‘‘Proposed 2006 Term Loan Facility’’) and (ii) amending its existing $160 million multi-currency revolving credit facility and extending its maturity through the same 5-year period (the ‘‘Proposed 2006 Revolving Credit Facility’’ and, together with the Proposed 2006 Term Loan Facility, the ‘‘Proposed 2006 Credit Facilities’’). As previously disclosed, RCPC expects to use the proceeds of the Proposed 2006 Credit Facilities to repay in full the approximately $800 million of outstanding indebtedness (plus accrued interest and a prepayment fee) under its existing term loan facility, and the balance of such proceeds would be available for general corporate purposes after paying fees and expenses incurred in connection with consummating the Proposed 2006 Credit Facilities. The credit agreement refinancing and rights offering transactions described in this Form 8-K are subject to market and other customary conditions. There can be no assurances that these transactions will be consummated.

As previously disclosed, on November 29, 2006, Revlon announced its intention to launch, in December 2006, a $100 million rights offering that would allow each stockholder of record of its Class A and Class B common stock, as of the close of business on December 11, 2006, the record date set by Revlon's Board of Directors, to purchase additional shares of Revlon's Class A common stock. Revlon also announced that it expects to use approximately $50 million of the proceeds from such rights offering to redeem approximately $50 million in aggregate principal amount of RCPC's outstanding 8 5/8% Senior Subordinated Notes due 2008, with the remainder of such proceeds to be used to repay indebtedness outstanding under RCPC's Proposed 2006 Revolving Credit Facility, without any permanent reduction in that commitment, after paying fees and expenses incurred in connection with such offering. Revlon also announced that RCPC's existing $87.0 million line of credit from MacAndrews & Forbes, Revlon's parent company, will be amended to provide for the continuation of $50.0 million of the line of credit through January 31, 2008 on substantially the same terms.

**II. Information Provided to Prospective Lenders**

In connection with RCPC's launch of its proposed bank credit agreement refinancing, Revlon and RCPC are providing to prospective lenders, and for purposes of Regulation FD are disclosing to the public in this Current Report on Form 8-K, information about the sources and uses of, and the pro forma capitalization and certain financial ratios of Revlon and RCPC as of and for the last twelve months (‘‘LTM’’) ended September 30, 2006, after giving effect to (i) the Proposed 2006 Credit Facilities and (ii) Revlon's previously-announced $100 million rights offering that it plans to launch in December 2006 and the use of the proceeds from such rights offering as described above. The sources and uses information and pro forma capitalization and financial ratio information are attached as Exhibits 99.1 and 99.2 hereto, respectively, and are incorporated by reference herein.

The pro forma adjustments are based upon available information and certain assumptions that the Company's management believes are reasonable. The pro forma capitalization and financial ratio information is

for informational purposes only, does not purport to represent results of operations or the financial position that actually would have occurred had such transactions been consummated previously and has not been prepared in accordance with Regulation S-X. The pro forma information does not purport to project the results of operations for any future period.

In connection with RCPC's launch of its proposed bank credit agreement refinancing, Revlon and RCPC are also providing to prospective lenders, and for purposes of Regulation FD are disclosing to the public in this Current Report on Form 8-K, the following forward looking information, which was previously provided by Revlon in its November 7, 2006 earnings release, its September 25, 2006 press release and conference calls (which were open to the public) on September 25, 2006 and November 7, 2006:



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- The cost to discontinue the Vital Radiance brand is expected to negatively impact the Company's full year operating profitability by approximately $100 million, including the impact of approximately $92 million incurred through the first nine months of 2006, and the cost to discontinue the Vital Radiance brand is expected to impact Adjusted EBITDA for the full year 2006 by approximately $88 million, including the impact of $84 million incurred through the first nine months of 2006;
- For the full year 2006, the Company expects net sales of approximately $1,340 million, including the impact of Vital Radiance returns and allowances provisions taken during the year;
- Adjusted EBITDA for 2006 is expected to be approximately $75 million to $85 million after giving effect to the impact of approximately $27 million in restructuring and other charges taken during 2006 for both the February 2006 organizational realignment and September 2006 organizational streamlining, the expected full-year 2006 impact of approximately $88 million of charges related to Vital Radiance, and approximately $6 million of charges related to executive severance for a change in the Company's CEO in September 2006, which collectively are expected to negatively impact operating profitability for the year by an estimated $140 million and to negatively impact Adjusted EBITDA for 2006 by approximately $121 million;
- The Company expects Adjusted EBITDA of approximately $210 million in 2007;
- The Company's goal for longer-term net sales growth is in the mid-single-digit range, on average, over time; and
- The Company also expects to achieve significant improvement in profit margins over time, with 2007 expected to benefit meaningfully from restructuring actions taken in 2006.

The information provided above as well as certain of the pro forma capitalization and financial ratio information set forth in Exhibit 99.2 include references to Revlon's Adjusted EBITDA, which is a non-GAAP measure. Adjusted EBITDA is a non-GAAP financial measure that is reconciled to net income/(loss), its most directly comparable GAAP measure, in the financial tables accompanying the pro forma information. Adjusted EBITDA is defined as net earnings before interest, taxes, depreciation, amortization, gains/losses on foreign currency transactions, gains/losses on the sale of assets, gains/losses on the early extinguishment of debt and miscellaneous expenses. In calculating Adjusted EBITDA, the Company excludes the effects of gains/losses on foreign currency transactions, gains/losses on the sale of assets, gains/losses on the early extinguishment of debt and miscellaneous expenses because the Company's management believes that some of these items may not occur in certain periods, the amounts recognized can vary significantly from period to period and these items do not facilitate an understanding of the Company's operating performance.

The Company's management utilizes Adjusted EBITDA as an operating performance measure in conjunction with GAAP measures, such as net income and gross margin calculated in accordance with GAAP. The Company's management uses Adjusted EBITDA as an integral part of its reporting and planning processes and as one of the primary measures to, among other things --

(i) monitor and evaluate the performance of the Company's business operations;

(ii) facilitate management's internal comparisons of the Company's historical operating performance of its business operations;

(iii) facilitate management's external comparisons of the results of its overall business to the historical operating performance of other companies that may have different capital structures and debt levels;

(iv) review and assess the operating performance of the Company's management team and as a measure in evaluating employee compensation and bonuses;

(v) analyze and evaluate financial and strategic planning decisions regarding future operating investments; and

(vi) plan for and prepare future annual operating budgets and determine appropriate levels of operating investments.



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The Company's management believes that Adjusted EBITDA is useful to investors to provide them with disclosures of the Company's operating results on the same basis as that used by the Company's management. Additionally, the Company's management believes that Adjusted EBITDA provides useful information to investors about the performance of the Company's overall business because such measure eliminates the effects of unusual or other infrequent charges that are not directly attributable to the Company's underlying operating performance.

Additionally, the Company's management believes that because it has historically provided Adjusted EBITDA in press releases and other disclosures, including such non-GAAP measure provides consistency in its financial reporting and continuity to investors for comparability purposes. Accordingly, the Company believes that the presentation of Adjusted EBITDA, when used in conjunction with GAAP financial measures, is a useful financial analysis tool, used by the Company's management as described above, that can assist investors in assessing the Company's financial condition, operating performance and underlying strength. Adjusted EBITDA should not be considered in isolation or as a substitute for net income/(loss) prepared in accordance with GAAP. Other companies may define EBITDA differently. Also, while EBITDA is defined differently than Adjusted EBITDA for RCPC's credit agreement, certain financial covenants in its borrowing arrangements are tied to similar measures. Adjusted EBITDA, as well as the other information in this Current Report on Form 8-K, should

be read in conjunction with the Company's financial statements and footnotes contained in the documents that the Company files with the Securities and Exchange Commission (the ''SEC'').

The information provided above as well as in Exhibits 99.1 and 99.2 should be read in conjunction with ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' and the Company's historical consolidated financial statements and the accompanying notes thereto appearing in the Company's Form 10-Q for the quarter ended September 30, 2006, filed with the SEC on November 7, 2006, and the Company's Annual Report on Form 10-K for the year ended December 31, 2005, filed with the SEC on March 2, 2006.

**III. Proposed 2006 Credit Facilities**

Citigroup Global Markets Inc. has agreed to act as Sole Lead Arranger and Sole Bookrunner, with Citicorp USA, Inc. acting as Administrative Agent, on the Proposed 2006 Term Loan Facility and Proposed 2006 Revolving Credit Facility. JPMorgan Chase Bank, N.A. has agreed to act as Syndication Agent on the Proposed 2006 Term Loan Facility. The Proposed 2006 Credit Facilities are expected to close and fund in late December 2006. Consummation of the Proposed 2006 Credit Facilities transactions is subject to a number of customary conditions, including, among other things, the execution of definitive documentation, perfection of security interests in collateral and that Revlon launch a rights offering for at least $100 million in equity securities (although the Proposed 2006 Credit Facilities are not conditioned upon the consummation of such rights offering).

The summary of the terms of the Proposed 2006 Term Loan Facility and the summary of the Proposed 2006 Revolving Credit Facility are attached as Exhibits 99.3 and 99.4 hereto and are incorporated by reference herein.

In accordance with General Instruction B.2 to the Form 8-K, the information under this Item 7.01, including, without limitation, the exhibits incorporated by reference into this Item 7.01, shall be deemed to be ''furnished'' to the SEC and not be deemed to be ''filed'' with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section.

Forward-Looking Statements

Statements in this Current Report on Form 8-K which are not historical facts, including statements about plans, strategies, beliefs and expectations of the Company, are forward-looking and subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 statement, whether as a result of new information, future events



or otherwise. In particular, the Company does not generally publish its strategic plans or make external projections of its anticipated financial position or results of operations or the type of forward-looking information included in this Current Report on Form 8-K, including projections or estimates of growth opportunities, Adjusted EBITDA and net sales. Accordingly, except for the Company's ongoing obligations under the U.S. federal securities laws, the Company does not intend to update or otherwise revise the forward-looking information to reflect actual results of operations, changes in financial condition, changes in estimates, expectations or assumptions or other circumstances arising and/or existing since the preparation of this Current Report on Form 8-K or to reflect the occurrence of any unanticipated events. Further, the Company does not intend to update or revise the forward-looking information to reflect changes in general economic, industry or cosmetics category conditions. Such forward-looking statements include, without limitation, the Company's expectations, plans and/or beliefs: (i) concerning RCPC's plans to refinance its existing bank credit agreement, the terms thereof as well as the nature, scope and benefits of the terms of such refinancing and timing thereof and the expected use of proceeds, and Revlon's plans to conduct the proposed rights offering and to use approximately $50 million of the proceeds from such offering to redeem approximately $50 million of RCPC's outstanding 8 5/8% Senior Subordinated Notes, with the remainder of such proceeds to be used to repay indebtedness outstanding under the Proposed 2006 Revolving Credit Facility, without any permanent reduction in that commitment, after paying fees and expenses incurred in connection with such offering and (ii) concerning its future growth, net sales, profitability, cash flow and financial performance, including that 2006 net sales will be approximately $1,340 million; that 2006 Adjusted EBITDA will be approximately $75 million to $85 million, after giving effect to approximately $27 million in restructuring and other charges taken during 2006 in connection with organizational realignments, the Vital Radiance discontinuance, which is expected to negatively impact 2006 Adjusted EBITDA by approximately $88 million and approximately $6 million related to executive severance for a change in the Company's CEO in September 2006, which collectively are expected to negatively impact 2006 operating profitability by an estimated $140 million (including approximately $100 million due to the Vital Radiance discontinuance), and Adjusted EBITDA for the year by approximately $121 million; that the Company expects to achieve Adjusted EBITDA of approximately $210 million in 2007; that the Company's goal is to achieve net sales growth in the mid-single-digit range, on average over time; and that the Company expects to achieve significant improvement in profit margins over time, with 2007 expected to benefit meaningfully from restructuring actions taken in 2006. While the Company believes that its estimates and assumptions are reasonable, it cautions that it is very difficult to predict the impact of known factors, and, of course, it is impossible for it to anticipate all factors that could affect the Company's actual results. Actual results may differ materially from such forward-looking statements for a number of reasons, including those set forth in the Company's filings with the SEC, including the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC during 2006 (which may be viewed on the SEC's website at http://www.sec.gov or on Revlon, Inc.'s website at http://www.revloninc.com), as well as difficulties, delays, unexpected costs or the inability of (A) RCPC to refinance its existing bank credit agreement and/or unexpected changes in the nature, scope and benefits of the terms of such refinancing and/or timing thereof and unexpected changes in the use of proceeds, (B) Revlon to consummate, in whole or in part, the proposed rights offering and/or to use approximately $50 million of the proceeds from such offering to redeem approximately $50 million of RCPC's outstanding 8 5/8% Senior Subordinated Notes and/or to repay indebtedness outstanding under the Proposed 2006 Revolving Credit Facility, without any permanent reduction in that commitment, after paying fees and expenses incurred in connection with such offering, (C) the Company to achieve its future growth, net sales, profitability, cash flow and financial performance objectives, including less than anticipated net sales or Adjusted EBITDA, including, without limitation, 2006 net sales being less than approximately $1,340 million, 2006 Adjusted EBITDA being less than approximately $75 million to $85 million and/or 2007 Adjusted EBITDA being less than approximately $210 million, such as due to less than anticipated results from the Company's brands, less than expected effectiveness of marketing programs, lower than anticipated revenues or more than anticipated returns, less than anticipated shipments, higher than expected expenses, less than anticipated retail customer or consumer

acceptance of the Company's new products, including under the Revlon brand, decreased sales of the Company's existing products as a result of new products, actions by the Company's retail customers impacting the Company's financial performance, including in response to weakness in the category or retailer inventory management, changes in consumer preferences, such as reduced consumer demand for the Company's color cosmetics and other current products, changes in consumer purchasing habits, including with respect to shopping channels, changes in the competitive environment and actions by the Company's competitors, including business combinations, technological breakthroughs, new products offerings, promotional spending and marketing and promotional successes; and (D) fully implement its February 2006 organizational realignment and/or its September 2006 organizational streamlining or higher than anticipated restructuring and related costs, changes in the timing of such costs, less than anticipated benefits or lower than expected savings in connection with such programs. Factors other than those listed above could also cause the Company's results to differ materially from expected results. The information available from time to time on any websites referred to in this Current Report on Form 8-K shall not be deemed incorporated by reference into this Current Report on Form 8-K.

**Item 5.02 Appointment of Certain Officers.**

Effective November 28, 2006, Alan T. Ennis, currently the Senior Vice President, Corporate Controller and Chief Accounting Officer of Revlon and RCPC, was elected as Revlon's and RCPC's Executive Vice President, Chief Financial Officer, Corporate Controller and Chief Accounting Officer.

Prior to his election as Revlon's and RCPC's Executive Vice President, Chief Financial Officer, Corporate Controller and Chief Accounting Officer, Mr. Ennis (36) had served as Revlon's and RCPC's Senior Vice President, Corporate Controller and Chief Accounting Officer since September 2006 and as Revlon's and RCPC's Senior Vice President, Internal Audit since March 2005. From 1997 through 2005, Mr. Ennis held several senior financial positions with Ingersoll-Rand Company Limited, a NYSE listed company, where his duties included regional responsibility for Internal Audit in Europe and global responsibility for financial planning and analysis. Mr. Ennis began his career in 1991 with Arthur Andersen in Ireland. Mr. Ennis is a Chartered Accountant and member of the Institute of Chartered Accountants in Ireland, has a Bachelor of Commerce degree from University College, Dublin, Ireland, and has a Master of Business Administration degree from the Leonard N. Stern School of Business at New York University, New York.

Mr. Ennis does not have any family relationships with any of Revlon's or RCPC's directors or executive officers and is not a party to any transactions listed in Item 404(a) of Regulation S-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 99.1 | Sources and Uses Information. |
| 99.2 | Pro Forma Capitalization and Financial Ratio Information. |
| 99.3 | Summary of Terms of Proposed 2006 Term Loan Facility. |
| 99.4 | Summary of Proposed 2006 Revolving Credit Facility. |



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SIGNATURE

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

REVLON, INC.

By: /s/ Robert K. Kretzman
Robert K. Kretzman
Executive Vice President, Chief Legal Officer
and General Counsel

Date: November 30, 2006



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EXHIBIT INDEX

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|---|---|
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**EXHIBIT 99.1**

## SOURCES AND USES

The table below illustrates the sources and uses for the Proposed 2006 Term Loan Facility and the planned $100 million rights offering:

### SOURCES AND USES OF FUNDS: PRO FORMA AS OF September 30, 2006
(Dollars in Millions)

| Sources | $ | % of Total | Uses | $ | % of Total |
|---|---|---|---|---|---|
| New Term Loan B | $ 840.0 | 89.4% | Term Loan Repayment | $ 800.0 | 85.1% |
| | | | Revolver Repayment | 50.7 | 5.4 |
| | | | 8 5/8% Sr. Sub. Note Repayment | 50.0 | 5.3 |
| Rights Offering | 100.0 | 10.6 | Accrued Interest(1) | 11.2 | 1.2 |
| | | | Fees and Expenses | 8.8 | 0.9 |
| | | | Prepayment Fee | 8.0 | 0.8 |
| | | | Cash to Balance Sheet | 11.3 | 1.2 |
| **Total Sources** | **$ 940.0** | **100.0%** | **Total Uses** | **$ 940.0** | **100.0%** |

(1) Represents accrued interest as of September 30, 2006 on the existing Term Loan ($10.5 million) and 8 5/8% Senior Subordinated Notes repayment amount of $50 million ($0.7 million).

## PRO FORMA CAPITALIZATION

The following table sets forth the capitalization of Revlon, Inc. on a pro forma basis after giving effect to the transactions (including both the Proposed 2006 Credit Facilities and the planned $100 million rights offering):

### PRO FORMA CAPITALIZATION AS OF SEPTEMBER 30, 2006
(Dollars in Millions)

| Pro Forma Capitalization | As Reported | Adjustments | Pro Forma |
|---|---|---|---|
| Cash | $ 24 | $ 11 | $ 35 |
| Existing Term Loan | $ 800 | (800) | — |
| Revolver Facility | 51 | (51) | — |
| New Term Loan Facility | — | 840 | 840 |
| Short-Term Borrowings | 10 | — | 10 |
| **Total Senior Secured Debt** | **$ 861** | **($11)** | **$ 850** |
| 9½% Senior Notes Due 2011 | 387 | — | 387 |
| **Total Senior Debt** | **$ 1,248** | **($11)** | **$ 1,237** |
| 8 5/8% Senior Sub. Notes Due 2008 | 217 | (50) | 167 |
| **Total Debt** | **$ 1,465** | **($61)** | **$ 1,404** |
| Stockholders' Deficiency | (1,225) | 68 | (1,157) |
| **Total Capitalization** | **$ 240** | **$ 7** | **$ 247** |
| LTM 9/30/06 Adjusted EBITDA(1) | $ 97 | | $ 97 |
| LTM 9/30/06 EBITDA (Per Credit Agreement)(2)(3) | 200 | | 200 |
| LTM 9/30/06 Cash Interest Expense | 135 | | 110 |
| Senior Secured Debt / LTM 9/30/06 EBITDA(3)(4) | 4.3x | | 4.3x |
| Senior Debt / LTM 9/30/06 EBITDA(3) | 6.2 | | 6.2 |
| Total Debt / LTM 9/30/06 EBITDA(3) | 7.3 | | 7.0 |
| LTM 9/30/06 EBITDA / Interest Expense(3) | 1.5 | | 1.8 |

(1) Adjusted EBITDA is a non-GAAP measure — see definition of Adjusted EBITDA under ‘‘Information Provided to Prospective Lenders’’ in this Current Report on Form 8-K. See attached reconciliations of Adjusted EBITDA to net income / (loss), its most directly comparable GAAP measure. EBITDA is defined differently under the credit agreement. ‘‘LTM’’ means last twelve months.

(2) See below for a reconciliation of Revlon, Inc.'s Adjusted EBITDA to RCPC's EBITDA as defined under the credit agreement.

(3) Reflects RCPC's EBITDA as defined under the credit agreement.

(4) The Pro Forma senior secured debt calculation excludes Revolver borrowings.



## REVLON, INC. AND SUBSIDIARIES
## UNAUDITED ADJUSTED EBITDA RECONCILIATION(1)

(Dollars in millions)

| | LTM Ended Sept 30, 2006A (Unaudited) |
|---|---|
| **Reconciliation to net income (loss):** | |
| Net loss | ($181.5) |
| Interest expense, net | 142.7 |
| Amortization of debt issuance costs | 7.4 |
| Foreign currency losses (gains), net | 0.5 |
| Loss on early extinguishment of debt | 0.4 |
| Miscellaneous, net | (1.5) |
| Provision for income taxes | 11.3 |
| Depreciation and amortization | 117.5 |
| Adjusted EBITDA – Revlon, Inc. | 96.8 |
| Selling, general and administrative expenses | 8.0 |
| Interest income | (0.4) |
| Provision for income taxes | 0.3 |
| Adjusted EBITDA – RCPC | $ 104.7 |

(1) Adjusted EBITDA is a non-GAAP measure. See definition of Adjusted EBITDA under ‘‘Information Provided to Prospective Lenders’’ in this Current Report on Form 8-K. EBITDA is defined differently under the credit agreement.

### Reconciliation to Credit Agreement EBITDA
(Dollars in Millions)

| | LTM 9/30/06 |
|---|---|
| Revlon, Inc. Adjusted EBITDA(1) | $ 97 |
| Public Co. Expenses | 8 |
| Vital Radiance Charges | 47 |
| Almay 2005 Returns | 15 |
| Restructuring Charges | 23 |
| Executive Severance Charges | 6 |
| Non-Cash Charges | 1 |
| Misc. – Other | 3 |
| RCPC EBITDA per Credit Agreement | $ 200 |

(1) Adjusted EBITDA is a non-GAAP measure. See definition of Adjusted EBITDA under ‘‘Information Provided to Prospective Lenders’’ in this Current Report on Form 8-K. EBITDA is defined differently under the credit agreement.

**EXHIBIT 99.3**

**Summary of Terms of Proposed 2006 Term Loan Facility**

**REVLON CONSUMER PRODUCTS CORPORATION**
**$840,000,000 SENIOR SECURED TERM LOAN FACILITY**
**SUMMARY OF TERMS AND CONDITIONS**

This term sheet is for discussion purposes only and does not constitute a commitment to lend or to syndicate a financing or an agreement to prepare, negotiate, execute or deliver such a commitment.

## I. AMOUNT AND TERMS OF THE TERM LOAN FACILITY.

| | |
|---|---|
| **Borrower:** | Revlon Consumer Products Corporation (the ‘‘*Company*’’). |
| **Sole Lead Arranger and Bookrunner:** | Citigroup Global Markets Inc. (in such capacity, the ‘‘*Arranger*’’). |
| **Administrative Agent:** | Citicorp USA, Inc. (‘‘*CUSA*’’ and, in such capacity, the ‘‘*Administrative Agent*’’). |
| **Collateral Agent:** | CUSA (in such capacity, the ‘‘*Collateral Agent*’’ and, together with the Administrative Agent, the ‘‘*Agents*’’). |
| **Syndication Agent:** | JPMorgan Chase Bank, N.A. |
| **Documentation Agent:** | One or more institutions to be named by the Company in consultation with, and reasonably acceptable to, the Arranger. |
| **Lenders:** | A syndicate of banks, financial institutions and other entities arranged by the Arranger and approved by the Company, which approval shall not be unreasonably withheld (collectively, the ‘‘*Lenders*’’). |
| **Type and Amount Of Facility:** | A term loan facility (the ‘‘*Term Loan Facility*’’), in an aggregate amount of $840,000,000 (the loans thereunder, the ‘‘*Term Loans*’’). |
| **Amortization:** | The Term Loans shall be repayable in equal quarterly installments in aggregate annual amounts equal to 1.00% of the original principal amount, commencing on April 15, 2008, with the balance due on the Stated Termination Date. |
| **Availability:** | The Term Loans will be made by the Lenders in a single drawing on the Closing Date. |
| **Purpose:** | The proceeds of the Term Loans shall be used to refinance the term loans under the Company’s Credit Agreement, dated as of July 9, 2004, as amended (the ‘‘*Existing Credit Agreement*’’), to pay costs and expenses in connection therewith and for general corporate purposes of the Company and its subsidiaries. |
| **Maturity:** | January 15, 2012 (the ‘‘*Stated Termination Date*’’). |



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|---|---|
| **Term Facility Increase:** | The Company shall have the right to request one or more additional tranches of term loans in an aggregate principal amount for all such additional tranches not to exceed $200,000,000 (each, a ‘‘*Term Facility Increase*’’), without the consent of any Lender, subject to pro forma compliance with the senior secured leverage ratio covenant described under ‘‘Financial Covenant’’ and such other conditions to be agreed. Each Term Facility Increase shall permit, without the consent of any Lender, (i) the interest rates applicable to any loans thereunder to be greater than the Applicable Margin under the Term Loan Facility by up to 0.50% and (ii) the maturity date of the loans thereunder to be the same as the Stated Termination Date or later than the Stated Termination Date by up to six months. Each Term Facility Increase shall include other provisions consistent with the Term Loan Facility. |

## II. CERTAIN PAYMENT PROVISIONS.

| | |
|---|---|
| **Fees and Interest Rate:** | As set forth on *Annex A*. |
| **Optional Prepayments:** | Term Loans may be prepaid by the Company, upon payment of any Prepayment Fee (as defined below) owing at the time of such prepayment, but otherwise without premium or penalty, in minimum amounts of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Optional prepayments of the Term Loans shall be applied to the installments thereof in the direct order of maturity and may not be reborrowed. Any prepayment of the Term Loans in whole upon the refinancing thereof (whether with proceeds of equity or indebtedness) shall be deemed to be an optional prepayment. |
| **Mandatory Prepayments:** | The following amounts shall be applied to prepay the Term Loans (together with any Prepayment Fee, if applicable) as set forth below:<br><br>(a) 100% of the net proceeds of any sale, lease or other disposition (including as a result of casualty or condemnation) by the Company or any of its subsidiaries |

of any assets constituting Term Loan Collateral, subject to customary exceptions and baskets to be mutually agreed;

(b) 100% of the net proceeds of any indebtedness for borrowed money incurred after the Closing Date by the Parent, the Company or any of the subsidiaries of the Company, subject to customary exceptions and baskets to be mutually agreed; and

(c) 50% (subject to stepdowns to be agreed) of annual excess cash flow (to be defined in the Operative Documents).



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Each such prepayment of the Term Loans shall be applied to the installments thereof in the direct order of maturity and may thereafter not be reborrowed.

**III. <u>GUARANTEES AND COLLATERAL</u>.**

The obligations of the Company in respect of the Term Loan Facility will benefit from guarantees from each of (i) the Parent and (ii) each domestic subsidiary of the Company and its domestic subsidiaries (other than certain non-material excluded subsidiaries) (collectively, the ''*Guarantors*'' and, together with the Company, the ''*Loan Parties*'').

The obligations of each Loan Party in respect of the Term Loan Facility shall be secured by a perfected security interest in (i) substantially all of the tangible and intangible assets of the Company and its domestic subsidiaries (including, without limitation, accounts, inventory, equipment, intellectual property and other general intangibles, material owned real property, deposit accounts, instruments, chattel paper and investment property, including all of the capital stock of the direct and indirect domestic subsidiaries and 66% of the voting capital stock and 100% of all non-voting stock of direct foreign subsidiaries of the Company or any Guarantor, but excluding 34% of the voting capital stock of such foreign subsidiaries, leased real property and certain other non-material assets to be agreed) and (ii) all of the capital stock of the Company (collectively, the ''*Collateral*'').

Such security interests will have the following priority:

(a) first priority, if such security interests attach to Collateral consisting of (i) trademarks, trade names, patents, licenses with respect thereto and goodwill associated therewith, (ii) capital stock of the Company and its subsidiaries and (iii) any other Collateral other than assets constituting Revolving Facility Collateral (as defined below) (collectively, the ''*Term Loan Collateral*''); and

(b) second priority (junior only to the security interests securing obligations in respect of the Company's $160,000,000 Senior Secured Revolving Credit Facility (the ''*Revolving Credit Facility*'')), if such security interests attach to Collateral consisting of (i) accounts, inventory, equipment, chattel paper, documents, instruments, deposit accounts, real estate and investment property (excluding any capital stock of the Company or any of its subsidiaries), (ii) any general intangibles (other than trademarks, trade names, patents, licenses with respect thereto and goodwill associated therewith), supporting obligations and



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proceeds, in each case relating to any of the Collateral identified in *clause (i)* above and (iii) any real property (the ''*Revolving Facility Collateral*'').

The lenders under the Revolving Credit Facility will have a second priority security interest in the Term Loan Collateral. Such security interests having second priority shall be subordinated through an intercreditor agreement satisfactory to the Administrative Agent and the administrative agent under the Revolving Credit Facility (the ''*Revolving Facility Administrative Agent*''). Such intercreditor agreement will also provide that each Lender and each lender under the Revolving Credit Facility (the ''*Revolving Facility Lenders*'') share ratably with the other Lenders or Revolving Facility Lenders, as the case may be, any amounts received by it in respect of any collateral security provided in its favor.

Provisions will be made to permit the Company to secure Eligible Obligations (as defined below) of the Company and its subsidiaries with local assets (other than intellectual property) and/or to designate such Eligible Obligations to share in some or all of the Collateral, on a pari passu basis with the Term Loan Facility or the Revolving Credit Facility,

as designated by the Company to the Administrative Agent and the Revolving Facility Administrative Agent.

''*Eligible Obligations*'' shall mean (i) working capital indebtedness in an aggregate principal amount outstanding not to exceed $30,000,000 at any time, and any refinancing or replacement of any such working capital indebtedness (including any such working capital indebtedness owing to Citigroup or any of its affiliates and guaranteed by the Company), (ii) foreign exchange obligations and interest rate hedging obligations set forth on a schedule and outstanding on the Closing Date, (iii) foreign exchange obligations and interest rate hedging obligations provided by Lenders or Revolving Facility Lenders, any affiliate of a Lender or Revolving Facility Lender or any other entity reasonably acceptable to the Administrative Agent or the Revolving Facility Administrative Agent, as applicable, after the Closing Date, in each case to the extent such obligations are permitted under the Operative Documents and the operative documents for the Revolving Credit Facility, and (iv) overdrafts and related liabilities owing to any Lenders or Revolving Facility Lenders, any affiliate of a Lender or Revolving Facility Lender or any other entity reasonably acceptable to the Administrative Agent or the Revolving Facility Administrative Agent, as applicable, arising from treasury, depository and cash management services and in connection with Automated Clearinghouse transfers of funds.



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**IV. CERTAIN CONDITIONS.**

**Initial Conditions:**

The availability of the Term Loan Facility shall be conditioned upon satisfaction of, among other things, the following conditions precedent (the date upon which all such conditions shall be satisfied, the ''*Closing Date*''):

(a) Each Loan Party shall have executed and delivered satisfactory definitive financing documentation with respect to the Term Loan Facility (the ''*Operative Documents*'').

(b) The Administrative Agent shall have received reasonably satisfactory evidence that (i) the term loans under the Existing Credit Agreement shall concurrently be repaid in full, and the Existing Credit Agreement shall have been amended on terms reasonably satisfactory to the Administrative Agent to permit the transactions contemplated hereby and (ii) the Parent shall have commenced an equity offering of its Class A Common Stock with gross cash proceeds of at least $100,000,000, such as mailing a prospectus supplement if such equity issuance is conducted pursuant to a rights offering.

(c) The Lenders, the Agents and the Arranger shall have received all fees required to be paid, and all expenses for which invoices have been presented, on or before the Closing Date.

(d) All governmental and third party approvals necessary or advisable in connection with the financing contemplated hereby shall have been obtained and be in full force and effect.

(e) The Company shall have delivered (i) audited consolidated financial statements of the Company for the three most recent fiscal years ended prior to the Closing Date as to which such financial statements are available, (ii) unaudited interim consolidated financial statements of the Company for the most recent quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to *clause (i)* of this paragraph as to which such financial statements are available and (iii) the Company's five year business plan, which shall include a financial forecast on a quarterly basis for the first twelve months after the Closing Date and on an annual basis thereafter, prepared by the Company's management.

(f) The Administrative Agent shall have received the results of a recent Uniform Commercial Code lien search in each relevant jurisdiction with respect to the Company and each Guarantor, and such search shall reveal no liens on any of the assets of the Company or such Guarantor except for liens permitted by the Operative Documents or liens to be discharged on or



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prior to the Closing Date pursuant to documentation reasonably satisfactory to the Administrative Agent.

(g) The Collateral Agent shall have a valid and perfected lien on and security interest in the Collateral, having the priorities referred to above under ‘‘*Guarantees and Collateral*’’, and all filings and recordations necessary or desirable in connection with such liens and security interests shall have been duly made, with such exceptions acceptable to the Administrative Agent.

(h) The Administrative Agent shall have received a reasonably satisfactory solvency certificate from the principal financial officer of the Company that shall document the solvency of the Company and its subsidiaries, taken as a whole, after giving effect to the transactions contemplated hereby.

(i) The Administrative Agent shall have received legal opinions from (i) counsel to the Company and its subsidiaries and (ii) such special and local counsel as may be reasonably requested by the Administrative Agent, and such other documents and certificates as are customary for transactions of this type.

(j) The Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information required by bank regulatory authorities under applicable ‘‘know your customer’’ and anti-money laundering rules and regulations, including without limitation the Patriot Act.

(k) The Administrative Agent shall have received ratings of the Term Loan Facility from Standard & Poor’s Ratings Services and Moody’s Investors Service, Inc.

(l) The accuracy of all representations and warranties in the Operative Documents in all material respects (except for those relating to a particular date, in which case such representations and warranties shall be true and correct in all material respects as of such date).

(m) There being no default or event of default in existence at the time of, or after giving effect to the making of, the Term Loans.

## V. <u>CERTAIN REPRESENTATIONS AND WARRANTIES</u>.

**Representations and Warranties:**

The Operative Documents shall contain representations and warranties customary for financings of this type, including without limitation, those described below (which shall be subject to exceptions and materiality qualifications to be mutually agreed upon):

Financial statements (including pro forma financial statements); absence of undisclosed liabilities; no material adverse change; corporate existence; compliance with law; corporate power and authority; enforceability of Operative



Documents; no conflict with law or contractual obligations; no material litigation; no default; ownership of property (including without limitation, location and ownership of material assets); liens; intellectual property; no burdensome restrictions; taxes; Federal Reserve regulations; ERISA; Investment Company Act and PUHCA; subsidiaries (including without limitation, subsidiary organization and structure); environmental matters; solvency; labor matters; accuracy of disclosure; creation and perfection of security interests; the Term Loan Facility as ‘‘Senior Debt’’ under the indenture for the 8-5/8% Senior Subordinated Notes due 2008 issued by the Company (the ‘‘*8-5/8% Senior Subordinated Notes*’’); Regulation H; affiliate obligations and indebtedness; and insurance.

## VI. <u>CERTAIN COVENANTS AND EVENTS OF DEFAULT</u>.

The Operative Documents will include affirmative and negative covenants and events of default applicable to the Company and its subsidiaries which are customary for financings of this type, including without limitation, those described below and others to be mutually agreed upon (subject, in each case, to exceptions and baskets to be mutually agreed upon):

**Affirmative Covenants:**

Delivery of financial statements, reports, financial models, projections, officers’ certificates and other information reasonably requested by the Lenders; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws and material contractual obligations; maintenance of property and insurance; maintenance of books and records; right of the Lenders to inspect property and books and records; notices of defaults, litigation and other material events; maintenance of independent corporate identity; compliance with environmental laws; and agreement to grant security

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| | interests in after-acquired property and to provide guarantees from after-acquired subsidiaries. |
| **Negative Covenants:** | Limitations on: indebtedness (including guarantee obligations); liens (including, without limitation, liens on international registrations of intellectual property); mergers, consolidations, liquidations and dissolutions; sales and transfers of assets; capital leases; dividends and other restricted payments (including, without limitation, prepayments of certain affiliate subordinated indebtedness, and subject to exceptions and baskets to be mutually agreed upon); investments, loans and advances (with permitted acquisitions to be agreed upon); optional payments of certain subordinated and other debt instruments; modifications of certain subordinated and other debt instruments; transactions with affiliates; hazardous materials; accounting changes; negative pledge |



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| | clauses; restrictions on subsidiary distributions; amendment of certain material contractual obligations; interest rate swaps, currency swaps and other debt equivalents; and other designated obligations. |
| **Financial Covenant:** | The Operative Documents will contain a maximum senior secured leverage ratio covenant, to be measured on a rolling four quarter basis commencing with the fiscal quarter ending December 31, 2006 and initially set at 5.5:1, with a step-down to be agreed upon. |
| | The Company will have the right to cure financial covenant defaults (the ''*Cure Right*'') through the issuance of additional cure securities (to be defined) to the Parent or other equity capital contributions by the Parent to the Company, which amount will be added to EBITDA upon their contribution to the Company, subject to conditions to be agreed; *provided*, *however*, that the Company may not exercise the Cure Right more than 2 times in any 4 fiscal quarter period. |
| **Events of Default:** | Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period to be agreed upon; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period to be agreed upon); cross-default by the Parent or any of its subsidiaries; bankruptcy; certain ERISA events; material judgments; actual or asserted invalidity of any guarantee or security document or security interest; matters relating to subordinated indebtedness; additional subsidiaries of the Parent; operations of the Parent; and subordination of 8-5/8% Senior Subordinated Notes. |
| | The Operative Documents also shall contain defaults with respect to:<br>(a) failure to receive capital contributions (''*Equity Offering Contributions*'') in an amount equal to 100% of the net cash proceeds of any offering and sale by the Parent of any of its equity securities or any of the equity securities owned by it in the Company (excluding any proceeds used by it to repurchase, repay, defease or redeem indebtedness of the Company); and<br>(b) change of control such that (i) the Parent shall cease to beneficially own 100% of the capital stock of the Company, (ii) in the event that (A) Ronald O. Perelman (or his estate, heirs, executors, administrator or other personal representative) and his or their controlled affiliates shall cease to ''control'' the Company and (B) any other person (or group of persons) owns more than 35% of the voting power of the Parent, or (iii) during any period of two consecutive years, a majority of the directors of the |



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Company at the start of such period (or other directors nominated by at least 66-2/3% of such continuing directors) shall cease to be directors of the Company.

**VII. <u>CERTAIN OTHER TERMS</u>.**

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| **Assignments and Participations:** | The Lenders shall be permitted to assign and sell participations in their Term Loans, subject in the case of assignments to the consent of the Administrative Agent (except for assignments to a Lender or an affiliate of a Lender) and the Company (except for assignments to existing Lenders and Lender affiliates and assignments during the existence of any Event of Default), which consent in each case shall not be unreasonably withheld. In the case of partial assignments (other than to another Lender or to an affiliate of a Lender), the minimum |

assignment amount shall be $1,000,000, unless otherwise agreed by the Company and the Administrative Agent. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to certain matters with respect to which the affirmative vote of the Lender from which it purchased its participation would be required as described under ''*Voting*'' below. Pledges of Term Loans in accordance with applicable law shall be permitted without restriction.

**Voting:** Amendments and waivers with respect to the Operative Documents shall require the approval of Lenders holding more than 50% of the Term Loans then outstanding (the ''*Required Lenders*''), except for provisions customarily requiring approval by affected Lenders.

If any of the matters requiring approval by affected Lenders is consented to by the Required Lenders, the Company shall have the right to substitute any non-consenting Lender by having its Term Loans assigned, with any Prepayment Fee applicable to optional prepayments, to one or more other Lenders.

**Yield Protection:** The Operative Documents shall contain customary provisions (a) protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and from the imposition of or changes in withholding or other taxes and (b) indemnifying the Lenders for ''breakage costs'' incurred in connection with, among other things, any prepayment of a Eurodollar Loan (as defined in Annex A) on a day other than the last day of an interest period with respect thereto.

**Expenses and Indemnification:** The Company shall pay (a) all reasonable out-of-pocket costs and expenses of the Agents and the Arranger associated with the syndication of the Term Loan Facility



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and the preparation, execution, delivery and administration of the Operative Documents and any amendment or waiver with respect thereto (including the reasonable and documented fees, disbursements and other charges of a single primary counsel to the Agents and the Arranger and any special counsel and local counsel to the Agents and the Arranger) and (b) all reasonable costs and expenses (including the reasonable fees, disbursements and other charges of counsel) of the Agents and each of the Lenders in connection with the enforcement of the Operative Documents.

The Agents, the Arranger and the Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof, except to the extent they are found by a final, non-appealable judgment of a court to arise from the gross negligence or willful misconduct of the indemnified party.

**Governing Law and Forum:** State of New York.

**Counsel to the Administrative Agent and the Arranger:** Weil, Gotshal & Manges LLP.



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**Annex A**

**INTEREST AND CERTAIN FEES**

**Interest Rate Options:** The Company may elect that the Term Loans comprising each borrowing bear interest at a rate per annum equal to (i) the ABR plus the Applicable Margin or (ii) the Eurodollar Rate plus the Applicable Margin.

As used herein:

''*ABR*'' means the higher of (i) the rate of interest publicly announced by Citibank, N.A. as its prime rate in effect at its principal office in New York City (the ''*Prime Rate*'') and (ii) the federal funds effective rate from time to time *plus* 0.5%.

''*Applicable Margin*'' means (i) 2.50% in the case of ABR Loans and (ii) 3.50% in the case of Eurodollar Loans.

''*Eurodollar Rate*'' means the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits for a period equal to one, two, three, six, or, if available to all applicable Lenders, nine or twelve months

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| | (as selected by the Company) appearing on Page 3750 of the Telerate screen. |
| **Interest Payment Dates:** | In the case of Term Loans bearing interest based upon the ABR (‘‘*ABR Loans*’’), quarterly in arrears.<br><br>In the case of Term Loans bearing interest based upon the Eurodollar Rate (‘‘*Eurodollar Loans*’’), on the last day of each relevant interest period and, in the case of any interest period longer than three months, on the last day of each fiscal quarter during such interest period. |
| **Default Rate:** | During the continuance of any payment or bankruptcy event of default (as defined in the Operative Documents), Term Loans will bear interest at an additional 2% *per annum*. |
| **Rate and Fee Basis:** | All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest rate payable on which is then based on the Prime Rate) for actual days elapsed. |
| **Prepayment Fee:** | All optional prepayments of the Term Loans, and all mandatory prepayments of the Term Loans (except mandatory prepayments required by *clause (c*) under ‘‘*Mandatory Prepayments*’’ above), shall be accompanied by a prepayment fee equal to (a) if such prepayment is made on or prior to the first anniversary of the Closing Date, 3% of the amount of the principal prepaid, (b) if such prepayment is made after the first anniversary of the Closing Date and on or prior to the second anniversary of the Closing Date, 2% of the amount of the principal prepaid, and (c) if such prepayment is made after the second anniversary of the Closing Date and on or prior to the third anniversary of the Closing Date, 1% of the amount of the principal prepaid (each a ‘‘*Prepayment Fee*’’). |

**EXHIBIT 99.4**

**Summary of Proposed 2006 Revolving Credit Facility**

1. The Proposed 2006 Revolving Credit Facility would include the following terms, among other things:

   (a) Extend maturity to January 15, 2012;

   (b) $160 million multi-currency revolving credit facility;

   (c) Reduce the drawn pricing from L+250 bps to L+200 bps and reduce unused commitment fee from 0.50% to 0.30%;

   (d) Modify the definition of Liquidity Event Period by deleting $30,000,000 and replacing it with $20,000,000;

   (e) Modify certain of the negative covenants;

   (f) Modify definition of Permitted Acquisitions; and

   (g) Remove the Senior Secured Leverage Covenant.

2. No change to the collateral package.